



掌握契機 造新勢 創新局  
Shaping the New Models



台北遠東 設計中心  
Taipai Far Eastern Telecom Park

Property Development

Production Business



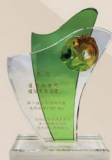
Retail



Telecommunications



Cement



Corporate Governance  
TOP 5%



GCSA  
Best Practice Award  
World Class  
Outstanding Practice



HR Asia  
Best Companies  
To Work For In Asia

Focusing on Sustainable Development Goals



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## I. Letter to Shareholders

Dear Shareholders,

The year 2021 was a tumultuous year for the global economy and international trade straining by challenges on all fronts, including ever-changing variants of Covid-19, increasing inflationary pressures, the impacts of climate change, supply chain tensions, geopolitical risks and skyrocketing energy and commodity prices. Fearless of the capricious nature of our times, Far Eastern New Century Corporation (FENC), which has remained on a stable footing under its overarching principles of sincerity, diligence, thrift, prudence and innovation over the past 73 years, has managed to nimbly adjust in the face of adversity and has again delivered good results.

Following on the heels of the twists and turns of 2021, the year of 2022 isn't short of major challenges. The pandemic still lingers, and the economic outlook is unpredictable. Politically, the war between Russia and Ukraine has sent oil and food prices soaring, exacerbating the global cost of living crisis. U.S. President Joe Biden has been experiencing a downward slide in approval ratings since he was sworn in, amidst recurring Covid waves and soaring inflation, whilst several recent and upcoming elections have increased political uncertainty in Europe. In Japan, in the midst of the fight against the pandemic, the new Prime Minister has introduced a new stimulus package aimed at reinvigorating the Japanese economy. In China, with emphasis placed on the importance of "Common Prosperity," the authorities have also intensified oversight of industries, implementing a dual control mechanism under which targets for total energy consumption must be met, and strengthening its anti-monopoly supervision.

Financially, the global economy has been stuck in the quagmire of the pandemic for the past two years. A number of cities around the world have been in and out of lockdowns, and international borders have repeatedly closed and strict measures have been adopted to limit people's movements. In Vietnam, for example, authorities ordered that factories comply with the "three on the spot" model, under which workers had to work, eat and sleep on the factory premises. As infections declined, control was slightly loosened with the introduction of "one route, two destinations" model, which restricted workers to their daily commute between home and work. Consequently, the shortages of labor and raw materials and a global port gridlock, which has caused long delays in supply chains causing corporations enormous challenges across the board. The U.S. consumer price index has soared to 10-year highs, increasing the risks of global inflation and giving rise to the U.S. Federal Reserve's interest rate hikes. Oil and gas are being wielded as geostrategic tools, while energy and commodity markets have shown hyper-volatility. Meanwhile shipping costs have risen to their highest in history. In combination, the aforementioned factors are posing a grim challenge to business operations. Meanwhile, regional economic integration is taking on an increasingly important role in global economy and trade. The world's largest trade deal, RCEP, went into effect in January 2022 and the CPTPP is intended to execute new strategies for regional economic integration (REI). As many countries scramble for membership, this regional market is growing exponentially in size with these developments underscoring the influence of REI on the future of global trade.

Environmentally, an international consensus has been reached on the need to curb global warming through carbon reduction. At the COP26 climate conference in the U.K., the attending parties agreed on a new deal to build upon the Paris Agreement. 130 plus economies around the world declared their ambitions to attain the goal of carbon neutrality. Action will be taken to mitigate the impacts of climate change with an EU carbon border adjustment mechanism implemented in 2023 and China's cabinet releasing the "Action Plan for Carbon Dioxide Peaking" amid its efforts to accelerate energy transitions and reduce carbon emissions. However, China's increasingly tightened power supply poses a great

## Letter to Shareholders

challenge to the country's pursuit of energy transition and could also threaten to derail the revival of businesses and the global economy as a whole. The green economy and ESG investing continue to show great vitality. Energy conservation, carbon reduction and energy transition are not merely international trends, but what makes or breaks corporate competitiveness.

Digital technology, as it continues to advance, is bound to play a vital role in future development. Attention has been drawn to progress across a wide spectrum of areas, including AI, IoT, AR, VR, metaverse, 5G and EV. Businesses must harness the power of technological innovation and craft a future of intelligence and interconnection.

Political and economic uncertainty, along with degradation of the natural environment have brought a series of tests for businesses, accelerating the competition for survival. FENC has demonstrated its audacity in breaking the mold, shaping a new business model. Armed with a global mindset, an insightful vision, a repertoire of far-reaching and holistic strategies, and an insatiable desire for innovation and excellence, we will bring our A-game to the business landscape of tomorrow.

## Operating Results

The Company focused on the production of polyester and textiles with its global competitive advantages in the industry, strengthened its operation with diversified investments, and enhanced the values of assets and shareholder returns with its pragmatic approach to property development. In 2021, the consolidated revenue reached NT\$238.8 billion, a 15% growth from the previous year. The consolidated net income amounted to NT\$14.84 billion with the net income attributable to shareholders of the Company NT\$9.69 billion, an EPS of NT\$1.94, 20% up on the previous year. The 24<sup>th</sup> term Board of Directors in the 3<sup>rd</sup> meeting proposed a cash dividend of NT\$1.50 per share. The Company's cash dividend yield is around 5%.

## **Production Business: Integrate Vertical Production lines, Establish Diversified Presence across Regions, Receive International Acclaim for Innovation**

### ***1. Retaining leadership in the industry with a streamlined production chain***

FENC has a streamlined system from production to sale and is thus able to reap the benefits brought about by the synergy of vertical integration. The Company's upstream Petrochemical Business has acquired a strategic grip of feedstocks; midstream, the Polyester Business leads the global pack; downstream the Textile Business is a strategic partner of world-class brands. We have production sites around the world, building up regional supply chains across Asia and the Americas, including the U.S., China, Vietnam, Taiwan, Japan, and Southeast Asia. The diversity in geographic distribution enables the Company to respond to the market swiftly and make timely adjustments in capacity to seize upon business opportunities by closing gaps in supply across the region.

To maximize tariff advantages, FENC has been building facilities in Vietnam in addition to the existing production sites in Taiwan and China. They are currently in Phase II of expansion and expected to increase the capacities of polyester staple fiber, polyester filament and recycled polyester. In the U.S., the largest PTA-PET integrated plant in Americas - Corpus Christi Polymers - is under construction to consolidate the advantages of localized production.

With products for a wide variety of industries which provide basic necessities of life, including food, clothing, housing, and transportation, FENC maintain a leadership position in international markets. It is the world's second largest supplier of recycled polyester, third largest in PET resins and Asia's largest in polyester sheets. Taking the lead in the industry of recycled polyester, we are the world's No. 1 producer of recycled filaments, the leader in production of hygiene fibers and the third largest producer of nonwoven fibers. In the Asia-Pacific region, we are the largest producer of Nylon 6,6 filament for apparel.

## **2. Seizing on Business Opportunities with Innovative Materials of Unmatched Quality**

The Company is attuned to new trends, fully committed to R&D of new materials and manufacturing processes. Its growth in profit has been driven by a series of innovative products of unmatched quality. We have focused on R&D of epidemic-fighting products, serving the medical and health industries with cutting-edge materials, including face shields made of recycled PET sheet, surgical gown fabric that meets the highest standards in protective apparel used in health care facilities, and PET blood collection tubes. FENC is the world's largest supplier of medical-grade PE/PP and PE/PET composite fibers.

To penetrate the high-end market for vehicle materials, we have catered to the robust demand in the EV/AV market, holding an important place in the supply of safety airbags, tire cords and seatbelts, which puts the Company in the lead in this niche market.

The Company has established a sustainable and vertically-integrated supply chain of Nylon 6,6 for our core apparel customer, Lululemon, the top brand in the yoga world. We also partner with the world's leader in e-commerce, Amazon, in establishing a green supply chain supplying private label clothing. In addition, we have been selected to supply innovative, high-quality sportswear for international events, including the 2020 Tokyo Olympics and UEFA Euro 2020. Moreover, seven national teams will wear football strips made of TopGreen recycled ocean polyester filament while competing in the 2022 World Cup in Qatar, bringing another chance for FENC to shine on the world stage.

## **3. Creating brand value with green innovation**

The Company has invested tremendous effort in the circular economy for more than 30 years. In 1988, it built Taiwan's first recycled polyester plant, which collects and recycles more than half of the waste PET bottles in Taiwan every year. It dominates the global market with guaranteed quality through relentless effort to develop new environment friendly materials and manufacturing processes. FENC is the world's top 2 recycled polyester supplier. In addition, it is the global leader in both food-grade PET resins and recycled ocean polyester filament. The Company has recycled polyester production sites in Taiwan, China, Japan and the U.S. The facilities in Japan are about to undergo Phase III expansion, and those in Southeast Asia and Americas also continue to increase their capacities.

In recent years, FENC has not only collaborated with world-known brands in building a green supply chain but also engaged local enterprises in the implementation of a closed-loop business model. In 2021, FENC was acknowledged by Global Corporate Sustainability Awards as the only *Best Practice Award–World Class–Outstanding Practice* for its groundbreaking chemical PET recycling technology, which breathes new life into waste textile products.

## Letter to Shareholders

### **4. Achieving energy efficiency and reducing carbon emissions**

To contribute to reduction in carbon emissions, the Company has undertaken a budget of around NT\$5 billion that has been earmarked for energy conservation & carbon reduction and environmental protection in this year's capital expenditure. We have keenly participated in energy transition, improving manufacturing processes, sourcing green energy or low-carbon energy as an alternative, and avoiding energy waste. Emphasis has been placed on recyclable, green, energy-efficient and zero-carbon emissions in our business operations.

In Taiwan, FENC is the first polyester producer that signed up to support the Task Force on Climate-related Financial Disclosures (TCFD) and also the first supporter in the manufacturing sector to issue a statement. To make our production sites more eco-friendly, solar panels have been installed and biomaterials utilized. The Company has developed a comprehensive GHG inventory to identify and estimate major sources of indirect emissions. In addition, it has applied to production a technology that reuses waste gas. In 2021, in collaboration with Lululemon and LanzaTech, a technology startup, FENC introduced to the market the world's first-of-its-kind polyester fiber and fabric made from recycled waste gases emitted by steel factories, FENC®TOPGREEN®BIO3, which won the recognition of Best Product in the Accelerated Eco category by the 2022 ISPO Textrends Award for the fall/winter 23/24 season.

In 2021, the Company contributes to waste reduction an equivalent of an estimated 20 billion PET bottles. Compared with conventional oil-derived PET resins, our recycled PET resins reduce GHG emissions by 63%, an equivalent of 580,000 tons CO<sub>2</sub>e every year. We will strive continuously to realize the sustainable goals of energy efficiency and carbon reduction with innovative technology.

### **5. Maintaining market leadership with commitment to Environmental, Social and Corporate Governance (ESG)**

The Company has established a thorough system to support the ESG dimensions of sustainable development. Aiming for continuity and stability in business operations, FENC has been ranked in the *top 5% of the listed companies in the Corporate Governance Evaluation* conducted by *Taiwan Stock Exchange* for several consecutive years. In 2021, it was awarded the title of *Best Companies to Work for in Asia* by *HR Asia*. Moreover, its outstanding performance in sustainability earned a total of eight titles in the *Global Corporate Sustainability Awards (GCSA)* and *Taiwan Corporate Sustainability Awards (TCSA)* hosted by the *Taiwan Institute for Sustainable Energy*, including *The Most Prestigious Sustainability Awards—Top Ten Domestic Corporates*, *Circular Economy Leadership Award*, *People Development Leadership Award*, *Growth through Innovation Leadership Award*, *Sustainability Report Award—Platinum Award*, *Special Award for Pandemic Response*, and *Sustainability Reporting Award—Silver Award*, and most of all this year's one-and-only *GCSA Best Practice Award—World Class—Outstanding Practice* earned with the *Total Solution to Polyester Recycling*.

The Company is so far the one and the first corporate issuer in Taiwan issuing green bond, sustainability bond, and social bond, setting milestones on the path of sustainable financing. The funds raised by social bonds will be invested in social interest projects intended to protect the disadvantaged, provide resources for pandemic control, and maintain employment during the pandemic, which exemplifies the Company's innovative approach to fulfillment of its mission statements. With innovative thinking we will bring prosperity to society and improve well-being for all.



**Investment Business: Keeping Investments Diversified to Maximize Returns**

The Company's diversified investment portfolio ranges from cement production, construction, department store retail chains, telecommunications, land and sea transport, to financial and banking services. Each subsidiary rises above competition in its own industry and has demonstrated solid growth. Far EasTone Telecom (FET) ended 2021 with a growth in net profit from the previous year thanks to a substantial increase in revenue resulting from increased sales in mobile phones, consumer electronics, and telecommunication service bundles, and in addition a jump in the monthly fee for subscribers upgrading to 5G services. In addition, the strategic cooperation with Asia Pacific Telecom will be developed into a share swap merger to create a mutually beneficial situation. Asia Cement's (ACC) overall earnings grew due to the record-high profits of the ready-mixed concrete, transportation, and stainless steel businesses in Taiwan. In the China market, ACC(China) experienced a growth in revenue arising from increased sales volumes and prices driven by growing demand for cement as the Chinese government pressed ahead with ambitious infrastructure programs. Far Eastern Department Stores (FEDS) has a well-established retail system and has been expanding its presence by building several mega shopping centers. FEDS Zhubei Store emerged after grand opening as the largest shopping center in Hsinchu. Oriental Union Chemical Corp. (OUCC) also enjoyed a significant growth in revenue in 2021 as economic recovery and increasing oil prices pushed up product sales volume and selling prices. Far Eastern International Bank (FEIB) posted an increase in net profit against the backdrop of a rebounding economy and plans to build an even more solid cross-border financial platform. FENC will continue to manage its investment portfolio for selecting promising businesses to generate strong and consistent returns on shareholders' investments.

**Property Business: Developing Properties to Unlock Asset Potential**

To increase returns on land resources, Far Eastern Resources Development Corporation was set up and put in charge of land development, rental, and sale. The Company develops properties with the prospects of regional development in mind, and its construction projects include residences, office buildings, shopping malls, warehouses and logistics facilities, hospitals, and schools. They contribute significantly to FENC's profit growth. The Company owns a total land area of 570,000 pings (1,884,306 m<sup>2</sup>) in Taiwan. Most of its properties are located in premium areas across the north of Taiwan, including Taipei Far Eastern Plaza and other lots with tremendous development potential scattered in the districts of Banqiao, Wugu and Taishan across New Taipei City. All the residential and commercial properties developed by the Company have delivered impressive results in sale or rental.

The Company's signature project—Taipei Far Eastern Telecom Park (Tpark) is positioned as a hub for 5G and AI-related industries and is currently at Phase III of development. In addition to TPKA—the Park's first office building for commercial rental, the R&D building TPKD and the Cloud Data Center TPKC have also been leased to, respectively, Google and Far EasTone Telecom, bringing in a stable rental income. The new residential complex is planned for completion for sale by the end of the year and is expected to create considerable profits. There is another development project for an old plant in Neili Taoyuan City with an area of 30,000 pings (99,173.7 m<sup>2</sup>). The first phase application for land rezoning has been approved by the local authorities. Land plans include residential, commercial, and medical districts and public facilities for various purposes. Thanks to the property's proximity to schools and the train station, it is expected to revitalize the community as a whole and enhance the efficiency of land use, which in turn becomes a distinctive feature of this project.

## **Letter to Shareholders**

### **Business Goals and Prospects**

The Company has built itself as an agile organization with holistic strategies. It has accelerated its digital transformation and trained personnel for global operations in conformity to worldwide trends. It will continue to strive towards the goal of sustainable development with a comprehensive blueprint for excellence in business management.

#### ***A. Reinforcing Dominance in the Industry with Continual Pursuit of Excellence in Technology***

To build FENC as a tech-savvy producer of polyester and textiles, the Company has set up Far Eastern Group R&D Center with a 200-plus staff and abundant resources. The R&D Center focuses its work on development of polyester products and strives to attain the goals of environmental protection, energy saving and carbon reduction. Possessing a globally exclusive know-how in polyester and its applications, the R&D center has developed a series of new technologies and products, including eco-friendly materials, high-end advanced materials, and functional fibers/fabrics.

After the Company acquired an R&D center in U.S., an international R&D taskforce has been formed to consolidate resources and expertise across the Pacific Ocean. With mutual support, the new team draws on the Group's wealth of research and core specialties, specializing in green energy, biomaterial and high-end fibers. Multiple new products and technologies developed by the R&D Center have been transferred to the Company's production business, which owns a total of 321 patents. In 2021 our products made of innovative materials or with innovative technologies have generated more than NT\$ 10 billion in revenue. The Company is determined to maintain a competitive edge with continuous innovation and distinctive market positioning.

#### ***B. Accelerating Digital Transformation by Implementing Intelligent Manufacturing***

The Company has established the Office of IT Planning to accelerate digital transformation and put it in charge of strategic planning for future development of IT-related innovation. To transform into smart manufacturing, tremendous efforts have been devoted with automation and AI applied to an increasing number of production lines. Automation teams have been organized to establish comprehensive IoT systems based on big cloud data platforms and advanced robots. To perfect the management of supply chains, artificial intelligence has been widely applied to production, warehousing, and distribution. Furthermore, AI has also been utilized to monitor real time logistics flows at each site of operation and consolidate the data.

To achieve smart management, digitization in the cloud has been rolled out across the board. In addition to the Smart Mobility Management Platform, some other platforms have been developed for various purposes, such as energy analysis, customer credit management, customer and product contribution analysis and Forex gain/loss forecast. As the digital economy dawns, FENC is proactive in seeking out effective measures to enhance production efficiency and lower operating costs.

### **C. Expanding Business Presence in the Circular Economy**

To meet the robust demand from world-class brand customers that have pledged commitment to green growth, the Company has expanded the scope of application for green materials and upscaled their production through organic expansion and acquisitions, with the ambition of being the world's largest recycled polyester producer. FENC actualizes its vision of circular economy with three actions—to replace with eco-friendly materials, to reduce reliance on fossil fuel energy and to recycle waste from land, sea and air, via mechanical recycling technology, chemical recycling technology, and carbon capture technology.

Leveraging its technological capability, it has crafted a total solution with both PET waste bottles and waste fabrics recycled for fiber production for apparel. It has also taken on an even tougher challenge—using green fibers from the recycling of PET bottles to produce the tech textiles used in vehicle materials such as tires, seat belts and airbags. FENC has started to collaborate with world-class companies like Continental AG in achieving a common goal of circular economy. The Company will continue to improve the profitability of green products and expand its presence in the green economy.

### **D. Maintaining Growth Momentum with Responsive Management**

A comprehensive smart framework of management has been designed in accordance with the Company's global strategies. It has integrated domestic and overseas management systems to create a synergy essential for growth across industries.

#### **(1) Strengthening digitalization of corporate administration**

In order to ensure success in business transformation, we have established a cloud information system, digitization of working processes and value-added application of information. A variety of platforms have been constructed to complete digital transformation at high speed and bolster the Company's operational resilience, including customer and product contribution analysis, customer credit management and Forex gain/loss forecast, energy analysis, etc.

#### **(2) Expanding global presence with coordinated managerial support**

As the Company develops rapidly, a systematic management mechanism has been implemented for the business units operating overseas. Their operations are well-coordinated to assure efficient supply chain management. Meanwhile, the Company continues to strengthen the capabilities of the management at headquarters to make sure that its global presence has a solid backup in Taiwan.

#### **(3) Implementing an effective mechanism of risk management**

The warning system for risk management has been and will continuously be implemented meticulously to ensure that risks be managed in a timely and comprehensive manner. Since the pandemic began, an application has been introduced to help employees monitor their health condition. Effort has been made to keep shipping costs in check, supply chains in smooth operation and to prevent defaults on receivables. The Company's responsiveness to emergencies has created substantial benefits at critical moments, effectively mitigating the impacts of changes in the external environment on its operations.

#### **(4) Devoted in ESG initiatives for sustainability**

The Company has developed a carbon emission inventory and set a timetable for definite GHG reduction targets after deliberation with the management of the Production Business. It has

## Letter to Shareholders

incorporated TCFD guidance as well as SASB standards into its ESG reporting practices to optimize corporate governance, supply chain management, and environmental performance. Moreover, the Company also has long-term plans to uphold its commitment to ESG principles. We will publicly communicate the efforts FENC has been making in relevant areas and continue to raise our scores in international ESG research and ratings.

### E. Fulfilling Social Responsibility by Committing to Philanthropy

Founded with the concept of “developing industry while engaging in social responsibility”, the Company has engaged in businesses of public interest for well over a half century. It has established three schools, two hospitals and four foundations that sponsor a variety of charitable causes, including innovation in medicine and healthcare, improvement of education quality, and promotion of research on high and new technology.

The Far Eastern Memorial Foundation sponsors artist and cultural activities; the Far Eastern Medical Foundation funds medical research and provides social aid. The Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation hosts the Y. Z. Hsu Science Award and acknowledges recipients’ achievements in three categories, namely Y. Z. Hsu Science Chair Professor, Y. Z. Hsu Science Paper Award, and Y. Z. Hsu Technology Invention Award, to promote research and development of science and technology in Taiwan.

At the forefront of healthcare, the Far Eastern Memorial Hospital (FEMH) celebrates its 40<sup>th</sup> anniversary in 2021 with a multitude of notable achievements. It remains committed to continuous improvement in quality of medical attention and stands tall as an intelligent hospital and medical center equipped with state-of-the-art technology. It plans to set up a branch in neighboring Taoyuan City and build an intelligent healthcare system that will provide cutting-edge care for many years. At the worst of the Covid outbreak, FEMH spared no effort to safeguard the local community and contributed a great deal to pandemic control.

In the field of education, Yuan Ze University strives continuously to become a world-class institute in higher education. It has established a college of medicine and nursing to undertake innovative research in medicine and train more professionals for healthcare services. Oriental Institute of Technology has been upgraded and renamed Asia Eastern University of Science and Technology. It aims to develop itself as a vocational university that strikes a balance between technology and humanities education, valuing both theory and practice and preparing outstanding professionals for industry. The Company integrates the resources and technologies in industries and academic institutes, fostering cooperation between academia and the business sector and also promoting the exchange of talent. FENC has long devoted its corporate resources to cultivating talent essential for a prosperous future and will continue to deepen its involvement in businesses of public interest and give more back to society.

Facing an ever-changing competitive landscape, FENC responds dynamically to changes in the business environment and makes necessary adjustments in a timely manner. Moving forward, we will continue to maximize our core competencies, including agility, flexibility, endurance and sustainability, utilize AI technology flexibly and optimize our digital capabilities. FENC is poised to grasp opportunities in the new era and write another chapter of success as a prosperous and sustainable role model in the business world.

Chairman  
Douglas Tong Hsu

徐旭東



## II. Company Profile

### 1. Date of Incorporation

January 13, 1954

### 2. Company History

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

## Company Profile

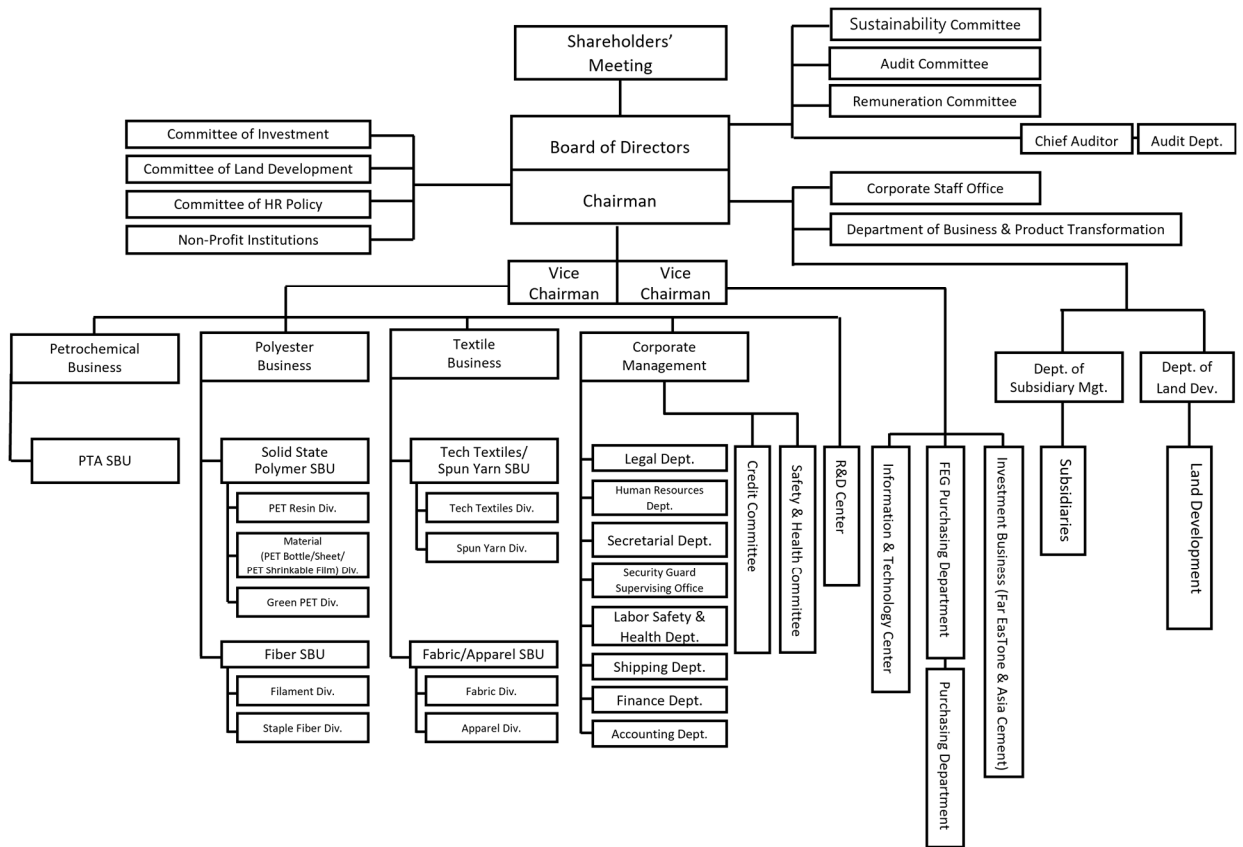
- 2000** • Mr. Y. Z. Hsu, Far Eastern Group founder, passed away at the age of 90 in December and left behind the most valuable and cherished founding spirit of "Sincerity, Diligence, Thrift, and Diligence" as the Company's motto.
- 2001** • In March, FETL-invested NCIC launched its voice and data services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

- 2016**
  - In February, DynaFeed, a FENC revolutionary smart garment system with bio-sensing technology and IoT platform, was awarded the ISPO Asian Gold Award at the globally prestigious ISPO Textrends Exhibition.
  - In May, FENC won the “Corporate Social Responsibility Award”, ranking first in the manufacturing industry category from Global View Magazine due to conserving energy and protecting the environment.
  - In June, FENC won Enterprise Asia’s “2016 Asia Responsible Entrepreneurship Award” in the category of green leadership for developing the world’s first Bio-PET bottle.
  - In December, FENC earned the 13<sup>th</sup> “National Innovation Award” in Taiwan in developing the 100% bio-PET polyester shirt. The 100% bio-PET polyester shirt made entirely from plant-based material, which reduces the carbon footprints by 30% compared to the petrochemical based one, was developed by FE Group R&D Center.
- 2017**
  - In April, FENC was in the top 5% of the listed companies in the third “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange for the first time.
  - In May, FENC won the “CSR Annual Survey – Excellence Award in the Category of Manufacturing Industry” of the 13<sup>th</sup> Annual Corporate Social Responsibility Award by Global Views Magazine.
  - In November, FENC was included as a constituent of the MSCI ESG Leaders Indexes and assessed of MSCI ESG Rating – Industrial Conglomerates: A.
- 2018**
  - In February, FENC, through its subsidiary “Far Eastern Investment (H) Ltd.” acquired Mossi & Ghisolfi’s (M&G) assets of a PET plant in West Virginia and a R&D center in Ohio, USA.
  - In May, FENC won the “CSR Annual Survey – Grand Prize in the Category of Manufacturing Industry” of the 14<sup>th</sup> Annual Corporate Social Responsibility Award by Global Views Magazine.
  - In December, FENC was selected as a constituent of the FTSE4Good TIP Taiwan ESG Index, conducted by Taiwan Index Plus Corporation and FTSE Russell.
  - In December, FENC, through its subsidiary “APG Polytech USA Holdings, Inc.” joint ventured with Indorama Ventures Corpus Christi Holding LLC and DAK Americas, LLC, with the FTC approval, to acquire M&G’s PTA/PET plant in Texas, USA.
- 2019**
  - In January, FENC was selected as a constituent of the Taiwan Sustainability Index, conducted by Taiwan Institute for Sustainable Energy and National Taipei University.
  - In April, FENC was in the top 5% of the listed companies in the fifth “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange again.
  - In April, FENC won the “CSR Annual Survey – Grand Prize in the Category of Manufacturing Industry” of the 15<sup>th</sup> Annual Corporate Social Responsibility Award by Global Views Magazine.
  - In June, FENC acquired Phoenix Technologies International, LLC, a recycled PET producer located in Ohio, USA.
  - In November, FENC stood out as GCSA’s only World Class winner for Outstanding Practices in the category of Best Practice Award.
- 2020**
  - In April, FENC was in the top 5% of the listed companies in the sixth “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange for the third time.
  - In April, FENC won the “CSR Annual Survey –Excellent Award in the Category of Manufacturing Industry” of the 16<sup>th</sup> Annual Corporate Social Responsibility Award by Global Views Magazine.
  - In November, the Company has established a sustainability committee.
  - In December, FENC issued the first non-financial & non-state-owned sustainability bond.
- 2021**
  - In April, FENC was in the top 5% of the listed companies in the 7<sup>th</sup> “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange for the fourth time.
  - In May, FENC won the “ESG Integrated Performance–Excellent Award in the Category of Manufacturing Industry” of the 17<sup>th</sup> Annual Corporate Social Responsibility Award by Global Views Magazine.
  - In May, FENC issued the first non-banking social bond.
  - In July, FENC has established the Department of Business & Product Transformation for the Company’s future development.
  - In November, FENC earned three titles in the Global Corporate Sustainability Awards (GCSA), including “Best Practice Award–World Class–Outstanding Practice”, “Special Award for Pandemic Response” & “Sustainability Reporting Award–Silver Award”.
- 2022**
  - In April, FENC was in the top 5% of the listed companies in the 8<sup>th</sup> “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange for the fifth time in the four consecutive years.
  - In May, FENC won the “First Prize at Circular Sustainability” & “Model Award at Manufacturing Industry” of the 18<sup>th</sup> Annual CSR & ESG Award by Global Views Magazine.

## III. Corporate Governance Report

### 1. Organization

#### 1.1 Organization Chart





## 1.2 Affairs in Charge for Each Major Department

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

## 2. Directors and Management Team

### 2.1 Directors

Book closure date: May 1, 2022

| Title         | Nationality or Record of Birth | Name                                                                        | Gender & Age             | Date elected | Term (years) | Date first elected | Shareholding when elected    |               | Current shareholding         |               | Shareholding of spouse & minor children |           | Curriculum vitae<br>△ Other positions in FENC and/or other companies                                                                                                                                                                                                                                                                                                           | Executives or Directors who are spouses or within two degrees of kinship |                                                                         |                                                        |
|---------------|--------------------------------|-----------------------------------------------------------------------------|--------------------------|--------------|--------------|--------------------|------------------------------|---------------|------------------------------|---------------|-----------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------|
|               |                                |                                                                             |                          |              |              |                    | Share                        | %             | Share                        | %             | Share                                   | %         |                                                                                                                                                                                                                                                                                                                                                                                | Title                                                                    | Name                                                                    | Relation                                               |
| Chairman      | R.O.C                          | Douglas Tong Hsu                                                            | Male, Above 80 years old | Jul 29, 2021 | 3            | Dec 23, 1967       | 91,748,698                   | 1.71          | 91,748,698                   | 1.71          | -                                       | -         | National Chiao Tung University, Taiwan, Honor Ph.D in Management<br>University of Notre Dame, USA, MA<br>Columbia University, USA<br>△ Chairman of Asia Cement Corp.(ACC), Oriental Union Chemical Corp.(OUCC), U-Ming Marine Transport Corp.(U-Ming), Far Eastern Department Stores Ltd. (FEDS), Far Eastone(FET), and Vice Chairman of Far Eastern International Bank (FEIB) | Vice Chairman<br>Vice Chairman<br>Director<br>Director                   | Johnny Hsi<br>Peter Hsu<br>Jeff Hsu<br>Tonia Katherine Hsu<br>Alice Hsu | Brother-in-law<br>Brother<br>Son<br>Daughter<br>Sister |
| Vice Chairman | R.O.C                          | Johnny Hsi<br>Representative of Asia Cement Corporation                     | Male, 70~79 years old    | Jul 29, 2021 | 3            | Feb 9, 1979        | 1,272,277,085<br>*1,672,207  | 23.77<br>0.03 | 1,272,277,085<br>*1,672,207  | 23.77<br>0.03 | 17,040,122                              | -<br>0.32 | Columbia University, USA, Master in Computer Science<br>△ Chairman of Everest Textile, Vice Chairman of OUCC, Director of ACC and CTCL Corporation                                                                                                                                                                                                                             | Chairman<br>Vice Chairman<br>Director                                    | Douglas Tong Hsu<br>Peter Hsu<br>Alice Hsu                              | Brother-in-law<br>Brother-in-law<br>Sister-in-law      |
|               | R.O.C                          | Peter Hsu<br>Representative of Asia Cement Corporation                      | Male, 70~79 years old    | Jul 29, 2021 | 3            | Apr 14, 1976       | 1,272,277,085<br>*48,269,210 | 23.77<br>0.90 | 1,272,277,085<br>*48,269,210 | 23.77<br>0.90 | -                                       | -         | Stanford University, USA, Master in Operation Research<br>△ Vice Chairman of FET, Director of ACC and U-Ming                                                                                                                                                                                                                                                                   | Chairman<br>Vice Chairman<br>Director                                    | Douglas Tong Hsu<br>Johnny Hsi<br>Alice Hsu                             | Brother<br>Brother-in-law<br>Sister                    |
| Director      | R.O.C                          | Shaw Y. Wang<br>Representative of Asia Cement Corporation                   | Male, Above 80 years old | Jul 29, 2021 | 3            | May 10, 1985       | 1,272,277,085<br>*395,366    | 23.77<br>0.01 | 1,272,277,085<br>*395,366    | 23.77<br>0.01 | -                                       | -         | National Chung Hsing University, Taiwan, Business Administration Department<br>National Taiwan University, Taiwan, the Executive Program in Business Administration<br>△ Executive Director of Group Foundation, Executive Director of FEIB                                                                                                                                    | -                                                                        | -                                                                       | -                                                      |
|               | U.S.A                          | Jeff Hsu<br>Representative of Asia Cement Corporation                       | Male, 40~49 years old    | Jul 29, 2021 | 3            | Jul 29, 2021       | 1,272,277,085<br>*-          | 23.77<br>*-   | 1,272,277,085<br>*-          | 23.77<br>*-   | -                                       | -         | Illinois Institute of Technology, USA Master in Design and Innovation, Institute of Design<br>University of Notre Dame, USA, MBA<br>△ Chief Innovation Officer of Far Eastern Group, Director of FET, Director and Executive Vice President of U-Ming.                                                                                                                         | Chairman<br>Director                                                     | Douglas Tong Hsu<br>Tonia Katherine Hsu                                 | Father<br>Sister                                       |
|               | R.O.C                          | Richard Yang<br>Representative of Far Eastern Department Stores Ltd.        | Male, 50~59 years old    | Jul 29, 2021 | 3            | Jun 13, 2006       | 19,964,370<br>*1,379,348     | 0.37<br>0.03  | 19,964,370<br>*1,379,348     | 0.37<br>0.03  | -                                       | -         | American Graduate School of International Management, USA<br>△ Managing Director of Surfview Capital Ltd.                                                                                                                                                                                                                                                                      | -                                                                        | -                                                                       | -                                                      |
|               | U.S.A                          | Tonia Katherine Hsu<br>Representative of Far Eastern Department Stores Ltd. | Female, 50~59 years old  | Jul 29, 2021 | 3            | Jun 13, 2006       | 19,964,370<br>*-             | 0.37<br>-     | 19,964,370<br>*-             | 0.37<br>-     | -                                       | -         | Sarah Lawrence College, USA<br>△ -                                                                                                                                                                                                                                                                                                                                             | Chairman<br>Director                                                     | Douglas Tong Hsu<br>Jeff Hsu                                            | Father<br>Brother                                      |

| Title                | Nationality or Record of Birth | Name                                                            | Gender & Age               | Date elected | Term (years) | Date first elected | Shareholding when elected |              | Current shareholding      |              | Shareholding of spouse & minor children |   | Curriculum vitae<br>△ Other positions in FENC and/or other companies                                                                                                                                                                                    | Executives or Directors who are spouses or within two degrees of kinship |                                             |                                      |
|----------------------|--------------------------------|-----------------------------------------------------------------|----------------------------|--------------|--------------|--------------------|---------------------------|--------------|---------------------------|--------------|-----------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------|--------------------------------------|
|                      |                                |                                                                 |                            |              |              |                    | Share                     | %            | Share                     | %            | Share                                   | % |                                                                                                                                                                                                                                                         | Title                                                                    | Name                                        | Relation                             |
| Director             | R.O.C                          | Kwan-Tao Li<br>Representative of U-Ming Marine Transport Corp.  | Male, 70~79 years old      | Jul 29, 2021 | 3            | Jun 13, 2006       | 31,181,470<br>*           | 0.58<br>-    | 31,181,470<br>*           | 0.58<br>-    | -                                       | - | Kellogg-HKUST, MBA<br>△ Chief Senior Counselor, Lee and Li, Attorney-at-law, Director of ACC                                                                                                                                                            | -                                                                        | -                                           | -                                    |
|                      | R.O.C                          | Alice Hsu<br>Representative of U-Ming Marine Transport Corp.    | Female, 70~79 years old    | Jul 29, 2021 | 3            | Apr 20, 1988       | 31,181,470<br>*22,322,710 | 0.58<br>0.42 | 31,181,470<br>*21,447,710 | 0.58<br>0.40 | -                                       | - | Sheridan College, Retail Management<br>△ -                                                                                                                                                                                                              | Chairman<br>Vice Chairman<br>Vice Chairman                               | Douglas Tong Hsu<br>Johnny Hsi<br>Peter Hsu | Brother<br>Brother-in-Law<br>Brother |
|                      | R.O.C                          | Champion Lee<br>Representative of Yue Ding Investment Co., Ltd. | Male, 70~79 years old      | Jul 29, 2021 | 3            | Apr 20, 1988       | 33,617,781<br>*618,060    | 0.63<br>0.01 | 33,617,781<br>*303,099    | 0.63<br>0.01 | -                                       | - | Texas A&I University, USA, Master in Business Administration<br>△ Director of ACC, FET and U-Ming.                                                                                                                                                      | -                                                                        | -                                           | -                                    |
| Independent Director | R.O.C                          | Chen-En Ko                                                      | Male, 70~79 years old      | Jul 29, 2021 | 3            | Jul 29, 2021       | -                         | -            | -                         | -            | -                                       | - | University of Minnesota, USA, Ph.D. of Department of Accounting<br>△ Honorary Professor of Department of Accounting, National Taiwan University ;<br>Independent Director, Everlight Electronics Co., Ltd.                                              | -                                                                        | -                                           | -                                    |
|                      | R.O.C                          | Johnsee Lee                                                     | Male, 70~79 years old      | Jul 29, 2021 | 3            | Jun 28, 2012       | -                         | -            | -                         | -            | -                                       | - | Illinois Institute of Technology, USA, Ph.D. in Chemical Engineering<br>△ Director of Taiwan HOPAX Chemical MFG. Co. Ltd. and Zhen Ding Technology Holding Limited, Independent Director of San Fu Chemical Co., Ltd. & Everlight Electronics Co., Ltd. | -                                                                        | -                                           | -                                    |
|                      | R.O.C                          | Raymond R.M. Tai                                                | Male<br>Above 80 years old | Jul 29, 2021 | 3            | Jun 28, 2019       | -                         | -            | -                         | -            | -                                       | - | Fu Jen Catholic University, Taiwan, Honor Ph.D. in School of Law<br>University of Hawaii, USA, Master, Department of American Studies<br>Ambassador Extraordinary and Plenipotentiary, Embassy of the R.O.C.(Taiwan) to the Holy See<br>△ -             | -                                                                        | -                                           | -                                    |

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

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

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

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

## 2.1.1 Major Shareholders of FENC's Directors are Institutional Shareholders

Book closure date: May 1, 2022

| Name of Institutional Shareholders | Major Shareholders of the Institutional Shareholders (%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asia Cement Corporation            | Far Eastern New Century Corp. (21.17); Far Eastern Medical Foundation (5.12); Yuanta Taiwan Dividend Plus ETF account in the custody of Cathay United Bank (3.75); China Life Insurance Co., Ltd. (2.38); Finance Department of ICBC (TW) (1.68); Labor Pension Fund Committee of Far Eastern New Century Corp. (1.63); Yuan Ding Investment Co., Ltd. (1.53); Far Eastern Department Stores Ltd. (1.41); Yuan Ze University (1.34), ; Far Eastern Memorial Foundation (1.24)                                                                                                                                                                                                      |
| Far Eastern Department Stores Ltd. | Far Eastern New Century Corp. (17.06); Yuan Ding Investment Co., Ltd. (9.87); Asia Cement Corp. (5.65); Yuan Tong Investment Co., Ltd. (5.59); Jaryuan Investment Co., Ltd. (4.96); Yuan Ze University (4.75); PJ Asset Management Co., Ltd. (4.52); Labor Pension Fund Committee of Far Eastern Department Stores Ltd. (2.11); Yu Yuan Investment Co., Ltd. (2.06); Tranquil Enterprise Ltd. (2.03)                                                                                                                                                                                                                                                                               |
| U-Ming Marine Transport Corp.      | Asia Cement Corp. (39.25); Yuanta Taiwan Dividend Plus ETF account (4.36); Yuan Ding Investment Co., Ltd. (1.05); Yu Yuan Investment Co., Ltd. (0.94); Asia Investment Co., Ltd. (0.92); Vanguard Emerging Markets Stock Index Fund account in the custody of J.P. Morgan Taipei Branch (0.76); Ya Li Transportation Corporation (0.75); ABS Direct Equity Fund Co., Ltd.– External Manager Asia Series 3 Investment Account in the custody of Standard Chartered International Commercial Bank Business Department (0.71); Ding Shen Investment Co., Ltd. (0.67); Advanced Stars Advanced Aggregate International Equity Index in the custody of J.P. Morgan Taipei Branch (0.65) |
| Yue Ding Industries Co., Ltd.      | Fu Da Transport Co., Ltd. (26.95); Yue Tung Investment Co., Ltd. (25.36); An Ho Garment Co., Ltd. (15.66); Ding Yuan International Investment Co., Ltd. (13.20); Ton Fu Investment Corp. (4.61); Ya Li Precast Pre-stressed Concrete Industries Corp. (3.89); Da Ju Fiber Co., Ltd. (3.89); Yuan-Ding Co., Ltd. (2.59); Bai Ding Investment Co., Ltd. (2.31); U-Ming Commerce Co., Ltd. (1.53)                                                                                                                                                                                                                                                                                     |

## 2.1.2 Major Shareholders of the Major Shareholders that are Juridical Persons

Book closure date: May 1, 2022

| Name of Juridical Persons                            | Major Shareholders of the Juridical Persons (%)                                                                                                                                                                                                                                          |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Far Eastern New Century Corp.                        | Please refer to page 73.                                                                                                                                                                                                                                                                 |
| Far Eastern Medical Foundation                       | Y.Z. Hsu (76.90); Zong-Yan He (2.31); Shu-Peng Wang (2.31); Wei-Yuan Hsu (2.31); Ying-Chung Huang (2.31); Douglas Tong Hsu (2.31); Laurence M. Yang (2.31); John Hsu (2.31); Johnny Hsi (2.31); S.S. Hsu (2.31); Wei-San Yu (2.31)                                                       |
| China Life Insurance Co., Ltd.                       | China Development Financial Holding (100.00)                                                                                                                                                                                                                                             |
| Finance Department of ICBC (TW)                      | Mega Financial Holding Co., LTD (100)                                                                                                                                                                                                                                                    |
| Yuan Ding Investment Co., Ltd.                       | Far Eastern New Century Corp. (99.40); An Ho Garment Co., Ltd. (0.30); Da Ju Fiber Co., Ltd. (0.30)                                                                                                                                                                                      |
| Yuan Ze University                                   | U-Ming Marine Transport Corp. (55.21); Far Eastern Medical Foundation (26.05); Far Eastern New Century Corp. (5.52); Fu Ming Transportation Co., Ltd. (5.25); Far Eastern Memorial Foundation (4.91); Asia Cement Corp. (2.76); Connie Hsu (0.28); Y.Z. Hsu (0.01); Zhao-Zhong Yu (0.01) |
| Far Eastern Memorial Foundation                      | Y.Z. Hsu (50.00); Yi-Chu Hsu (50.00)                                                                                                                                                                                                                                                     |
| Yuan Tong Investment Co., Ltd.                       | Far Eastern New Century Corp. (100.00)                                                                                                                                                                                                                                                   |
| Jaryuan Investment Co., Ltd.                         | Information unavailable                                                                                                                                                                                                                                                                  |
| PJ Asset Management Co., Ltd.                        | He Yang Management Consulting Co., Ltd. (100.00)                                                                                                                                                                                                                                         |
| Yue Yuan Investment Co., Ltd.                        | Asia Cement Corp. (29.92); Yuan-Ding Co., Ltd. (25.02); Yuan Ding Investment Co., Ltd. (18.96); U-Ming Marine Transport Corp. (17.66); Ding Shen Investment Co., Ltd. (6.50); Yue Tung Investment Co., Ltd. (1.84); Yue Ding Industries Co., Ltd. (0.10)                                 |
| Tranquil Enterprise Ltd.                             | Douglas Tong Hsu (87.40); Hui-Yi Xu (10.00); Peter Hsu (2.00); Shaw Y. Wang (0.20); Morton Mate Huang (0.20); Jia-Cong Wang (0.20)                                                                                                                                                       |
| Asia Investment Co., Ltd.                            | Asia Cement Corp. (100.00)                                                                                                                                                                                                                                                               |
| Ya Li Transportation Corporation                     | Asia Cement Corporation (51.61); Yue Yuan Investment Co., Ltd. (48.39)                                                                                                                                                                                                                   |
| Ding Shen Investment Co., Ltd.                       | Yuan Tong Investment Co., Ltd. (18.00); Asia Investment Co., Ltd. (18.00); Bai Ding Investment Co., Ltd. (18.00); Ton Fu Investment Corp. (18.00); Yue Tung Investment Co., Ltd. (18.00); Yue Ding Industries Co., Ltd. (5.00); Da Ju Fiber Co., Ltd. (5.00)                             |
| Fu Da Transport Co., Ltd.                            | Fu Ming Transportation Co., Ltd. (99.91); Asia Investment Corp. (0.03)                                                                                                                                                                                                                   |
| Yue Tung Investment Co., Ltd.                        | U-Ming Marine Transport Corp. (73.54); U-Ming Marine Transport (Singapore) Private Ltd. (26.46)                                                                                                                                                                                          |
| An Ho Garment Co., Ltd.                              | Far Eastern New Century Corp. (100.00)                                                                                                                                                                                                                                                   |
| Ding Yuan International Investment Co., Ltd.         | Far Eastern New Century Corp. (100.00)                                                                                                                                                                                                                                                   |
| Ton Fu Investment Corp.                              | Oriental Union Chemical Corp. (100.00)                                                                                                                                                                                                                                                   |
| Ya Li Precast Pre-stressed Concrete Industries Corp. | Asia Cement Corp. (83.92); Far Eastern General Contractor Inc. (16.03)                                                                                                                                                                                                                   |
| Da Ju Fiber Co., Ltd.                                | Yuan Ding Investment Co., Ltd. (41.86); Yue Ding Industries Co., Ltd. (38.76); Yue Lee Investment Co., Ltd. (19.38)                                                                                                                                                                      |
| Yuan-Ding Co., Ltd.                                  | Far Eastern New Century Corporation (37.13); Asia Cement Corporation (35.50); Der Ching Investment Co., Ltd. (14.50); Yuan Ding Investment Co., Ltd. (12.86)                                                                                                                             |
| Bai Ding Investment Co., Ltd.                        | Far Eastern Department Stores (66.66); Bai Yang Investment Co Ltd. (33.34)                                                                                                                                                                                                               |
| U-Ming Commerce Co., Ltd.                            | Bai Ding Investment Co., Ltd. (47.00); Yuan Ding Investment Co., Ltd. (45.50); Yue Ding Industries Co., Ltd. (5.00); Ding & Ding Management Consultants Co., Ltd. (1.00); Yuan-Ding Co., Ltd. (1.00); Yuan Ding Leasing Co., Ltd. (0.50)                                                 |

### 2.1.3 The qualifications of Directors & the independence of Independent Directors

| Item<br>Name        | Professional qualification(Q) and experience(E)                                                                                                                                                                                                                                                                                      | Independence                                                                                                                                                                                                                                                     | Serve as Independent Director at other public companies |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Douglas Tong Hsu    | Q: Operational management; leadership & decision-making; business & economy<br>E: Chairman of ACC, OUCC, U-Ming, FEDS, FET; Vice Chairman of FEIB                                                                                                                                                                                    | Not Applicable                                                                                                                                                                                                                                                   | None                                                    |
| Johnny Hsi          | Q: Operational management; leadership & decision-making; industrial know-how<br>E: Chairman of Everest Textile; Vice Chairman of OUCC; Director of ACC and CTCI Corporation                                                                                                                                                          |                                                                                                                                                                                                                                                                  |                                                         |
| Peter Hsu           | Q: Operational management; leadership & decision-making; information technology<br>E: Vice Chairman of FET; Director of ACC and U-Ming                                                                                                                                                                                               |                                                                                                                                                                                                                                                                  |                                                         |
| Shaw Y. Wang        | Q: Operational management; business & economy; social welfare development<br>E: Executive Director of Group Foundation; Executive Director of FEIB                                                                                                                                                                                   |                                                                                                                                                                                                                                                                  |                                                         |
| Jeff Hsu            | Q: Operational management; innovation development; international perspectives<br>E: Chief Innovation Officer of Far Eastern Group; Director of FET, Director & Executive Vice President of U-Ming                                                                                                                                    |                                                                                                                                                                                                                                                                  |                                                         |
| Richard Yang        | Q: Operational management; financial investment; business & economy<br>E: Managing Director of Surfview Capital Ltd                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                  |                                                         |
| Tonia Katherine Hsu | Q: Operational management; marketing strategy; cultural and creative industries development<br>E: Director of Asia Eastern University of Science and Technology & Far Eastern Memorial Hospital                                                                                                                                      |                                                                                                                                                                                                                                                                  |                                                         |
| Kwan-Tao Li         | Q: Intellectual property law & other laws; operational management; social welfare development<br>E: Chief Senior Counselor of Lee and Li, Attorney-at-law; Director of ACC                                                                                                                                                           |                                                                                                                                                                                                                                                                  |                                                         |
| Alice Hsu           | Q: Operational management; consumer & retail industry; fashion design<br>E: President of FEDS                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                  |                                                         |
| Champion Lee        | Q: Operational management; finance & accounting; business & economy<br>E: Director of ACC, FET and U-Ming; Senior Executive Vice President of FENC's Finance Department                                                                                                                                                              |                                                                                                                                                                                                                                                                  |                                                         |
| Chen-En Ko          | Q: Finance & accounting; corporate governance; operational management<br>E: Dean of College of Management of National Taiwan University; Chairperson of Department of Accounting of National Taiwan University; Independent Director of Everlight Electronics Co.                                                                    | All Independent Directors complied with the below,<br>1. In accordance with the regulations under Article 14-2 of the "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" | 1                                                       |
| Johnsee Lee         | Q: Chemical engineering; operational management; biomedical industry<br>E: President and General Director of Industrial Technology Research Institute; Director of Taiwan HOPAX Chemical MFG. Co. Ltd. and Zhen Ding Technology Holding Limited; Independent Director of San Fu Chemical Co., Ltd. & Everlight Electronics Co., Ltd. | 2. None of the Independent Director, his spouse or relatives within the second degree of kinship are hired by the Company and its affiliates as a Director, a Supervisor or an employee.<br>3. None of the Independent Director (or under others'                | 2                                                       |

| Item<br>Name     | Professional qualification(Q) and experience(E)                                                                                                                                                                                                                               | Independence                                                                                                                                                                                                                | Serve as Independent Director at other public companies |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Raymond R.M. Tai | Q: Diplomatic relations; administrative law; international perspectives<br>E: Ambassador Extraordinary and Plenipotentiary, Embassy of the R.O.C.(Taiwan) to the Holy See; Deputy Secretary-General to the President and Spokesperson, Office of the President R.O.C.(Taiwan) | names), his spouse or minor children hold the Company's shares.<br>4. The Independent Director has not provided any commercial, legal, financial, accounting services to the Company or its affiliates in recent two years. | None                                                    |

Note: All Directors do not violate any clause under Article 30 of Company Act.

## 2.1.4 The diversity and independence of the Board of Directors

### 2.1.4.1 The diversity of the Board of Directors

The members of Board of Directors are adopted a nomination and selection system. The Company has consulted with the Independent Directors' opinions and taken into consideration not only the diversity and independence of the Board members but also stakeholders' opinions.

The Company has elected the 24<sup>th</sup> board members in 2021, continuing its succession plans for younger Directors, and changed an Independent Director who served three terms. The board members are well-experienced in management and leadership decision making and have in-depth industrial knowledge, such as backgrounds in law, finance, economics, sales, etc. The Company will continue to evaluate the diversity and complementary skills of directors and to implement the diversity policy, the future goals include achieving Independent Directors as one-third of a total number of Directors (currently three seats and stands for 23% of Board members) and increasing female Directors as one-third of a total number of Directors (currently two seats and stands for 15% of Board members). The Company will be carefully evaluated during the next director re-election period. The current implementation status of diversity policies is outlined in the below table.

| Diverse Key Items<br>Name | Name Age<br>(years old) | Gender | Nationality or<br>Record of Birth | 1                        | 2                         | 3                       | 4                     | 5                  | 6                      | 7                             | 8                               |
|---------------------------|-------------------------|--------|-----------------------------------|--------------------------|---------------------------|-------------------------|-----------------------|--------------------|------------------------|-------------------------------|---------------------------------|
|                           |                         |        |                                   | Operational<br>judgement | Operational<br>management | Finance &<br>accounting | Business &<br>economy | Risk<br>management | Industrial<br>know-how | International<br>perspectives | Leadership &<br>decision-making |
| Douglas Tong Hsu          | Above 80                | Male   | R.O.C                             | ✓                        | ✓                         | ✓                       | ✓                     | ✓                  | ✓                      | ✓                             | ✓                               |
| Johnny Hsi                | 70~79                   | Male   | R.O.C                             | ✓                        | ✓                         | ✓                       | ✓                     | ✓                  | ✓                      | ✓                             | ✓                               |
| Peter Hsu                 | 70~79                   | Male   | R.O.C                             | ✓                        | ✓                         | ※                       | ✓                     | ✓                  | ✓                      | ✓                             | ✓                               |
| Shaw Y. Wang              | Above 80                | Male   | R.O.C                             | ✓                        | ✓                         | ✓                       | ✓                     | ✓                  | ✓                      | ✓                             | ✓                               |
| Jeff Hsu                  | 40~49                   | Male   | U.S.A                             | ✓                        | ✓                         | ✓                       | ✓                     | ✓                  | ✓                      | ✓                             | ✓                               |
| Richard Yang              | 50~59                   | Male   | R.O.C                             | ✓                        | ✓                         | ✓                       | ✓                     | ✓                  | ✓                      | ✓                             | ✓                               |
| Tonia Katherine Hsu       | 50~59                   | Female | U.S.A                             | ✓                        | ✓                         | ※                       | ✓                     | ✓                  | ✓                      | ✓                             | ✓                               |
| Kwan-Tao Li               | 70~79                   | Male   | R.O.C                             | ✓                        | ✓                         | ✓                       | ✓                     | ✓                  | ✓                      | ✓                             | ✓                               |
| Alice Hsu                 | 70~79                   | Female | R.O.C                             | ✓                        | ✓                         | ✓                       | ✓                     | ✓                  | ✓                      | ✓                             | ✓                               |
| Champion Lee              | 70~79                   | Male   | R.O.C                             | ✓                        | ✓                         | ✓                       | ✓                     | ✓                  | ✓                      | ✓                             | ✓                               |
| Chen-En Ko                | 70~79                   | Male   | R.O.C                             | ✓                        | ✓                         | ✓                       | ✓                     | ✓                  | ※                      | ✓                             | ✓                               |
| Johnsee Lee               | 70~79                   | Male   | R.O.C                             | ✓                        | ✓                         | ✓                       | ✓                     | ✓                  | ✓                      | ✓                             | ✓                               |
| Raymond R.M. Tai          | Above 80                | Male   | R.O.C                             | ✓                        | ✓                         | ※                       | ✓                     | ✓                  | ※                      | ✓                             | ✓                               |

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

The proportion of female Directors of the Company is 2/13. There are three Independent Directors of the Company. The tenure of one Independent Directors has been 10~12 years; the other two has been 0~3 years.

#### 2.1.4.2 The independence of the Board of Directors

The Company's 24<sup>th</sup> Board of Directors has 13 Directors, including 3 Independent Directors and representing 23% of a total number of Directors.

None of a spousal or a familial relationship within the second degree of kinship exist among the Independent Directors or between the Independent Directors and Directors. There are seven Directors, more than half of the Directors, who has none of a spousal or a familial relationship within the second degree of kinship in accordance with the paragraph 3 and 4 of Article 26-3 of Securities and Exchange Act. Six Directors have a spousal or a familial relationship within the second degree of kinship, please refer to the page 14~15 for details.

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

Book closure date: May 1, 2022

| Title                                                                                                             | Nationality | Name           | Gender | Date effective | Shareholding |      | Shareholding of spouse & minor children |      | Curriculum vitae<br>△ Positions in other companies                                                                                                                                                                     | Managers who are spouses or within two degrees of kinship |      |          |
|-------------------------------------------------------------------------------------------------------------------|-------------|----------------|--------|----------------|--------------|------|-----------------------------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------|----------|
|                                                                                                                   |             |                |        |                | Shares       | %    | Shares                                  | %    |                                                                                                                                                                                                                        | Title                                                     | Name | Relation |
| Executive Assistant to the Chairman,<br>Chief Strategy Officer of Department of Business & Product Transformation | R.O.C       | Y.H. Tseng     | Male   | Aug 1, 21      | 192,177      | 0.00 | 0                                       | 0.00 | Tung Hai University, Taiwan, Chemical Engineering Department<br>△ Director of Oriental Petrochemical (Shanghai) Corp. (OPSC), & Far Eastern Polytex (Vietnam) Ltd.                                                     | -                                                         | -    | -        |
| President,<br>Petrochemical Business                                                                              | R.O.C       | K.S. Wu        | Male   | Jul 1, 11      | 1,380        | 0.00 | 10                                      | 0.00 | Chinese Culture University, Taiwan, Chemical Department<br>△ Director of OUCC, Everest Textile & Oriental Petrochemical (Taiwan) Co., Ltd. (OPTC)                                                                      | -                                                         | -    | -        |
| President,<br>Corporate Management                                                                                | R.O.C       | Humphrey Cheng | Male   | Jul 1, 11      | 0            | 0.00 | 0                                       | 0.00 | National Taiwan University, Taiwan, International Business, EMBA<br>△ Director of OUCC & FEIB                                                                                                                          | -                                                         | -    | -        |
| Acting President and Chief Operating Officer, Polyester Business                                                  | R.O.C       | Donald Fan     | Male   | Jul 29, 21     | 5,791        | 0.00 | 0                                       | 0.00 | Feng Chia University, Taiwan, Textile Engineering Department<br>△ Chairman of Wuhan Far Eastern New Material Ltd.; Director of Far Eastern Industries (Shanghai)                                                       | -                                                         | -    | -        |
| Acting President and Chief Operating Officer, Textile Business                                                    | R.O.C       | Judy Lee       | Female | Jul 29, 21     | 0            | 0.00 | 26                                      | 0.00 | National Taiwan University, Taiwan, Department of Business<br>△ Chairman of Far Eastern Apparel (Suzhou); Director of Far Eastern Apparel (Vietnam) Ltd.                                                               | -                                                         | -    | -        |
| Chief Operating Officer, Petrochemical Business                                                                   | R.O.C       | Eric Chueh     | Male   | Jul 29, 21     | 0            | 0.00 | 0                                       | 0.00 | National Cheng Chi University, Taiwan, Master in Business & Management<br>△ Director of OPTC                                                                                                                           | -                                                         | -    | -        |
| Chief Operating Officer, Polyester Business                                                                       | R.O.C       | B.C. Chang     | Male   | Dec 9, 19      | 453          | 0.00 | 0                                       | 0.00 | Yuan Ze University, Taiwan, Master in Industry Engineering<br>△ Director of Far Eastern Fibertech Co. Ltd.(FEFC)                                                                                                       | -                                                         | -    | -        |
| Chief Operating Officer, Textile Business                                                                         | R.O.C       | M.J. Wu        | Male   | Jan 1, 21      | 17,759       | 0.00 | 515                                     | 0.00 | Feng Chia University, Taiwan, Textile Engineering Department<br>△ Chairman of Far Eastern Industries (Suzhou) Ltd. & Oriental Industries (Suzhou) Ltd.                                                                 | -                                                         | -    | -        |
| Chief Auditor, Internal Auditing Department                                                                       | R.O.C       | Rebecca Huang  | Female | Nov 10, 21     | 6,149        | 0.00 | 0                                       | 0.00 | National Cheng Chi University, Taiwan, EMBA in Accounting<br>△ -                                                                                                                                                       | -                                                         | -    | -        |
| Chief Auditor, Group Auditing Department                                                                          | R.O.C       | Y.C. Yuan      | Female | Aug 12, 14     | 0            | 0.00 | 0                                       | 0.00 | Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration<br>△ -                                                                                                                                   | -                                                         | -    | -        |
| Chief Financial Officer, Corporate Management                                                                     | R.O.C       | David Wang     | Male   | Jul 1, 12      | 7,113        | 0.00 | 67                                      | 0.00 | Mississippi State University, USA, MBA<br>△ Chairman of Yuan Tong Investment; Director of Kai Yuan International Investment                                                                                            | -                                                         | -    | -        |
| Executive Vice President, Corporate Management                                                                    | R.O.C       | Alan Tsai      | Male   | Jul 1, 12      | 0            | 0.00 | 0                                       | 0.00 | National Chengchi University, Taiwan, Master in Operation Management & Master of Laws Program for Executives<br>△ Chairman of Ding Yuan International Investment Co., Ltd.; Director of Yuan Ding Investment Co., Ltd. | -                                                         | -    | -        |



| Title                                                    | Nationality | Name          | Gender | Date effective | Shareholding |      | Shareholding of spouse & minor children |      | Curriculum vitae<br>△Positions in other companies                                                                                                                                                     | Managers who are spouses or within two degrees of kinship |      |          |
|----------------------------------------------------------|-------------|---------------|--------|----------------|--------------|------|-----------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------|----------|
|                                                          |             |               |        |                | Shares       | %    | Shares                                  | %    |                                                                                                                                                                                                       | Title                                                     | Name | Relation |
| Executive Vice President, Corporate Management           | R.O.C       | Emily Wu      | Female | Jul 1, 12      | 309,057      | 0.01 | 0                                       | 0.00 | University of Texas at Arlington, USA, Master in Accounting<br>△ Director of Yuan Cheng Human Resource Consultant ; Supervisor of Yuan Faun Co., Ltd.                                                 | -                                                         | -    | -        |
| Executive Vice President, Chairman Office & R&D Center   | R.O.C       | Fanny Liao    | Female | May 20, 19     | 0            | 0.00 | 0                                       | 0.00 | The State University of New York, Stony Brook University, USA, PhD in Chemistry<br>△ Director of Oriental Resources Development Ltd. & Martens Beer (Shanghai) Ltd. & APG Polytech USA Holdings, Inc. | -                                                         | -    | -        |
| Chief Corporate Governance Officer, Corporate Management | R.O.C       | Li-Chi Chen   | Male   | May 10, 19     | 0            | 0.00 | 0                                       | 0.00 | National Taiwan University, Taiwan, College of Law<br>△ Director of Far Eastern Apparel; Supervisor of Arcoa Communication                                                                            | -                                                         | -    | -        |
| Chief Human Resources Officer, Corporate Management      | R.O.C       | C.Y. Lin      | Male   | Nov 1, 21      | 0            | 0.00 | 0                                       | 0.00 | National Chengchi University, Taiwan, Master in Labor Research<br>△ Chairman of Yuan Cheng Human Resource Consultant                                                                                  | -                                                         | -    | -        |
| Executive Vice President, Polyester Business             | R.O.C       | C.T. Peng     | Male   | Nov 1, 21      | 0            | 0.00 | 0                                       | 0.00 | National Tsing Hua University, Taiwan, Master in Chemical Engineering<br>△ Director of Oriental Green Materials Ltd.                                                                                  | -                                                         | -    | -        |
| Executive Vice President, Polyester Business             | R.O.C       | M.L. Tsai     | Male   | Nov 1, 21      | 0            | 0.00 | 383                                     | 0.00 | Feng Chia University, Taiwan, Master in Textile Engineering<br>△ -                                                                                                                                    | -                                                         | -    | -        |
| Senior Vice President, Corporate Staff Office            | R.O.C       | Jackson Wu    | Male   | Oct 1, 07      | 50,545       | 0.00 | 0                                       | 0.00 | Chung Yuan Christian University, Taiwan, Master in Mechanical Engineering<br>△ Supervisor of Far Eastern General Contractor                                                                           | -                                                         | -    | -        |
| Senior Vice President, Corporate Staff Office            | R.O.C       | Allen Sha     | Male   | Apr 1, 15      | 1,166        | 0.00 | 0                                       | 0.00 | Tamkang University, Taiwan, Master in Department of Banking and Finance<br>△ Director of Yuan Tong Investment & Kai Yuan International Investment                                                     | -                                                         | -    | -        |
| Senior Vice President, Corporate Staff Office            | R.O.C       | Y.L. Chen     | Male   | Apr 1, 15      | 11,879       | 0.00 | 18,432                                  | 0.00 | Tamkang University, Taiwan, Master in Business Administration<br>△ -                                                                                                                                  | -                                                         | -    | -        |
| Senior Vice President, Corporate Staff Office            | R.O.C       | Y.S. Yang     | Male   | Apr 1, 15      | 0            | 0.00 | 0                                       | 0.00 | National Chiao Tung University, Taiwan, PhD in Business & Management<br>△ Chairman of YDT Technology International Co., Ltd. & Director of Yuan Hsin Digital Payment Co., Ltd.                        | -                                                         | -    | -        |
| Vice Chief Auditor, Group Auditing Department            | R.O.C       | Ju-Her Huang  | Female | Sep 1, 20      | 10,000       | 0.00 | 0                                       | 0.00 | Brock University, Canada, Department of Economics<br>△ -                                                                                                                                              | -                                                         | -    | -        |
| Vice Chief Auditor, Group Auditing Department            | R.O.C       | Ariel Hsu     | Female | Feb 1, 21      | 0            | 0.00 | 0                                       | 0.00 | Far Eastern Corporate University, Taiwan, Master in Management<br>△ -                                                                                                                                 | -                                                         | -    | -        |
| Senior Vice President, Accounting Department             | R.O.C       | Davis Dai     | Male   | Oct 1, 15      | 0            | 0.00 | 0                                       | 0.00 | Fu Jen Catholic University, Taiwan, Master in Accounting<br>△ Supervisor of Far Eastern Apparel (Vietnam) Ltd.                                                                                        | -                                                         | -    | -        |
| Senior Vice President, Accounting Department             | R.O.C       | Liang-Wei Hsu | Male   | Dec 1, 19      | 0            | 0.00 | 0                                       | 0.00 | National Sun Yat-Sen University, Taiwan, EMBA<br>△ -                                                                                                                                                  | -                                                         | -    | -        |
| Senior Vice President, Accounting Department             | R.O.C       | Alex Chen     | Male   | Jul 1, 21      | 164          | 0.00 | 0                                       | 0    | Feng Chia University, Taiwan, Accounting Department<br>△ -                                                                                                                                            | -                                                         | -    | -        |
| Senior Vice President, Finance Department                | R.O.C       | Jenny Ho      | Female | Jul 1, 15      | 913          | 0.00 | 0                                       | 0.00 | University of Reading, UK, Master in International Securities, Investment and Banking<br>△ Director of Far Eastern Apparel & Fu Kwok Knitting & Garment Co., Ltd.                                     | -                                                         | -    | -        |
| Senior Vice President, Finance Department                | R.O.C       | Carol Wang    | Female | May 1, 18      | 0            | 0.00 | 0                                       | 0.00 | University of Illinois at Urbana Champaign, USA, Master in Finance<br>△ Director of Far Eastern Apparel (Vietnam) Ltd.                                                                                | -                                                         | -    | -        |

| Title                                                | Nationality | Name             | Gender | Date effective | Shareholding |      | Shareholding of spouse & minor children |      | Curriculum vitae<br>△Positions in other companies                                                                                        | Managers who are spouses or within two degrees of kinship |      |          |
|------------------------------------------------------|-------------|------------------|--------|----------------|--------------|------|-----------------------------------------|------|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------|----------|
|                                                      |             |                  |        |                | Shares       | %    | Shares                                  | %    |                                                                                                                                          | Title                                                     | Name | Relation |
| Senior Vice President, Finance Department            | R.O.C       | Yu-Sheng Lin     | Male   | May 21, 18     | 0            | 0.00 | 0                                       | 0.00 | Iowa State University, USA, MBA<br>△ Director of Oriental Industries (Suzhou) & Far Eastern Apparel (Suzhou)                             | -                                                         | -    | -        |
| Senior Vice President, Human Resource Department     | R.O.C       | Hung-Hui Lee     | Male   | Mar 14, 22     | 0            | 0.00 | 1,000                                   | 0.00 | The Ohio State University, USA, Ph. D. in Public Policy and Management<br>△ -                                                            | -                                                         | -    | -        |
| Senior Vice President, Learning & Development Center | R.O.C       | William Hsu      | Male   | May 1, 19      | 0            | 0.00 | 0                                       | 0.00 | University of Leicester, UK, MBA<br>△ -                                                                                                  | -                                                         | -    | -        |
| Senior Vice President, Shipping Department           | R.O.C       | Ching-Shan Hsieh | Female | May 14, 18     | 113          | 0.00 | 0                                       | 0.00 | Tunghai University, Taiwan, Department of Economics<br>△ -                                                                               | -                                                         | -    | -        |
| Senior Vice President, R&D Center                    | R.O.C       | Ken Chang        | Male   | Aug 1, 12      | 0            | 0.00 | 0                                       | 0.00 | National Tsing Hua University, Taiwan, PhD in Chemical Engineering<br>△ -                                                                | -                                                         | -    | -        |
| Senior Vice President, R&D Center                    | R.O.C       | David Liu        | Male   | Sep 9, 16      | 307          | 0.00 | 0                                       | 0.00 | Yuan Tzu University, Taiwan, Master in Chemical Engineering<br>△ -                                                                       | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | David Shih       | Male   | Nov 1, 06      | 349          | 0.00 | 0                                       | 0.00 | National Taiwan University of Science and Technology, Taiwan, Industrial Management Department<br>△ Director of OPTC                     | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | C.T. Chen        | Male   | Nov 1, 10      | 0            | 0.00 | 0                                       | 0.00 | Yuan Ze University, Taiwan, Masters in Industrial Engineering<br>△ -                                                                     | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | Eric Huang       | Male   | Jul 1, 12      | 0            | 0.00 | 0                                       | 0.00 | National Taiwan University of Science and Technology, Taiwan, PhD in Chemical Engineering<br>△ Director of FEFC                          | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | Y.T. Chang       | Male   | Jul 1, 13      | 0            | 0.00 | 0                                       | 0.00 | Yuan Tzu University, Taiwan, Master in Chemical Engineering<br>△ -                                                                       | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | Roder Chang      | Male   | Dec 1, 14      | 1,555        | 0.00 | 6,000                                   | 0.00 | Feng Chia University, Taiwan, Master in Textile Engineering Department<br>△ -                                                            | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | K.B. Louy        | Male   | Mar 15, 16     | 35           | 0.00 | 0                                       | 0.00 | Feng Chia University, Taiwan, Textile Engineering Department<br>△ -                                                                      | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | Nico Peng        | Male   | Nov 1, 17      | 0            | 0.00 | 0                                       | 0.00 | Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration<br>△ -                                                     | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | H.T. Tyan        | Male   | Oct 6, 20      | 1,149        | 0.00 | 0                                       | 0.00 | Tamkang University, Taiwan, Department of Management Administration<br>△ -                                                               | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | Teddy Chang      | Male   | Oct 6, 20      | 454          | 0.00 | 11,224                                  | 0.00 | National Cheng Kung University, Taiwan, Chemical Engineering Department<br>△ -                                                           | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | Robert Wang      | Male   | Oct 6, 20      | 0            | 0.00 | 0                                       | 0.00 | National Taipei University of Technology, Taiwan, Associate Degree of Textile Engineering<br>△ -                                         | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | Norman Lin       | Male   | Jan 1, 21      | 0            | 0.00 | 1,000                                   | 0.00 | National Central University, Taiwan, Department of Management Administration<br>△ -                                                      | -                                                         | -    | -        |
| Senior Vice President, Polyester Business            | R.O.C       | Daniel Tsai      | Male   | Jul 8, 21      | 5,865        | 0.00 | 0                                       | 0.00 | National Taiwan Ocean University, Taiwan, Department of Shipping & Transportation Management<br>△ Director of PET Far Eastern(M) Sdn Bhd | -                                                         | -    | -        |

| Title                                        | Nationality | Name       | Gender | Date effective | Shareholding |      | Shareholding of spouse & minor children |      | Curriculum vitae<br>△Positions in other companies                                                                               | Managers who are spouses or within two degrees of kinship |      |          |
|----------------------------------------------|-------------|------------|--------|----------------|--------------|------|-----------------------------------------|------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------|----------|
|                                              |             |            |        |                | Shares       | %    | Shares                                  | %    |                                                                                                                                 | Title                                                     | Name | Relation |
| Senior Vice President, Textile Business      | R.O.C       | Nancy Chen | Female | May 24, 21     | 0            | 0.00 | 4,468                                   | 0.00 | Purdue University, USA, Master in Hospitality Management<br>△ -                                                                 | -                                                         | -    | -        |
| Senior Vice President, Textile Business      | R.O.C       | Steve Liu  | Male   | Feb 1, 21      | 17,918       | 0.00 | 0                                       | 0.00 | Soochow University, Taiwan, Department of Economics<br>△Director of Oriental Industries (Suzhou) & Far Eastern Apparel (Suzhou) | -                                                         | -    | -        |
| Senior Vice President, Purchasing Department | R.O.C       | Ryan Wu    | Male   | May 1, 11      | 0            | 0.00 | 0                                       | 0.00 | National Taiwan University of Science and Technology, Taiwan, MBA<br>△ -                                                        | -                                                         | -    | -        |
| Senior Vice President, Purchasing Department | R.O.C       | Hans Kuo   | Male   | Jul 1, 18      | 0            | 0.00 | 0                                       | 0.00 | Chinese Culture University, Taiwan, Department of Law<br>△ -                                                                    | -                                                         | -    | -        |
| Senior Vice President, Purchasing Department | R.O.C       | Andy Lou   | Male   | Dec 16, 21     | 0            | 0.00 | 0                                       | 0.00 | National Cheng Kung University, Taiwan, Department of Hydraulics and Ocean Engineering<br>△ -                                   | -                                                         | -    | -        |

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

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

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

## 2.3 Remuneration of Directors, President, and Executive Vice Presidents

### 2.3.1 Remuneration Paid to Directors and Independent Directors

Unit: NT\$ thousands

| Title                | Name                               | Remuneration          |   |                                |   |                                                             |         |                           |       | Ratio of total remuneration (I+II+III+IV) over net income (%) |                  | Relevant compensation received by directors who are also employees |         |                                |   |                                                             |   |       |                | Ratio of total remuneration (I+II+III+IV+V+VI+VII) to net income (%) |                  | Remuneration paid to Directors and Independent Directors from an invested company or the parent company other than the Company's subsidiary (VIII) |
|----------------------|------------------------------------|-----------------------|---|--------------------------------|---|-------------------------------------------------------------|---------|---------------------------|-------|---------------------------------------------------------------|------------------|--------------------------------------------------------------------|---------|--------------------------------|---|-------------------------------------------------------------|---|-------|----------------|----------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
|                      |                                    | Base Remuneration (I) |   | Severance Pay and Pension (II) |   | Directors' remuneration from distribution of earnings (III) |         | Operating Allowances (IV) |       |                                                               |                  | Salary, Bonuses, and Allowances (V)                                |         | Severance Pay and Pension (VI) |   | Employees' compensation from distribution of earnings (VII) |   |       |                |                                                                      |                  |                                                                                                                                                    |
|                      |                                    |                       |   |                                |   |                                                             |         |                           |       |                                                               |                  |                                                                    |         |                                |   |                                                             |   |       |                |                                                                      |                  |                                                                                                                                                    |
|                      |                                    | A                     | B | A                              | B | A                                                           | B       | A                         | B     | A                                                             | B                | A                                                                  | B       | A                              | B | A                                                           | B | A     | B              | A                                                                    | B                |                                                                                                                                                    |
| Chairman             | Douglas Tong Hsu                   |                       |   |                                |   |                                                             |         |                           |       |                                                               |                  |                                                                    |         |                                |   |                                                             |   |       |                |                                                                      |                  |                                                                                                                                                    |
| Director             | Asia Cement Corporation            | 0                     | 0 | 0                              | 0 | 175,480                                                     | 175,480 | 1,130                     | 5,832 | 176,610<br>1.82%                                              | 181,312<br>1.87% | 26,267                                                             | 122,375 | 0                              | 0 | 2,039                                                       | 0 | 2,039 | 0              | 204,916<br>2.11%                                                     | 305,726<br>3.16% | 114,243                                                                                                                                            |
|                      | Far Eastern Department Stores Ltd. |                       |   |                                |   |                                                             |         |                           |       |                                                               |                  |                                                                    |         |                                |   |                                                             |   |       |                |                                                                      |                  |                                                                                                                                                    |
|                      | U-Ming Marine Transport Corp.      |                       |   |                                |   |                                                             |         |                           |       |                                                               |                  |                                                                    |         |                                |   |                                                             |   |       |                |                                                                      |                  |                                                                                                                                                    |
|                      | Yue Ding Industries Co., Ltd.      |                       |   |                                |   |                                                             |         |                           |       |                                                               |                  |                                                                    |         |                                |   |                                                             |   |       |                |                                                                      |                  |                                                                                                                                                    |
| Independent Director | Chen-En Ko                         | 0                     | 0 | 0                              | 0 | 5,367                                                       | 5,367   | 290                       | 290   | 5,657<br>0.06%                                                | 5,657<br>0.06%   | 0                                                                  | 0       | 0                              | 0 | 0                                                           | 0 | 0     | 5,657<br>0.06% | 5,657<br>0.06%                                                       | 0                |                                                                                                                                                    |
|                      | Johnsee Lee                        |                       |   |                                |   |                                                             |         |                           |       |                                                               |                  |                                                                    |         |                                |   |                                                             |   |       |                |                                                                      |                  |                                                                                                                                                    |
|                      | Raymond R.M. Tai                   |                       |   |                                |   |                                                             |         |                           |       |                                                               |                  |                                                                    |         |                                |   |                                                             |   |       |                |                                                                      |                  |                                                                                                                                                    |

Note:

- Column A represents the Company; Column B represents all companies in the consolidated financial statement.
- The Company pays remuneration to Directors in accordance with the Articles of Incorporation. After being resolved by the Remuneration Committee and the Board of Directors, the remuneration shall be reported in the annual shareholder's meeting in accordance with the laws and regulations. The remuneration paid to Independent Directors is a fixed amount with consideration to their time spend and responsibilities assumed for the position. Additional remuneration of a fixed amount is provided if the Independent Director serves concurrently as a committee chairman, a Remuneration Committee member or a Sustainability Committee member. The operating allowances for Independent Directors are a fixed amount for traveling expenses.
- Operating allowances mentioned in the table above were the actual amount distributed in 2021. Directors' remuneration and Employees' compensation, approved by the Board Meeting on March 8, 2022, are the proposed figures to be resolved by the upcoming 2022 Annual General Shareholders' Meeting.
- A company car is assigned to Chairman Douglas Tong Hsu for business purpose. The acquisition cost of the said car is NT\$6.508 million.
- There is neither share bonus being issued nor share warrant and share option being issued by the Company or companies in the consolidated financial report to employees for purchasing shares.
- Representative of Asia Cement Corporation: Johnny Hsi, Peter Hsu, Shaw Y. Wang, Jeff Hsu; Representative of Far Eastern Department Stores Ltd.: Richard Yang, Tonia Katherine Hsu; Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li.; Representative of Yue Ding Industries Co., Ltd.: Champion Lee

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

Note : Chen-En Ko, the new Independent Director, was on board on Jul 27, 2021.

### 2.3.2 Compensation Paid to Presidents and Executive Vice Presidents

Unit: NT\$ thousands

| Title                   | Name           | Salary (I) |        | Severance Pay and Pension (II) |        | Compensation and Allowances (III) |        | Employees' compensation from distribution of earnings (IV) |       |       |       | Ratio of total remuneration (I+II+III+IV) to net income (%) |                  | Compensation paid to the President and Executive Vice President from an invested company or the parent company other than the Company's subsidiary |
|-------------------------|----------------|------------|--------|--------------------------------|--------|-----------------------------------|--------|------------------------------------------------------------|-------|-------|-------|-------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
|                         |                | A          | B      | A                              | B      | A                                 | B      | A                                                          |       | B     |       | A                                                           | B                |                                                                                                                                                    |
|                         |                |            |        |                                |        |                                   |        | Cash                                                       | Stock | Cash  | Stock |                                                             |                  |                                                                                                                                                    |
| Chief Strategy Officer  | Y.H. Tseng     | 55,356     | 70,054 | 63,060                         | 63,168 | 69,161                            | 74,077 | 4,810                                                      | 0     | 5,169 | 0     | 192,367<br>1.99%                                            | 212,468<br>2.19% | 9,539                                                                                                                                              |
| President               | K.S. Wu        |            |        |                                |        |                                   |        |                                                            |       |       |       |                                                             |                  |                                                                                                                                                    |
|                         | Humphrey Cheng |            |        |                                |        |                                   |        |                                                            |       |       |       |                                                             |                  |                                                                                                                                                    |
| Chief Operating Officer | Donald Fan     |            |        |                                |        |                                   |        |                                                            |       |       |       |                                                             |                  |                                                                                                                                                    |
|                         | Judy Lee       |            |        |                                |        |                                   |        |                                                            |       |       |       |                                                             |                  |                                                                                                                                                    |
|                         | Eric Chueh     |            |        |                                |        |                                   |        |                                                            |       |       |       |                                                             |                  |                                                                                                                                                    |
|                         | B.C. Chang     |            |        |                                |        |                                   |        |                                                            |       |       |       |                                                             |                  |                                                                                                                                                    |
|                         | M.J. Wu        |            |        |                                |        |                                   |        |                                                            |       |       |       |                                                             |                  |                                                                                                                                                    |

| Title                              | Name          | Salary ( I ) |   | Severance Pay and Pension ( II ) |   | Compensation and Allowances ( III ) |   | Employees' compensation from distribution of earnings ( IV ) |       |      |       | Ratio of total remuneration (I+II+III+IV) to net income (%) |   | Compensation paid to the President and Executive Vice President from an invested company or the parent company other than the Company's subsidiary |
|------------------------------------|---------------|--------------|---|----------------------------------|---|-------------------------------------|---|--------------------------------------------------------------|-------|------|-------|-------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    |               | A            | B | A                                | B | A                                   | B | A                                                            |       | B    |       | A                                                           | B |                                                                                                                                                    |
|                                    |               |              |   |                                  |   |                                     |   | Cash                                                         | Stock | Cash | Stock |                                                             |   |                                                                                                                                                    |
| Chief Auditor                      | Rebecca Huang |              |   |                                  |   |                                     |   |                                                              |       |      |       |                                                             |   |                                                                                                                                                    |
|                                    | Y.C. Yuan     |              |   |                                  |   |                                     |   |                                                              |       |      |       |                                                             |   |                                                                                                                                                    |
| Chief Financial Officer            | David Wang    |              |   |                                  |   |                                     |   |                                                              |       |      |       |                                                             |   |                                                                                                                                                    |
| Executive Vice President           | Alan Tsai     |              |   |                                  |   |                                     |   |                                                              |       |      |       |                                                             |   |                                                                                                                                                    |
|                                    | Emily Wu      |              |   |                                  |   |                                     |   |                                                              |       |      |       |                                                             |   |                                                                                                                                                    |
|                                    | Fanny Liao    |              |   |                                  |   |                                     |   |                                                              |       |      |       |                                                             |   |                                                                                                                                                    |
| Chief Corporate Governance Officer | Li-Chi Chen   |              |   |                                  |   |                                     |   |                                                              |       |      |       |                                                             |   |                                                                                                                                                    |
| Chief Human Resources Officer      | C.Y. Lin      |              |   |                                  |   |                                     |   |                                                              |       |      |       |                                                             |   |                                                                                                                                                    |
| Executive Vice President           | C.T. Peng     |              |   |                                  |   |                                     |   |                                                              |       |      |       |                                                             |   |                                                                                                                                                    |
|                                    | M.L. Tsai     |              |   |                                  |   |                                     |   |                                                              |       |      |       |                                                             |   |                                                                                                                                                    |

Note:

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

| Bracket                         | Name of Presidents and Executive Vice Presidents                                                                                                              |                                                                                                                                                               |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | The Company                                                                                                                                                   | Companies in the consolidated financial statement                                                                                                             |
| Under NT\$1,000,000             | -                                                                                                                                                             | -                                                                                                                                                             |
| NT\$1,000,000 ~ NT\$1,999,999   | -                                                                                                                                                             | -                                                                                                                                                             |
| NT\$2,000,000 ~ NT\$3,499,999   | -                                                                                                                                                             | -                                                                                                                                                             |
| NT\$3,500,000 ~ NT\$4,999,999   | -                                                                                                                                                             | -                                                                                                                                                             |
| NT\$5,000,000 ~ NT\$9,999,999   | Y.H. Tseng, K.S. Wu, Donald Fan, Judy Lee, Eric Chueh, M.J. Wu, Rebecca Huang, Y.C. Yuan, Alan Tsai, Fanny Liao, Li-Chi Chen, C. Y. Lin, C.T. Peng, M.L. Tsai | Y.H. Tseng, K.S. Wu, Donald Fan, Judy Lee, Eric Chueh, M.J. Wu, Rebecca Huang, Y.C. Yuan, Alan Tsai, Fanny Liao, Li-Chi Chen, C. Y. Lin, C.T. Peng, M.L. Tsai |
| NT\$10,000,000 ~ NT\$14,999,999 | -                                                                                                                                                             | -                                                                                                                                                             |
| NT\$15,000,000 ~ NT\$29,999,999 | Humphrey Cheng, B.C. Chang, David Wang, Emily Wu (Note)                                                                                                       | Humphrey Cheng, B.C. Chang, David Wang, Emily Wu (Note)                                                                                                       |
| NT\$30,000,000 ~ NT\$49,999,999 | -                                                                                                                                                             | -                                                                                                                                                             |
| NT\$50,000,000 ~ NT\$99,999,999 | -                                                                                                                                                             | -                                                                                                                                                             |
| NT\$100,000,000 and over        | -                                                                                                                                                             | -                                                                                                                                                             |
| Total                           | 18                                                                                                                                                            | 18                                                                                                                                                            |

Note: In 2021, the aforementioned President, COO, CFO & EVP were retired and re-appointed.

## 2.3.3 Compensation Paid to Managers

Unit:NT\$ thousands

| Title                                                                                                              | Name             | Employee Compensation- in Cash | Ratio of Total Amount to Net Income (%) |
|--------------------------------------------------------------------------------------------------------------------|------------------|--------------------------------|-----------------------------------------|
| Executive Assistant to the Chairman, and Chief Strategy Officer of Department of Business & Product Transformation | Y.H. Tseng       | 11,557                         | 0.14%                                   |
| President, Petrochemical Business                                                                                  | K.S. Wu          |                                |                                         |
| President, Corporate Management                                                                                    | Humphrey Cheng   |                                |                                         |
| Acting President and Chief Operating Officer, Polyester Business                                                   | Donald Fan       |                                |                                         |
| Acting President and Chief Operating Officer, Textile Business                                                     | Judy Lee         |                                |                                         |
| Chief Operating Officer, Petrochemical Business                                                                    | Eric Chueh       |                                |                                         |
| Chief Operating Officer, Polyester Business                                                                        | B.C. Chang       |                                |                                         |
| Chief Operating Officer, Textile Business                                                                          | M.J. Wu          |                                |                                         |
| Chief Auditor, Internal Auditing Department                                                                        | Rebecca Huang    |                                |                                         |
| Chief Auditor, Group Auditing Department                                                                           | Y.C. Yuan        |                                |                                         |
| Chief Financial Officer, Corporate Management                                                                      | David Wang       |                                |                                         |
| Executive Vice President, Corporate Management                                                                     | Alan Tsai        |                                |                                         |
| Executive Vice President, Corporate Management                                                                     | Emily Wu         |                                |                                         |
| Executive Vice President, Chairman Office & R&D Center                                                             | Fanny Liao       |                                |                                         |
| Chief Corporate Governance Officer, Corporate Management                                                           | Li-Chi Chen      |                                |                                         |
| Chief Human Resources Officer, Corporate Management                                                                | C.Y. Lin         |                                |                                         |
| Executive Vice President, Polyester Business                                                                       | C.T. Peng        |                                |                                         |
| Executive Vice President, Polyester Business                                                                       | M.L. Tsai        |                                |                                         |
| Senior Vice President, Corporate Staff Office                                                                      | Jackson Wu       |                                |                                         |
| Senior Vice President, Corporate Staff Office                                                                      | Allen Sha        |                                |                                         |
| Senior Vice President, Corporate Staff Office                                                                      | Y.L. Chen        |                                |                                         |
| Senior Vice President, Corporate Staff Office                                                                      | Y.S. Yang        |                                |                                         |
| Vice Chief Auditor, Group Auditing Department                                                                      | Ju-Her Huang     |                                |                                         |
| Vice Chief Auditor, Group Auditing Department                                                                      | Ariel Hsu        |                                |                                         |
| Senior Vice President, Accounting Department                                                                       | Davis Dai        |                                |                                         |
| Senior Vice President, Accounting Department                                                                       | Liang-Wei Hsu    |                                |                                         |
| Senior Vice President, Accounting Department                                                                       | Alex Chen        |                                |                                         |
| Senior Vice President, Finance Department                                                                          | Jenny Ho         |                                |                                         |
| Senior Vice President, Finance Department                                                                          | Carol Wang       |                                |                                         |
| Senior Vice President, Finance Department                                                                          | Yu-Sheng Lin     |                                |                                         |
| Senior Vice President, Human Resource Department                                                                   | Hung-Hui Lee     |                                |                                         |
| Senior Vice President, Learning & Development Center                                                               | William Hsu      |                                |                                         |
| Senior Vice President, Shipping Department                                                                         | Ching-Shan Hsieh |                                |                                         |
| Senior Vice President, R&D Center                                                                                  | Ken Chang        |                                |                                         |
| Senior Vice President, R&D Center                                                                                  | David Liu        |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | David Shih       |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | C.T. Chen        |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | Eric Huang       |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | Y.T. Chang       |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | Roder Chang      |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | K.B. Louy        |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | Nico Peng        |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | H.T. Tyan        |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | Teddy Chang      |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | Robert Wang      |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | Norman Lin       |                                |                                         |
| Senior Vice President, Polyester Business                                                                          | Daniel Tsai      |                                |                                         |
| Senior Vice President, Textile Business                                                                            | Nancy Chen       |                                |                                         |
| Senior Vice President, Textile Business                                                                            | Steve Liu        |                                |                                         |
| Senior Vice President, Purchasing Department                                                                       | Ryan Wu          |                                |                                         |
| Senior Vice President, Purchasing Department                                                                       | Hans Kuo         |                                |                                         |
| Senior Vice President, Purchasing Department                                                                       | Andy Lou         |                                |                                         |

Note: There are no shares being issued by the Company to pay for employee bonuses.

## Corporate Governance Report

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

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

| Year | The Ratio of Total Paid Remuneration over Net Income |                                                   |
|------|------------------------------------------------------|---------------------------------------------------|
|      | The Company                                          | Companies in the consolidated financial statement |
| 2021 | 4.16%                                                | 5.41%                                             |
| 2020 | 3.75%                                                | 5.10%                                             |

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

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

| Performance evaluation indexes |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual managerial performance  | <ol style="list-style-type: none"> <li>1. Financial performance and cost control perspectives</li> <li>2. Implementation of risk management</li> <li>3. Implementation of internal control, integrity and compliance &amp; regulations</li> <li>4. Strategies for internal and external contingencies</li> <li>5. Assessment of expansion and growth opportunities</li> </ol>                                                         |
| Sustainable development        | <ol style="list-style-type: none"> <li>1. Continuously increase investment in new product development and potential areas</li> <li>2. Develop green products and production lines</li> <li>3. Focus on talent cultivation for multinational managerial skillset</li> <li>4. Lead to the Group’s core values (sincerity, diligence, thrift, prudence and innovation)</li> <li>5. Continuously communicate with stakeholders</li> </ol> |



### 3. Corporate Governance

#### 3.1 Board of Directors

Total five meetings were convened by the Board of Directors in 2021. Attendance of each Director is as follows:

| Title    | Name                               |                     | Attendance in Person | By Proxy | Attendance Rate (%) | Remarks        |
|----------|------------------------------------|---------------------|----------------------|----------|---------------------|----------------|
| Chairman | Douglas Tong Hsu                   |                     | 5                    | 0        | 100                 | Re-election    |
| Director | Asia Cement Corp.                  | Johnny Hsi          | 5                    | 0        | 100                 | Re-election    |
|          |                                    | Peter Hsu           | 5                    | 0        | 100                 | Re-election    |
|          |                                    | Raymond Hsu         | 0                    | 3        | 0                   | Tenure expired |
|          |                                    | Shaw Y. Wang        | 5                    | 0        | 100                 | Re-election    |
|          |                                    | Jeff Hsu            | 2                    | 0        | 100                 | New election   |
|          | Far Eastern Department Stores Ltd. | Richard Yang        | 5                    | 0        | 100                 | Re-election    |
|          |                                    | Tonia Katherine Hsu | 5                    | 0        | 100                 | Re-election    |
|          | U-Ming Marine Transport Corp.      | Kwan-Tao Li         | 4                    | 1        | 80                  | Re-election    |
|          |                                    | Alice Hsu           | 3                    | 2        | 60                  | Re-election    |
|          | Yue Ding Industries Co., Ltd.      | Champion Lee        | 5                    | 0        | 100                 | Re-election    |
|          | Independent Directors              | Chen-En Ko          | 2                    | 0        | 100                 | New election   |
|          |                                    | Bing Shen           | 3                    | 0        | 100                 | Tenure expired |
|          |                                    | Johnsee Lee         | 5                    | 0        | 100                 | Re-election    |
|          |                                    | Raymond R.M. Tai    | 5                    | 0        | 100                 | Re-election    |

Note: The Company re-elected Directors (including Independent Directors) on July 29, 2021.

Other required disclosure:

(1) Should any circumstance occurred on board practices, the dates and sessions of the said board meetings, the contents of the said resolutions, opinions of all independent directors, and measures the Company had in responding to such opinions shall be specified:

1. Any circumstance described in Article 14-3 of the Securities and Exchange Act: Please refer to page 63 to 64 "Major resolutions by Board of Directors"

2. Any resolution on which an independent director had a dissenting or qualified opinion occurred in board meetings: None

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

(3) Information of the Board and each functional committee assessments:

| Assessment Frequency | Assessment Period          | Assessment Scope                                                                             | Assessment Method                                                                                                          | Contents                                                                                                                                                                                                                                                                                             |
|----------------------|----------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annually             | Jan 1, 2021 ~ Dec 31, 2021 | The Board of Directors                                                                       | The Board's internal assessment: "Self-evaluation questionnaire for the Board's performance"                               | 1. Involvement of the Company's operation<br>2. Improve the decision-making quality of the Board<br>3. Composition and structure of the Board<br>4. Election and continuing education for the Directors<br>5. Internal control                                                                       |
|                      |                            | The Board members                                                                            | The Board members' internal assessment: "Self-evaluation questionnaire for the Board members' review"                      | 1. Familiar with the goals and missions of the Company<br>2. Awareness of the Directors' duties<br>3. Involvement of the Company's operations<br>4. Management of the internal relationship and communication<br>5. Professionalism and continuing education of the Directors<br>6. Internal control |
|                      |                            | Functional committees (Audit Committee, Remuneration Committee and Sustainability Committee) | The functional committees' internal assessment: "Self-evaluation questionnaire for the functional committee's performance" | 1. Involvement of the Company's operations<br>2. Awareness of the functional committees' duties<br>3. Improve the decision-making quality of the functional committees<br>4. Composition of the functional committee and the election of the members<br>5. Internal control                          |

## Corporate Governance Report

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

(5) The attendance status of Independent Directors from Jan 1, 2021 until May 15, 2022:

|                  | 2021/3/24                      | 2021/5/13 | 2021/7/12 | 2021/7/29                       | 2021/11/11 | 2022/3/8 | 2022/5/10 |
|------------------|--------------------------------|-----------|-----------|---------------------------------|------------|----------|-----------|
| Chen-En Ko       | Newly elected on July 29, 2021 |           |           | ✓                               | ✓          | ✓        | ✓         |
| Bing Shen        | ✓                              | ✓         | ✓         | Tenure expired on July 29, 2021 |            |          |           |
| Johnsee Lee      | ✓                              | ✓         | ✓         | ✓                               | ✓          | ✓        | ✓         |
| Raymond R.M. Tai | ✓                              | ✓         | ✓         | ✓                               | ✓          | ✓        | ✓         |

Note: ✓: Attendance in person

### 3.2 Audit Committee:

Total five meetings were convened by the Audit Committee in 2021. Attendance of each Independent Director is as follows:

| Title            | Name             | Attendance in Person | By Proxy | Attendance Rate (%) | Remarks        |
|------------------|------------------|----------------------|----------|---------------------|----------------|
| Convener         | Chen-En Ko       | 1                    | 0        | 100                 | New election   |
| Convener         | Bing Shen        | 4                    | 0        | 100                 | Tenure expired |
| Committee member | Johnsee Lee      | 5                    | 0        | 100                 | Re-election    |
| Committee member | Raymond R.M. Tai | 5                    | 0        | 100                 | Re-election    |

Note: The Company re-elected Directors (including Independent Directors) on July 29, 2021.

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

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

#### • Audit Committee's Review Report

We have examined the Business Report, Financial Statements, and the Resolution for Allocation of Surplus Profit submitted by the Board of Directors for the year ending 2021 which had been audited by Deloitte & Touche, and found them in order.

#### • The hiring of CPA

The independence and eligibility of the certified accountants was assessed by the Audit Committee on March 7, 2022 and the Board of Directors on March 8, 2022. The certified accountants have no relationship or interest conflicts with the Company, and maintain impartiality in providing professional services. In addition, the Company obtained the independent statement issued by the CPA firm, in accordance with the norms of independence and eligibility.

Other required disclosure:

(1)

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

| Meeting Date<br>(Term)                                                         | Resolutions                                                                              | Circumstances<br>described in<br>Article 14-5 of the<br>Securities and<br>Exchange Act | The Company's<br>response to<br>Audit Committee's<br>opinions                                                                                                                       |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2021.03.22</b><br>(11 <sup>th</sup> Meeting of the<br>2 <sup>nd</sup> Term) | 1. Circumstances for acquisition and disposition of assets during Oct 2020 to Feb 2021   | √                                                                                      | All presented committee members have approved and submitted to the Board of Directors. All Directors present consented to the Declaration, and no dissenting opinion was expressed. |
|                                                                                | 2. Transactions for FX hedging until Feb 26, 2021                                        | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 3. Lending of capital to others until Jan 31, 2021                                       |                                                                                        |                                                                                                                                                                                     |
|                                                                                | 4. 2020 financial reports (including consolidated & stand-alone) and the hiring of CPA   | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 5. The proposal for distribution of 2020 profits                                         | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 6. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 7. To terminate the Global Depository Receipt program                                    |                                                                                        |                                                                                                                                                                                     |
|                                                                                | 8. To invest in Far Eastern Investment (Holding) Limited                                 | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 9. 4Q2020 internal audit report                                                          | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 10. Internal control report                                                              | √                                                                                      |                                                                                                                                                                                     |
| <b>2021.05.13</b><br>(12 <sup>th</sup> Meeting of the<br>2 <sup>nd</sup> Term) | 1. 1Q2021 consolidated financial report                                                  |                                                                                        |                                                                                                                                                                                     |
|                                                                                | 2. Circumstances for acquisition and disposition of assets in Mar 2021                   | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 3. Transactions for FX hedging until Apr 15, 2021                                        | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 4. Lending of capital to others until Mar 31, 2021                                       |                                                                                        |                                                                                                                                                                                     |
|                                                                                | 5. Approved 2020 business report                                                         | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 6. 1Q2021 internal audit report                                                          | √                                                                                      |                                                                                                                                                                                     |
| <b>2021.07.12</b><br>(13 <sup>th</sup> Meeting of the<br>2 <sup>nd</sup> Term) | 1. Circumstances for acquisition and disposition of assets during Apr 2021 to May 2021   | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 2. Transactions for FX hedging until Jun 22, 2021                                        | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 3. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 4. 2Q2021 internal audit report                                                          | √                                                                                      |                                                                                                                                                                                     |
| <b>2021.07.27</b><br>(14 <sup>th</sup> Meeting of the<br>2 <sup>nd</sup> Term) | 1. 1H2021 consolidated financial report                                                  |                                                                                        |                                                                                                                                                                                     |
| <b>2021.11.5</b><br>(1 <sup>st</sup> Meeting of the<br>3 <sup>rd</sup> Term)   | 1. 1-3Q 2021 consolidated financial report                                               |                                                                                        |                                                                                                                                                                                     |
|                                                                                | 2. Implementation of integrity, intellectual property, and risk management               |                                                                                        |                                                                                                                                                                                     |
|                                                                                | 3. Circumstances for acquisition and disposition of assets from Jun 2021 to Sep 2021     | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 4. Transactions for FX hedging until Oct 15, 2021                                        | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 5. To appoint the Company's Chief Auditor                                                | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 6. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 7. 3Q2021 internal audit report                                                          | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 8. Approved the 2021 Audit Plan review and the 2022 Audit Plan                           | √                                                                                      |                                                                                                                                                                                     |
|                                                                                | 9. The chart of accounts of the Company and its subsidiaries                             |                                                                                        |                                                                                                                                                                                     |

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

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

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

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

| Meeting Date                             | Communications with the internal audit officer                                                                                                                                                                                                                  | Communications with the CPA of the Company                                                                                                                                                                                                                                                                                                        |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2021.03.22                               | <ul style="list-style-type: none"> <li>4Q2020 internal audit report</li> <li>The results of the voluntary reviews of the internal control systems in 2020, which was presented by supervisory committee including the list of executive team members</li> </ul> | <ul style="list-style-type: none"> <li>2020 financial reports (including key audit matters)</li> <li>2020 internal control review reports</li> </ul>                                                                                                                                                                                              |
| 2021.05.13                               | <ul style="list-style-type: none"> <li>1Q2021 internal audit report</li> </ul>                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>1Q2021 consolidated financial report</li> </ul>                                                                                                                                                                                                                                                            |
| 2021.07.12                               | <ul style="list-style-type: none"> <li>2Q2021 internal audit report</li> </ul>                                                                                                                                                                                  | -                                                                                                                                                                                                                                                                                                                                                 |
| 2021.07.27                               | -                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>1H2021 consolidated financial report</li> </ul>                                                                                                                                                                                                                                                            |
| 2021.08.24<br>(Individual communication) | <ul style="list-style-type: none"> <li>The execution of annual audit plan</li> <li>Legal compliance</li> <li>The Company and subsidiary companies internal audit teamwork</li> </ul>                                                                            | -                                                                                                                                                                                                                                                                                                                                                 |
| 2021.11.05                               | <ul style="list-style-type: none"> <li>3Q2021 internal audit report</li> <li>Reviewed 2021 audit result and proposed 2022 audit plan</li> </ul>                                                                                                                 | <ul style="list-style-type: none"> <li>1-3Q2021 consolidated financial report</li> <li>Communicating key audit matters in the 2021 independent auditors' report</li> </ul>                                                                                                                                                                        |
| 2021.11.05<br>(Individual communication) | <ul style="list-style-type: none"> <li>Risk classification in annual audit plan</li> <li>Internal audit report content</li> <li>Communication form with Independent Directors</li> </ul>                                                                        | -                                                                                                                                                                                                                                                                                                                                                 |
| 2021.12.17<br>(Individual communication) | -                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>The new regulations requiring an earlier deadline for the announcement of financial results</li> <li>The IFRS standards as endorsed by the Financial Supervisory Commission (FSC) which will be applied starting from 2022</li> <li>The summary regarding the penalty of China inspection event</li> </ul> |

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

| Item                                                                                                                                                                                                         | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                              | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                          |
| <b>(1) Has the Company formulated and disclosed its own corporate governance best-practice principles in accordance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”?</b> | V                     |    | The Company has formulated “Corporate Governance Principles” and disclosed them through the company website and the Market Observatory Post System (MOPS).                                                                                                                                                                                                                                                                                                    | None                                                                                                     |
| <b>(2) Shareholding Structure &amp; Shareholders’ Rights</b>                                                                                                                                                 |                       |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                          |
| a. Has the Company established internal operating procedures to handle shareholder proposals, doubts, disputes, and litigation-related issues, and practically implemented such procedures?                  | V                     |    | The Company has established communication channel (e.g. the Audit Committee and Audit Department email addresses) for its shareholders and stakeholders. The Company has handled shareholder proposals, doubts, disputes, and litigation-related issues in accordance with “Procedures for the Audit Committee’s Email Management” and “Audit Department Misconduct Reporting and Resolution Procedures on Handling Employees or Stakeholders”.               |                                                                                                          |
| b. Has the Company kept a list of major shareholders and a list of ultimate owners of these major shareholders?                                                                                              | V                     |    | The Company, at all time, keeps updated information of major shareholders and the ultimate owners of these major shareholders. If change in ownership occurs, the Company follows the relevant regulations to disclose related information.                                                                                                                                                                                                                   |                                                                                                          |
| c. Has the Company established and operated a risk management mechanism and “firewall” between the Company and its affiliates?                                                                               | V                     |    | The Company has assigned risk control of accounts receivable to the Credit Committee. To manage the potential risk and establish a “firewall” between the Company and its affiliates, the Company and its affiliates have already established and implemented “Procedures for Acquisition and Disposition of Assets”, “Procedures for Lending of Capital to Others”, and “Procedures for Endorsements and Guarantees”.                                        |                                                                                                          |
| d. Has the Company established internal rules to prohibit company insiders from trading securities using information not disclosed to the market?                                                            | V                     |    | The Company has established the “Procedures for Handling Material Inside Information”, the “Code of Ethics” and the “Best Practice Principles of Ethical Corporate Management” to prohibit company insiders from trading securities using information not disclosed to the market, and has advocated the following:<br>A. New managers be given a copy of the “Procedures for Handling Material Inside Information” when they sign the declaration statement. |                                                                                                          |

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| Item                                                                                                                                                                                        | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                             | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                          |
|                                                                                                                                                                                             |                       |    | <p>B. The Company promotes the “Procedures for Handling Material Inside Information” to its managers from time to time, and prohibits company insiders from trading securities using nonpublic material information which was prohibited by insider trading-related laws.</p> <p>C. The Company advocates the “Procedures for Handling Material Inside Information” to managers and employees when they sign the confidentiality agreement during initial hiring.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                          |
| <p><b>(3) Composition and Responsibilities of the Board of Directors</b></p> <p>a. Have members of the Board of Directors formulated diverse policies and implemented them accordingly?</p> | V                     |    | <p>The 24<sup>th</sup> board members are well-experienced in management and leadership decision making and have in-depth industrial knowledge, such as backgrounds in law, finance, economics, sales, etc. The current diverse policies, managerial objective and implementation can be referred to page 18 to 19 and succession plans can be referred to Note 1.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                          |
| <p>b. In addition to establishing a Remuneration Committee and an Audit Committee, has the Company voluntarily established other types of functional committees?</p>                        | V                     |    | <p>FENC set up Committees as below:</p> <p>A. “Sustainability Committee”: Promote and strengthen the corporate governance and integrity; implement and develop matters related to corporate sustainable development; supervise other matters related to corporate sustainable development approved by the Board. The second Committee members were elected by the Board on Jul. 29, 2021. All three members (including two FENC’s Independent Directors) have expertise in sustainability field, including corporate governance operation, non-profit organization management, employee rights care, corporate risk management, corporate business strategy planning, etc. Please refer to Note 2 for details of implementation.</p> <p>B. “Credit Committee”: Review credit ratings of local and foreign customers, and approves credits granted. Implements control of customer credits and account receivables in order to achieve the “Zero Bad Debt” management target for the year.</p> <p>C. “The Supervisory Committee of Information Safety”: In charge of promotions and coordination of information security matters.</p> | None                                                                                                     |

| Item                                                                                                                                                                                                                                                               | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                    | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                          |
|                                                                                                                                                                                                                                                                    |                       |    | D. “Safety and Health Committee”:<br>Implements occupational safety and health control matters.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                          |
| c. Has the Company established a Board performance assessment method, and have performance evaluations been conducted annually with results reported to the Board and used as reference material for individual Directors’ remuneration and reelection nomination? | V                     |    | The Company has set up the “Board Performance Evaluation Rule”, which was resolved by Board on August 11, 2016 in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Every year, the Board members and the divisions in charge of arranging meetings conducted a self-evaluation of the Board’s performance on five areas, including involvement in the Company’s operations, improvement in the Board’s decision making, the Board’s composition and structure, the selection and further training of the Board members as well as internal control. The Board meeting on May 10, 2019 resolved the Performance Evaluation Rule of Functional Committee. In 2021, the performance of the Board, the Audit Committee, the Remuneration Committee and the Sustainability Committee was evaluated as “excellent”, which indicates the improvement in the Board’s effectiveness. The performance assessment result was reported in Remuneration Committee on February 18, 2022. In addition, the Board meeting in Nov. 2018 resolved that the “Board Performance Evaluation Rule” shall be assessed once by external institutes & professionals every three years. In 2020, EY was entrusted as the external institute to assess the Board performance, and the above results are used as a reference for remuneration payment and reelection nomination | None                                                                                                     |
| d. Has the Company evaluated the independence of CPAs on a regular basis?                                                                                                                                                                                          | V                     |    | At FENC and its subsidiary FarEasTone, an annual assessment is conducted on the independence of CPAs and the results are reported to the Board. On March 8, 2022, the Board made a final review on the CPAs’ independence and competence over 2021 and confirmed that they were free of conflicts of interest relationships and maintained objectivity and impartiality when discharging their professional responsibilities. The Company also received the “letter of independence from auditors of Deloitte and Touche” in accordance with the regulations of independence and competence. The assessment results can be referred to Note 3.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                          |

## Corporate Governance Report

| Item                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                          |
| (4) Does the Company deploy competent and adequate number of corporate governance personnel and appoint a corporate governance officer in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors & supervisors, assist directors & supervisors in legal compliance, handle matters relating to board meetings and shareholders’ meetings according to laws, record minutes of board meetings and shareholders meetings, etc.)? | V                     |    | <p>The Board meeting of May 10, 2019 resolved to appoint a Chief Corporate Governance Officer. Mr. Li-Chi Chen from Corporate Management was assigned and granted authorities, assisted by several corporate governance personnel, to deals with corporate governance related matters, including handling matters relating to board meetings and shareholders’ meetings, recording minutes of board meetings and shareholders’ meetings, conducting Directors’ training, assisting relevant data for Directors’ practices, assisting Directors in legal compliance etc. 2021 Corporate Governance related routines:</p> <p>A. Conducted meetings of BOD and Audit Committee: five &amp; five times respectively, totaling ten times</p> <p>B. Conducted Annual General Meeting and prepared AGM meeting minutes: one time</p> <p>C. Conducted Directors’ training: 13 participants, totaling 81 hours</p> <p>D. Assisted relevant data for Directors’ practices, including meeting materials provided to the Board and the Audit Committee 7 days ahead</p> <p>E. Assisted Directors in compliance with the laws</p> <p>The Chief Corporate Governance Officer took training for at least 18 hours within one year and at least 12 hours per year from the date of the appointment. (Please refer to page 61 for details)</p> | None                                                                                                     |
| (5) Has the company established a stakeholder (including, but not limited to, shareholders, employees, clients and suppliers, etc.) communication channel, a company website dedicated to stakeholders, and appropriately responded to the main social responsibility issues which are critical to stakeholders?                                                                                                                                                                                              | V                     |    | <p>The Company has established Investor Relations Team and a “Stakeholder’s Contact Information” list as well as a communication channel for shareholders, stakeholders, and the relevant company units on its company website. The aforementioned communication with the stakeholders was regularly reported to the Board meetings and the regular meetings.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                          |
| (6) Has the Company commissioned professional stock services agents to handle shareholder affairs?                                                                                                                                                                                                                                                                                                                                                                                                            | V                     |    | <p>The Company and its subsidiary, Far EasTone have commissioned Oriental Securities Corporation to be the professional stock services agent in assisting and handling shareholder-related matters.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                          |



| Item                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" & reasons                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                               |
| <b>(7) Information Disclosure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                               |
| a. Has the Company set up a corporate website to disclose information on financial, business and its corporate governance?                                                                                                                                                                                                                                                                                                                                                                                              | V                     |    | The Company and its subsidiary Far EasTone have set up multiple-language (traditional Chinese/simplified Chinese/English) websites: <a href="http://www.fenc.com">www.fenc.com</a> & <a href="http://www.fareastone.com.tw">www.fareastone.com.tw</a> , respectively. Both corporate websites disclose the most updated information on financial, business and corporate governance.                                                                                                                                                                                                      | None                                                                                                                                                                                          |
| b. Has the Company adopted other information disclosure channels (i.e. English website; designated appropriate personnel to be in charge of Company information collection and disclosure, implemented the spokesperson system, uploaded the investor conference presentations on the Company's website, etc.)?                                                                                                                                                                                                         | V                     |    | The Company and its subsidiary Far EasTone have established a spokesperson system, including a spokesperson and a deputy spokesperson. Both managers undertake their deeds precisely based on the Company's requirements. The Company's website is set up in multiple-language (traditional Chinese/simplified Chinese/English), and has designated appropriate persons to collect the Company's information. Investor conferences are held as needed, and the relevant information is disclosed on the Company's website and the M.O.P.S. website operated by the Taiwan Stock Exchange. |                                                                                                                                                                                               |
| c. Has the Company announced and filed the annual financial report within two months after the end of the fiscal year, and of financial reports for the first three quarters as well as the monthly revenue before the deadline?                                                                                                                                                                                                                                                                                        |                       | V  | In accordance with Article 36 of the Securities and Exchange Act, the Company shall publish and report its financial reports within 3 months after the end of the fiscal year and within 45 days after the end of the first, second and third quarters, and shall publish and report its monthly revenue of the previous month before the 10 <sup>th</sup> day of each month.                                                                                                                                                                                                             | The Company's financial report consolidated nearly hundreds of stand-alone companies; therefore, it was practically difficult to advance the announcement and filing of the financial report. |
| <b>(8) Does the Company have other critical information which can help others to understand the implementation of corporate governance (including, but not limited to, employee welfare, staff care, investor relations, supplier relations, stakeholder rights, Director and Supervisor training status, risk management policies and risk measurement standard implementation progress, customer policy implementation progress, and the Company's purchase of liability insurance for Directors and Supervisors?</b> | V                     |    | Please refer to page 59 to 61 Section Eight: "Others" in regard to critical information that can help others to understand the implementation of corporate governance from the Company and its subsidiaries.                                                                                                                                                                                                                                                                                                                                                                              | None                                                                                                                                                                                          |

## Corporate Governance Report

| Item                                                                                                                                                                                                                                                                       | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                            | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                          |
| <b>(9) Base on the result of “Corporate Governance Evaluation” announced by TWSE (Taiwan Stock Exchange Corporation) in a recent year to illustrate the status of matters have been already improved and priority measures to reinforce matters haven’t been improved.</b> | V                     |    | <p>The Company ranked among the top 5% in the “Corporate Governance Evaluation” of 2021. The areas that have been improved and the priority measures to enforce are described below:</p> <ul style="list-style-type: none"> <li>① Strengthen and disclose communication with Independent Directors, Internal Auditor, and CPAs.</li> <li>② Issued social bond.</li> <li>③ 2022 shareholders’ meeting will be convened with visual communication assisted.</li> <li>④ The interim financial report is resolved and approved by the Audit Committee and the Board of Directors.</li> <li>⑤ Appoint Chief of Information Security Officer and enforce information security framework.</li> <li>⑥ The proportion of Independent Directors is planned to be more than one third of the Board of Directors in 2024 in accordance with the “Corporate Governance 3.0” issued by FSC.</li> </ul> |                                                                                                          |

Note 1 : Succession plan and managerial goal for board members and the management team

In the Company’s succession plan, the successor must be equipped with outstanding capabilities and have management concepts compatible with its philosophy of management, i.e. sincerity, diligence, thrift, prudence and innovation. Included in directors’ self-evaluation of performance are social indicators which determine whether board members demonstrate their credibility and moral convictions through their instruction, action and conduct to reflect the Company’s recognition of the importance of internal control. For example, the board of directors sets the tone for business operations by adopting measures that are ethical, socially-responsible, and eco-friendly or any other policies that enable accountability, including publishing reports of greenhouse gas emissions, undertaking sustainable production processes or providing post-disaster relief to affected communities. In the 2021 shareholder meeting, ten directors and three independent directors were elected. Each of them understands and identifies with the Company’s philosophy of management. Not only do they have a good grasp of the industry’s ins and outs, but they also have years of experience in legal compliance, analysis of global political-economic trends, and international business/manufacturing management. In addition, the Company has also specifically designed courses for board members to ensure that high-level executives keep abreast of the latest developments in the ever-changing international competitive landscape and regulatory environment (e.g. laws on corporate governance).

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

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

Note 2 : The Sustainability Committee held two meetings on Oct 21, 2021 and Apr 21, 2022 from Jan 1, 2021 until May 15, 2022. Humphrey Cheng, the President of Corporate Management and the Convener of Sustainability Implementation Committee, reported to the three committee members of the sustainable development progress and execution of ESG projects and performance, including: enhancing risk management and alert system (including climate-related risk), fully develop the circular economy, transforming low-carbon manufacturing and green production towards net zero emissions, fully promoting GHG inventory and verification, developing climate change mitigation and Eco-friendly (environmentally friendly and non-toxic) products, enhancing human rights policy and identifying risk-related issue as well as training and due diligence process, creating a safe workplace under the pandemic, developing sustainable financial products, etc. All resolutions were approved by all committee members presented and the Convener of the Sustainability Committee, Independent Director Johnsee Lee, reported to all the Directors presented in Board Meetings on Nov 11, 2021 and May 10, 2022.

| Title            | Name             | Times of Attendance | Times of Attendance by Proxy | Percentage of Attendance (%) | Remark |
|------------------|------------------|---------------------|------------------------------|------------------------------|--------|
| Convener         | Johnsee Lee      | 2                   | 0                            | 100%                         | -      |
| Committee member | Raymond R.M. Tai | 2                   | 0                            | 100%                         | -      |
|                  | Kwan-Tao Li      | 2                   | 0                            | 100%                         | -      |

Note 3 : Assessment table of independence of Certified Public Accountant

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

## Corporate Governance Report

### 3.4 The Composition of the Remuneration Committee

#### a. Information of the Remuneration Committee Members

| Role                                                        | Condition        | Experience and professional qualifications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Independent Directors' Independence Status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of Other Public Companies in Which the Individual is Concurrently Serving as Remuneration Committee Member |
|-------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
|                                                             | Name             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                   |
| Independent Director (Convener of the 5 <sup>th</sup> term) | Raymond R.M. Tai | With work experience for more than 5 years.<br>Having work experience in the area of commerce, law, finance, or accounting, or otherwise necessary company business.<br>Experience: Adjunct Instructor, Department of Foreign Languages and Literatures, National Taiwan University; Third Secretary, Permanent Representative of the R.O.C. to the United Nations; Second Secretary, Taipei Economic and Cultural Representative Office in the United States; Director-General, Government Information Office, Executive Yuan, R.O.C. Taiwan; Deputy Director, National affairs, Executive Yuan, R.O.C. Taiwan; Adjunct Professor, Department of Journalism, Chinese Culture University; Consultant, Department of North America, Ministry of Foreign Affairs; Representative, Taipei Economic and Cultural Office in United Kingdom; Deputy Secretary-General to the President and Spokesperson, Office of the President R.O.C.(Taiwan); Executive Secretary, The National Unification Council, Office of the President R.O.C.(Taiwan) & Senior Advisor and Convener, The National Unification Council, Office of the President R.O.C.(Taiwan); Ambassador Extraordinary and Plenipotentiary, Embassy of the R.O.C.(Taiwan) to the Holy See; Independent Director of Far Eastern Department Store Ltd. | All Remuneration Committee members meet the following criteria:<br>1. In Compliance with the relevant regulations of Article 14-6 of the Securities and Exchange Act endorsed by the Financial Supervisory Commission and "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" (Note 1).<br>2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names.<br>3. Not a professional individual who provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, and the service provided is compensated with the recent two years. | 0                                                                                                                 |
| Independent Director                                        | Johnsee Lee      | With work experience for more than 5 years.<br>Having work experience in the area of commerce, law, finance, or accounting, or otherwise necessary company business.<br>Experience: President and General Director, Industrial Technology Research Institute; Senior Scientist and Project Leader, Johnson Matthey Inc., West Deptford, NJ; Principal Investigator, Chem. Technology Div., Argonne National Laboratory, Argonne, IL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2                                                                                                                 |
| Others                                                      | J. W. Huang      | With work experience for more than 5 years.<br>Having work experience in the area of commerce, law, finance, or accounting, or otherwise necessary company business.<br>Experience: SVP of HR Department of Far Eastern Department Store Ltd.; Director of Yu Chang Technological and Commercial Vocational Senior High School                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1                                                                                                                 |

Note 1: A Remuneration Committee member shall not have been or be any of the following during the two years before being elected or during the term of the appointment.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officers in the preceding three subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Paragraph 1 or 2, Article 27 of the Company Act. (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent). (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company. (This requirement does not apply where the specific company or institution owns twenty percent or more but less than fifty percent of the company's outstanding shares, and the independent director serving concurrently in the Company and its' parent company or subsidiaries, or subsidiaries of the same parent company, is set up in accordance with "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local laws)
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation with the recent two years exceeds NT\$500,000. However, this restriction does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who exercise powers to laws and regulations in association with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
- (10) Not been a person of any conditions defined in Article 30 of the Company Act.

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

- (1) Formulate and periodically examine the performance review, remuneration policy, system, standards, and structure for directors and managerial officers.
- (2) Periodically evaluate and formulate the remuneration of directors and managerial officers.

**b. Executive Status of the Remuneration Committee:**

- (1) The Company's Remuneration Committee has three committee members.
- (2) The tenure of the 4<sup>th</sup> term Remuneration Committee is from Aug 10, 2018 to Jul 28, 2021; the tenure of the 5<sup>th</sup> term Remuneration Committee is from Jul 29, 2021 to Jul 28, 2024. In recent year, the Remuneration Committee held four times and the attendance status of members is disclosed as follows:

| Title                                  | Name             | Times of Attendance | Times of Attendance by Proxy | Percentage of Attendance (%) | Remark         |
|----------------------------------------|------------------|---------------------|------------------------------|------------------------------|----------------|
| Convener<br>(The 5 <sup>th</sup> term) | Raymond R.M. Tai | 3                   | 0                            | 100%                         | New election   |
| Convener<br>(The 4 <sup>th</sup> term) | Bing Shen        | 1                   | 0                            | 100%                         | Tenure expired |
| Committee member                       | Johnsee Lee      | 4                   | 0                            | 100%                         | Re-election    |
|                                        | J. W. Huang      | 4                   | 0                            | 100%                         | Re-election    |

Note: The Company re-elected Directors on Jul 29, 2021 and then appointed the 5<sup>th</sup> term Remuneration Committee members on the same day.

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

| Meeting Date<br>(Term)                                                  | Mater to be discussed                                                          | Resolution                                           | The response to members' opinion                                                         |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------|
| Mar 18, 2021<br>The 6 <sup>th</sup> meeting of the 4 <sup>th</sup> term | 1. The 2020 Directors' remuneration and employees' compensation of the Company | Approved by all attending members without objection. | The proposal is submitted to Board of Directors and approved by all attending Directors. |
|                                                                         | 2. The 2021 performance evaluation items and forms of the Company              |                                                      | To execute in accordance with the Remuneration Committee's resolution                    |
| Oct 21, 2021<br>The 1 <sup>st</sup> meeting of the 5 <sup>th</sup> term | 1. The personnel remuneration structure report of the Company                  |                                                      | To execute in accordance with the Remuneration Committee's resolution                    |
|                                                                         | 2. The 2021 performance evaluation items and forms                             |                                                      | To execute in accordance with the Remuneration Committee's resolution                    |
| Feb 18, 2022<br>The 2 <sup>nd</sup> meeting of the 5 <sup>th</sup> term | 1. The 2021 Directors' remuneration and employees' compensation of the Company |                                                      | The proposal is submitted to Board of Directors and approved by all attending Directors. |
|                                                                         | 2. The 2021 performance evaluation items and forms                             |                                                      | To execute in accordance with the Remuneration Committee's resolution                    |
| Apr 21, 2022<br>The 3 <sup>rd</sup> meeting of the 5 <sup>th</sup> term | 1. The 2020 Directors' remuneration and employees' compensation of the Company |                                                      | To execute in accordance with the Remuneration Committee's resolution                    |

Other required disclosure:

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

## Corporate Governance Report

### 3.5 Measures the Company Takes to Fulfill Sustainable Development and Deviations from “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons:

| Item                                                                                                                                                                                                                                                               | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                    | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                               |
| a. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with authorization from the Board of Directors for senior management, which is reviewed by the Board of Directors? | V                     |    | <p>The Company's Board of Directors is its highest governing authority for sustainable management. In 2020, the board-level Sustainability Committee, which comprises two of the Company's independent directors and one external director, was established. The Sustainability Committee has the independent directors serving as convener, who oversees the implementation of sustainable development policies, institutions or management guidelines and briefs the Board regularly on the implementation. The Sustainability Committee met once in 2021.</p> <p>It is the Sustainability Implementation Committee that the Company puts in charge of drafting and reviewing the Sustainable Development Principles, systems and management guidelines. They implement sustainability projects and communicate with stakeholders. The Sustainability Implementation Committee has 220 members, including three dedicated personnel from the Corporate Staff Office. In addition, there is a cross-unit Energy Task Force. FENC's subsidiary Far EasTone Telecommunications has established FET CSR Committee.</p> <p>The Company reports the implementation of sustainability within the organization and results to the Board of Directors and the Sustainability Committee. It reported five times in 2021, which enables the Board and the Committee to conduct an adequate oversight of its sustainability performance.</p> | None                                                                                                          |
| b. Does the Company conduct risk assessment of its operations regarding environmental, social and corporate governance issues based on the materiality principle and formulate risk-management policies or strategies?                                             | V                     |    | <ol style="list-style-type: none"> <li>1. The Company's scope of risk assessment encompasses three key businesses – production, property development and investment businesses.</li> <li>2. The Company follows global vital issues regularly and based on the principle of materiality analyzes their impacts on the stakeholders in three aspects: environmental, social and</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                               |

| Item                                                                                                                                                        | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                             | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                       |
|                                                                                                                                                             |                       |    | corporate governance. Based on the results of the analysis, risk management measures are developed. Risk management policies were formulated, ensuring the Company operate sustainably on safe and sound risk management practices. They were also presented at regular meetings for discussion with the highest relevant authority. In 2021, drawing on the UN SDGs, TCFD, and the <i>Global Risks Report</i> published by the world Economic Forum. Considering the severity of risks posed by the climate change, the significance of the material topic, “Responses to Climate Change”, is elevated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       |
| <b>c. Environmental Issues</b><br>(a) Has the Company established an appropriate environmental management system according to its industry characteristics? | V                     |    | 1. In 2010, the Company and its subsidiaries set up a cross-subsidiary and inter-departmental “Energy Task Force.” As the Company’s presence expands around the world, the list of production facilities under the oversight of the Task Force also grows longer, including the ones in Taiwan, China, Vietnam, Japan, the United States and Malaysia. As issues of environmental sustainability continue to gain traction, the number of issues addressed by the Task Force is also increasing year after year. In 2018, short, medium, and long-term goals of reduction were set in four areas, including energy consumption, water withdrawal, waste and air pollution emissions. The Task Force addresses energy-related issues at the level of the Company’s senior management. The team assesses the feasibility of various measures, implements appropriate projects and monitors the progress toward the goals. All these efforts are geared toward complying with government policies, mitigating the effects of global climate change, curtailing the consumption of energy/resources and reducing greenhouse gas emissions to ensure a sustainable Earth.<br><br>2. By 2021, up to 68% of the Company’s production facilities are ISO 14001 certified. | None                                                                                                                  |

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| Item                                                                                                                                                                    | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons |
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| (b) Is the Company committed to enhancing the efficiency of energy use and consuming recycled materials as feedstock to minimize the adverse impact on the environment? | V                     |    | <p>1. The Company has been engaged in the circular economy for more than 30 years. In addition to recycling used PET bottles and polyester waste from the ocean and on land, it has also started partnering with brand customers in the production of recycled yarns with carbon dioxide emitted by steel mills, setting the first example of carbon capture and utilization (CCU). FENC is the world's largest supplier of ocean recycled polyester filament. Its ocean recycled yarns will be used to make sportswear for the national teams taking part in the 2022 FIFA World Cup. To solve the problem of immense amounts of waste clothing, the Company has also developed and commercialized a new technology that converts recycled textiles into polyester filaments. FENC has successfully developed circular recycling technologies for a broad range of applications, leading the industry on the path of sustainable development.</p> <p>2. To increase the efficiency of energy use, the production business in 2018 set short, medium and long-term goals for the reduction of energy consumption per unit of manufacturing output. With the year 2017 as the base year, the Company achieved the goal, reducing as much as 9% by recovering waste heat and optimizing fuels and the manufacturing process. A total of 86 energy efficiency projects were implemented in 2021, saving up to 754 T.J. A major objective for energy efficiency is to reduce purchases of electricity from external sources through improvement of manufacturing processes.</p> <p>3. The Company actualizes its vision of environmental sustainability through implementation of energy efficiency projects. In 2010, a special budget of NT\$2 billion was approved for energy efficiency. An additional NT\$2 billion was provided to motivate production facilities to put forward novel ideas for energy efficiency. Since 2018, a total of 212 projects worth NT\$1.94 billion have been implemented with the additional funding support.</p> | None                                                                                                                  |



| Item                                                                                                                                                                                                                                 | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
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| (c) Has the Company assessed present and future risks and opportunities which climate change brings about and undertaken any response measures?                                                                                      |                       |    | 4. The Company manages the energy use of its production business in compliance with ISO 50001 Energy Management Standards. By 2021, 41% of its production facilities have been certified by reputable certification bodies, including SGS, DNV, TUV and BSI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |
|                                                                                                                                                                                                                                      | V                     |    | 1. The Company takes the issue of climate change very seriously, conducting an assessment of climate-related risks/opportunities and corresponding response measures for each of its businesses and production facilities in accordance with the framework of TCFD issued by FSB. The impact of climate events on its business operations is measured in quantified terms.<br>2. FENC's production facilities adopt appropriate risk-management measures in compliance with local governments' regulations on greenhouse gas emissions. The members of the Energy Task Force at each production site, together with relevant personnel, discuss, institute, implement and review policies. For example, a meeting is held monthly to review energy consumption, evaluate the progress toward conservation goals and examine carbon emission reduction projects. |                                                                                                                       |
| (d) Does the Company keep track of its greenhouse gas emissions, water use, and waste quantity in the past two years? Does it have any policy in place that aims to reduce greenhouse gas emissions, water use and waste production? | V                     |    | 1. In 2010, a cross-subsidary and inter-departmental "Energy Task Force" was established for the Company's production business. In 2018, short, mid and long-term goals were set for reductions in energy consumption, water withdrawal, waste and air pollution emissions. Progress toward the goals is reviewed annually to assess the achieving rate.<br>2. The Company has developed a comprehensive inventory of greenhouse gas emissions and performed verifications. FENC's subsidiary, FET has established an energy management committee and related policies to promote energy conservation.                                                                                                                                                                                                                                                          |                                                                                                                       |

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| Item | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons |
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|      |                       |    | <p>3. The calculation of the total GHG emissions of the Company's production business in 2020 and 2021 included the Company's 21 production facilities and its subsidiaries around the world. In 2020, Scope 1 emission was 1,272 ktCO<sub>2</sub>e; Scope 2 was 1,160 ktCO<sub>2</sub>e. In 2021, Scope 1 emission was 1,341 ktCO<sub>2</sub>e; Scope 2 was 1,145 ktCO<sub>2</sub>e. In 2021, FENC's combined emissions of Scope 1 and Scope 2 were 793 ktCO<sub>2</sub>e. In 2021, the Scope 3 emissions of 20 production facilities were 8,211 ktCO<sub>2</sub>e.</p> <p>4. Production facilities which were verified under the standards of ISO 14064-1:2006, etc. for GHG inventories in 2020 include Oriental Petrochemical (Taiwan), Hsinpu Chemical Fiber Plant, Kuanyin Chemical Fiber Plant, Oriental Petrochemical (Shanghai), and Far Eastern Industries (Shanghai), validated by SGS and DNV. The emission data of the other production facilities were audited internally. In 2021, internal audits were performed on all the emission data in accordance with ISO 14064-1:2018.</p> <p>5. The Company's GHG emissions per unit of output (Scope 1 and Scope 2) in 2020 and 2021 were 0.34 tCO<sub>2</sub>e/ton of product and 0.32 tCO<sub>2</sub>e/ton of product.</p> <p>6. The Company reduces the GHG emissions of its production business with five strategies: enhancing energy efficiency, seeking alternative fuels with low-carbon, developing renewable energy, transforming raw material use and utilizing CCUS technology. The Company's use of renewable energy in 2021 accounted for 1.1% of its total energy consumption and 3.1% of its electricity use.</p> <p>7. The water withdrawal by the Company's 21 production facilities and its subsidiaries around the world totaled 22.249 million m<sup>3</sup> and 22.627 million m<sup>3</sup> in 2020 and 2021 respectively; the water consumption amounted to 10.265 million m<sup>3</sup> in 2020 and 10.206 million m<sup>3</sup> in 2021.</p> | None                                                                                                                  |

| Item | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
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|      |                       |    | <p>Water consumption is the difference between water withdrawal and water discharge, consisting of mainly the amount which evaporates in the cooling tower and a small quantity lost in the course of production.</p> <p>8. The Company's water withdrawal per unit of output was 3.09 m<sup>3</sup>/ton of product in 2020 and 2.93 m<sup>3</sup>/ton of product in 2021.</p> <p>9. The production business set a reduction goal for water withdrawal per unit of output in 2018. It strives to reduce unit water consumption for production purposes and works together with clients in reduction of water use.</p> <p>10. Oriental Petrochemical (Taiwan) established a water efficiency management system in accordance with ISO 46001 and applied for a third party audit in 2021. It passed the on-site audit conducted by SGS in February 2022.</p> <p>11. The general waste produced by the Company's 21 production facilities and its subsidiaries around the world totaled 155,444 tons in 2020 and 191,108 tons in 2021. The hazardous waste totaled 17,321 tons in 2020 and 117,480 tons in 2021. The increase in the amount of waste over the year stemmed from increased production volumes. However, the amount of recycling and reuse was up by 27% from the previous year while non-reusable and non-recyclable waste reduced by 17%. Reusable and recyclable waste constitutes 91% of the total, up by 4 percentage points.</p> <p>12. The waste per unit of output by the Company was 23.93 kg/ton of product in 2020 and 27.05 kg/ton of product in 2021.</p> <p>13. The Company manages the waste produced by its production business in compliance with ISO 14001 Environmental Management System. Up to 68% of its production facilities have been audited by reputable certification bodies, including SGS, DNV, TUV and BSI.</p> <p>14. The production business in 2018 set short, medium and long-term goals for (non-reusable and non-recyclable) waste reduction, reaching the goal in 2020, reducing as much as 50%.</p> | None                                                                                                                  |

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| Item                                                                                                                                                                                  | Implementation Status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons |                          |                 |                                                                                                                                                    |                  |                                                |                           |                                                                                                    |                      |                                                                                                                                                                |                        |                                                                                                                                 |                      |                                                                                                                  |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |
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| <b>d. Social Issues</b><br>(a) Has the Company set up management policies and procedures according to related laws and regulations as well as the International Bill of Human Rights? | V                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |    | <p>The Company established Far Eastern New Century Human Rights Policy in 2018 in compliance with the UN Universal Declaration of Human Rights and the ILO norms. It was signed by chief managers at FENC production sites around the world and introduced to employees to inform them of their own rights. In 2020, the Company conducted human rights due diligence (HRDD) with focuses on “the likelihood of risks” and “the degree of impact on the Company,” covering 100% of its employees at all sites of operation. The Policy spans eight aspects of human rights, and the status of implementation is presented in the table below.</p> <table><tr><th>Human Right Policy</th><th>Status of Implementation</th></tr><tr><td>No Forced Labor</td><td>Complies with government's labor laws and international standards, and does not force or coerce any unwilling employees to conduct labor services.</td></tr><tr><td>Bans Child Labor</td><td>Declares clearly no employment of child labor.</td></tr><tr><td>Provides Fair Living Wage</td><td>Ensures that employee salary be higher than the local minimum wage and provides employee benefits.</td></tr><tr><td>Work and Break Hours</td><td>Provides employees with special leave on a regular basis and does not force employees to work beyond the maximum daily working hours stipulated by local laws.</td></tr><tr><td>Freedom of Association</td><td>Respects the employees' rights to choose, form, join or refuse to join labor union or any other forms of employee organization.</td></tr><tr><td>Equality and Respect</td><td>Treats all employees with respect and values diversity as well as equality; opposes all forms of discrimination.</td></tr><tr><td>Fight Against Discrimination &amp; Harassment</td><td>Ensures a workplace that is free of sexual, mental, physical and verbal harassment, abuse and threat. Employment at all levels at FENC, including recruitment, selection, assignment, arrangement, evaluation, promotion, compensation, retirement, layoff, resignation, dismissal, training and welfare, does not discriminate on the basis of race, class, language, ideology, religion, political affiliation, place of ancestry, place of birth, gender, sexual orientation, age, marital status, physical appearance, facial features, mental and physical disabilities or past union membership. We dedicated to building a workplace with respect, safety and equality.</td></tr></table> | Human Right Policy                                                                                                    | Status of Implementation | No Forced Labor | Complies with government's labor laws and international standards, and does not force or coerce any unwilling employees to conduct labor services. | Bans Child Labor | Declares clearly no employment of child labor. | Provides Fair Living Wage | Ensures that employee salary be higher than the local minimum wage and provides employee benefits. | Work and Break Hours | Provides employees with special leave on a regular basis and does not force employees to work beyond the maximum daily working hours stipulated by local laws. | Freedom of Association | Respects the employees' rights to choose, form, join or refuse to join labor union or any other forms of employee organization. | Equality and Respect | Treats all employees with respect and values diversity as well as equality; opposes all forms of discrimination. | Fight Against Discrimination & Harassment | Ensures a workplace that is free of sexual, mental, physical and verbal harassment, abuse and threat. Employment at all levels at FENC, including recruitment, selection, assignment, arrangement, evaluation, promotion, compensation, retirement, layoff, resignation, dismissal, training and welfare, does not discriminate on the basis of race, class, language, ideology, religion, political affiliation, place of ancestry, place of birth, gender, sexual orientation, age, marital status, physical appearance, facial features, mental and physical disabilities or past union membership. We dedicated to building a workplace with respect, safety and equality. | None |
| Human Right Policy                                                                                                                                                                    | Status of Implementation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       |                          |                 |                                                                                                                                                    |                  |                                                |                           |                                                                                                    |                      |                                                                                                                                                                |                        |                                                                                                                                 |                      |                                                                                                                  |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |
| No Forced Labor                                                                                                                                                                       | Complies with government's labor laws and international standards, and does not force or coerce any unwilling employees to conduct labor services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       |                          |                 |                                                                                                                                                    |                  |                                                |                           |                                                                                                    |                      |                                                                                                                                                                |                        |                                                                                                                                 |                      |                                                                                                                  |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |
| Bans Child Labor                                                                                                                                                                      | Declares clearly no employment of child labor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       |                          |                 |                                                                                                                                                    |                  |                                                |                           |                                                                                                    |                      |                                                                                                                                                                |                        |                                                                                                                                 |                      |                                                                                                                  |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |
| Provides Fair Living Wage                                                                                                                                                             | Ensures that employee salary be higher than the local minimum wage and provides employee benefits.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       |                          |                 |                                                                                                                                                    |                  |                                                |                           |                                                                                                    |                      |                                                                                                                                                                |                        |                                                                                                                                 |                      |                                                                                                                  |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |
| Work and Break Hours                                                                                                                                                                  | Provides employees with special leave on a regular basis and does not force employees to work beyond the maximum daily working hours stipulated by local laws.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       |                          |                 |                                                                                                                                                    |                  |                                                |                           |                                                                                                    |                      |                                                                                                                                                                |                        |                                                                                                                                 |                      |                                                                                                                  |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |
| Freedom of Association                                                                                                                                                                | Respects the employees' rights to choose, form, join or refuse to join labor union or any other forms of employee organization.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       |                          |                 |                                                                                                                                                    |                  |                                                |                           |                                                                                                    |                      |                                                                                                                                                                |                        |                                                                                                                                 |                      |                                                                                                                  |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |
| Equality and Respect                                                                                                                                                                  | Treats all employees with respect and values diversity as well as equality; opposes all forms of discrimination.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       |                          |                 |                                                                                                                                                    |                  |                                                |                           |                                                                                                    |                      |                                                                                                                                                                |                        |                                                                                                                                 |                      |                                                                                                                  |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |
| Fight Against Discrimination & Harassment                                                                                                                                             | Ensures a workplace that is free of sexual, mental, physical and verbal harassment, abuse and threat. Employment at all levels at FENC, including recruitment, selection, assignment, arrangement, evaluation, promotion, compensation, retirement, layoff, resignation, dismissal, training and welfare, does not discriminate on the basis of race, class, language, ideology, religion, political affiliation, place of ancestry, place of birth, gender, sexual orientation, age, marital status, physical appearance, facial features, mental and physical disabilities or past union membership. We dedicated to building a workplace with respect, safety and equality. |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       |                          |                 |                                                                                                                                                    |                  |                                                |                           |                                                                                                    |                      |                                                                                                                                                                |                        |                                                                                                                                 |                      |                                                                                                                  |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |

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|                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                   |    | <table><tr><td>Human Right Policy</td><td>Status of Implementation</td></tr><tr><td>Maternity Protection</td><td>Commits to protection of maternity and takes precautions against potential hazards to pregnant and nursing employees, including making sure that their working environment is safe, adjusting their work responsibilities, and setting up a nursing area. Additionally, the Company has also constructed a working system and environment that is friendly to all employees regardless of gender.</td></tr></table> <p>The concept of ESG has gained global attention in recent years. The Company complies with international labor standards, dedicated to protecting the rights of employees and their families. We are willing to make a long-term commitment to society and welcome advice and criticism.</p> <p>In 2021, FENC developed “Speak Up Policy” as the Group’s parent company in compliance with ESG standards, setting up a complaint channel for employees of the entire Group. The oversight of internal and external audits is certain to keep our employees and their rights well protected.</p> <p>FENC’s “Speak Up Policy” is published in multiple languages, including Chinese, English, Japanese, Vietnamese, Malay, etc. The complaint channel is open 24 hours a day. Complaints can be lodged anonymously. A complaint’s identity will remain confidential. We also make sure that there will be no negative consequences for speaking up.</p> | Human Right Policy                                                                                                    | Status of Implementation | Maternity Protection | Commits to protection of maternity and takes precautions against potential hazards to pregnant and nursing employees, including making sure that their working environment is safe, adjusting their work responsibilities, and setting up a nursing area. Additionally, the Company has also constructed a working system and environment that is friendly to all employees regardless of gender. | None |
| Human Right Policy                                                                                                                                                                                                                         | Status of Implementation                                                                                                                                                                                                                                                                                                                                                                          |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |                          |                      |                                                                                                                                                                                                                                                                                                                                                                                                   |      |
| Maternity Protection                                                                                                                                                                                                                       | Commits to protection of maternity and takes precautions against potential hazards to pregnant and nursing employees, including making sure that their working environment is safe, adjusting their work responsibilities, and setting up a nursing area. Additionally, the Company has also constructed a working system and environment that is friendly to all employees regardless of gender. |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |                          |                      |                                                                                                                                                                                                                                                                                                                                                                                                   |      |
| (b) Has the Company established and adopted reasonable employee welfare measures (e.g. bonuses and salaries, leaves, and other benefits), and had employee bonuses and salaries adequately reflect its operational performance or results? |                                                                                                                                                                                                                                                                                                                                                                                                   | V  | <p><b>Employee compensation</b></p> <p>The Company implements a variable compensation system based on individual and organizational performance. The Company’s Articles of Incorporation require that 2~3.5% of the Company’s net profits be distributed to employees.</p> <p><b>Performance Review</b></p> <p>The Company has established explicit rules for performance evaluation to help employees improve their working abilities and performance and provide them with opportunities for career growth and potential development. The Company has incorporated the ESG concept into its performance review system. For example, an individual’s</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                          |                      |                                                                                                                                                                                                                                                                                                                                                                                                   |      |

## Corporate Governance Report

| Item | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons |
|------|-----------------------|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
|      | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                       |
|      |                       |    | <p>performance can be assessed in various dimensions depending on his/her position, including energy conservation, promotion of green sales, R&amp;D of green products, implementation of corporate governance, optimization of human resources, etc. Performance review is conducted at least once a year to assess an employee's fitness for the role and job performance. Based on the results of the review, decisions will be made about their salaries, bonuses, promotions or dismissal.</p> <p><b><u>Insurance</u></b></p> <p>The Company ensures that employees are covered with labor insurance and National Health Insurance. For new recruits and the established employees who chose the New Labor Pension Scheme, the Company contributes at least 6% of an employee's monthly wage into an individual pension account overseen by the Bureau of Labor Insurance. We also offer special rates for cancer and illness insurances which are optional for all employees.</p> <p><b><u>Employee welfare programs</u></b></p> <p>The Company has an employee welfare committee that, in compliance with laws and regulations, appropriates welfare funds, and holds a variety of events for employees, including employee outings and hiking trips. The Company also has many clubs, including a volunteer club, a dance club, a yoga club, a badminton club, an aerobic dance club, a table tennis club, a basketball club, all of which meet regularly. Additionally, the Company provides free health checkups, scholarships for employees' children, allowance for birthdays, weddings, funerals, child births, and festivities. The Company established regulations on regular leaves, rest days, annual paid leaves, and overtime payment standards in accordance with the Labor Standards Act. Our Legal Department, Human Resources Department, Auditing Department and the management of all businesses convene joint meetings quarterly to ensure legal compliance of each unit. Employees may also apply for unpaid leave if they need a longer period away from their positions to care for young children, convalesce or in case of major problems so that they can take care of family and personal matters.</p> | None                                                                                                                  |

| Item | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons |
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|      | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                       |
|      |                       |    | <p><b><u>Equality and respect for diversity</u></b><br/> FENC upholds gender equality and commits to establishing systems and a working environment that are friendly to all genders. The Company's production business spans a variety of industries. The up- and midstream industries rely more on chemical related expertise where a higher proportion of the workforce is male. The downstream, which consists mainly of the textile industry, is composed of a higher percentage of female employees. In 2021, on average females account for 25% of all employees, and 19% of leadership positions. FENC has established measures to prevent, control and reprimand sexual harassment and provides channels for filing grievances. Employees may file such grievance claims through departmental supervisors or Human Resources Department. The unit receiving the claim shall establish a team within 5 days of receiving the claim with over 50% female members to initiate the investigation. The investigation shall conclude within 2 months and all information shall be kept confidential. The individual against which the claim is filed shall have the opportunity for rebuttal. We also conduct regular training for the entire staff to prevent any occurrence of sexual harassment.</p> <p><b><u>Employee compensation linked to operational achievements</u></b><br/> Article 26 in FENC's <i>Articles of Incorporation</i>:<br/> The Company should distribute 2% to 3.5% of profit of the current year as employees' compensation and no more than 2.5% as Directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall have been covered.</p> <p><b><u>Compensation policy</u></b><br/> The payroll is reviewed regularly to retain talent. Business sites in Taiwan participate in the salary survey conducted by Towers Watson annually to stay up to date on the market rate and make proper adjustments. In 2021, the Company offered employees in both leadership and non-leadership roles in Taiwan an average pay raise of 3% over the year.</p> | None                                                                                                                  |

## Corporate Governance Report

| Item                                                                                                                                                                                                                                                                                                                  | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                       | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                       |
| (c) Has the Company offered a safe and healthy work environment and routinely implements safety and health education for its employees?                                                                                                                                                                               | V                     |    | For the Company's employee safety and health work environment practices, employee education policy and its implementation, please refer to page 98 to 100.<br>For the Company's relevant certifications acquired and its certified scope, please refer to page 98 to 100.<br>For the cases of occupational injuries, the number of employees injured and the ratio to the total number of employees, and related improvement, please refer to page 98 to 100.                                                                                                 |                                                                                                                       |
| (d) Has the Company established an effective career developmental plan for its employees?                                                                                                                                                                                                                             | V                     |    | For the orientation, scope and implementation of the employee training program, please refer to page 97.                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                       |
| (e) Has the Company protected the customers of its products or services in terms of their health, safety and privacy and conduct marketing and labeling in compliance with relevant regulations, laws and international standards? Has it had in place consumer protection policies and a customer complaint process? | V                     |    | The Company and its subsidiaries ensure that products and service quality are in compliance with government regulations and industry standards. The Company has implemented “Customer Quality Complaint Handling Standards,” and handles written complaints from clients or via electronic means. The corporate website also offers a newsletter, and an email facility is in place to receive feedback. These measures allow customers to quickly grasp significant information on the Company and to immediately provide feedback should there be problems. |                                                                                                                       |
| (f) Has the Company had a supplier management policy and required all its suppliers be compliant with laws and regulations on environmental protection, occupational safety & health, and labor rights and verified their compliance?                                                                                 | V                     |    | The Company and its subsidiaries have in place “Code of Ethics”, “Supplier Code of Conduct” and “Supplier CSR Commitment Statement,” which specifically sets forth principles and expectations regarding ethics, compliance, health, environmental protection, human rights, safety and security. Suppliers' evaluation records are used as a reference in supplier selection process.                                                                                                                                                                        |                                                                                                                       |
| <b>e. Does the Company compile a CSR report in accordance with international reporting standards for disclosure of non-financial information? Is the report externally accredited or assured by an independent third party?</b>                                                                                       | V                     |    | The “2021 Sustainability Report” published by the Company was written in accordance with the AA1000 Assurance Standard (AA1000AS v3) and Sustainability Accounting Standards Board standards for the chemical industry and the requirements of the Global Reporting Initiative (GRI) Standard Comprehensive Option and those of the Task Force on Climate-related Financial Disclosures (TCFD). This report has been assured by the third party SGS Taiwan at a Type 1, Moderate level assurance.                                                             |                                                                                                                       |



| Item                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Implementation Status                                                      |                                                                                                |         | Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Yes                                                                        | No                                                                                             | Summary |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| f. If the company has set up the principles based on "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies", please illustrate the implementation progress and any difference:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| To develop the economy, society and environment in a balanced and sustainable development manner, the Company and its subsidiary, Far EasTone, have established the Sustainable Development Principles with the Board's approval. The Company endeavors to fulfill its social responsibilities through research and development in eco-friendly products, participating in philanthropic activities and pursuing environmental certification. In addition, the Company mobilizes its resources to strengthen corporate governance, promote environmental protection and give back to society. Information about the efforts is available on the Company's website and the M.O.P.S website operated by the Taiwan Stock Exchange.                                                                                                                                                               |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| g. Please state any other important information that would facilitate better understanding of the Company's status in fulfilling corporate social responsibilities:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| (a) Working environment and employee safety precautions (Please refer to page 98-100)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| (b) Environment protection regulations, measures, and compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| (1) Environmental sustainability policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| i. Compliance with related laws and regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| ii. Continuing improving manufacturing process to prevent and control pollution                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| iii. Reducing industrial waste; increasing efficiency in use of energy and resource; substituting alternative fuels for fossil fuels; developing renewable energy; switching feedstock.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| iv. Using CCUS (carbon capture, utilization, storage) technologies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| v. Conducting training to raise employees' environmental awareness and help them improve skills to protect the environment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| vi. Continuing recycling and raising the public's environmental awareness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| vii. Communicating our environmental achievement to stakeholders properly                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| (2) Strategies and tactics for environmental sustainability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| <table><tr><th>Strategies</th><th>Tactics</th><th>Approaches</th></tr><tr><td rowspan="3">Source reduction</td><td rowspan="3">1. Establishing a management system</td><td>Setting goals and tracking achievements</td></tr><tr><td>Optimizing the management system</td></tr><tr><td>Education and training</td></tr><tr><td rowspan="3">Circular recycling</td><td rowspan="2">2. Harnessing innovative technologies and utilizing cutting-edge equipment</td><td>Applying AI to production management</td></tr><tr><td>Optimizing the manufacturing process and improving equipment</td></tr><tr><td>3. Building partnerships in the value chain</td><td>Engaging suppliers, shipping service providers and clients in environmental protection efforts</td></tr><tr><td>4. Supporting government policies</td><td>Responding to government policies with viable projects</td></tr></table> |                                                                            |                                                                                                |         |                                                                                                                       | Strategies | Tactics | Approaches | Source reduction | 1. Establishing a management system | Setting goals and tracking achievements | Optimizing the management system | Education and training | Circular recycling | 2. Harnessing innovative technologies and utilizing cutting-edge equipment | Applying AI to production management | Optimizing the manufacturing process and improving equipment | 3. Building partnerships in the value chain | Engaging suppliers, shipping service providers and clients in environmental protection efforts | 4. Supporting government policies | Responding to government policies with viable projects |
| Strategies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Tactics                                                                    | Approaches                                                                                     |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| Source reduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1. Establishing a management system                                        | Setting goals and tracking achievements                                                        |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                            | Optimizing the management system                                                               |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                            | Education and training                                                                         |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| Circular recycling                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2. Harnessing innovative technologies and utilizing cutting-edge equipment | Applying AI to production management                                                           |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                            | Optimizing the manufacturing process and improving equipment                                   |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 3. Building partnerships in the value chain                                | Engaging suppliers, shipping service providers and clients in environmental protection efforts |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| 4. Supporting government policies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Responding to government policies with viable projects                     |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| (3) The Company protects the global environment with the following approaches                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| i. <u>Reduce</u> : Minimize the resources used during the manufacturing process and make our products lighter.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| ii. <u>Recycle</u> : Develop and refine recycling technologies, increase the scale of recycling and use recycled materials to make a broad range of products to ride on the trend of environmental consciousness.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| iii. <u>Replace</u> : Use non-food crops and waste as materials to develop our products so as to reduce our reliance on fossil fuels.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| As the leader in green polyester in the industry, FENC has continued to invest in development of forward-looking and sustainable green products, provide green solutions that emphasize recycling and reduction of resource consumption. In 2021, green products brought in a revenue of NT\$38.379 billion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| (4) Material results                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |
| i. The Company was the first manufacturer in the world to use biobased materials to produce facemasks. The Company's staple fiber production department developed FENC® Bio-hygiene, nonwoven fiber derived from sugarcane bagasse for the production of biobased and biodegradable facemasks in Q3 2021. This product is hydrophilic, gentle to skin and soft, comparable to petrochemical fibers in quality. Moreover, FENC® Bio-hygiene reduces more than 50% of carbon emissions. After use, it can break down naturally in proper landfill conditions, which enables both users and producers to fulfill their social responsibility for environmental protection.                                                                                                                                                                                                                        |                                                                            |                                                                                                |         |                                                                                                                       |            |         |            |                  |                                     |                                         |                                  |                        |                    |                                                                            |                                      |                                                              |                                             |                                                                                                |                                   |                                                        |

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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Yes                   | No | Summary |                                                                                                                       |
| <p>ii. The Company is keen to support green initiatives, working hard to reach a consensus with customers on sustainable development through communication at conferences and forums. The Company has participated in the following green-oriented organizations/initiatives:</p> <ul style="list-style-type: none"> <li>• Taiwan Circular Economy 100, TCE100</li> <li>• Packaging Recycling Organization Vietnam, PRO-Vietnam</li> <li>• The National Association for PET Container Resources, NAPCOR</li> <li>• The Association of Plastic Recyclers, APR</li> <li>• Zero Discharge of Hazardous Chemicals, ZDHC</li> <li>• Sustainable Apparel Coalition, SAC</li> <li>• Textile Exchange, TE</li> </ul> <p>iii. The Company is ambitious in obtaining rigorous certifications for its green products. We have been certified for compliance with GRS (Global Recycled Standard) Version 4.0 and SCS Recycled Content Standard V7.0. We will keep our certifications up to date to ensure that our products are compliant with updated standards.</p> <p>iv. Tpark has been developed into a hub that hosts five high-tech industries, including ICT, digital content, cloud, R&amp;D of green energy, and artificial intelligence. Tpark is equipped with a water recycling system that supports and nurtures the ecosystem in the campus. It also has plentiful of greenery and vegetation, adding an ecofriendly touch of green to a high-tech powerhouse.</p> <p>(c) The Company contributes to society through participation in Environmental Protection, Art &amp; Culture, Technology, Education, and Athletics. They are described as follows:</p> <p>(1) <b><u>Environmental Protection:</u></b> The Company has not only developed a series of innovative products by recycling used PET bottles and polyester waste from land and sea, but has also utilized a cutting-edge technology to make good use of industrial exhaust gas in its production business. In 2021, FENC ranked world No. 2 in the production of recycled polyester with an annual output of more than 300,000 tons.</p> <p>(2) <b><u>Art &amp; Culture:</u></b> We organize Far Eastern Architectural Design Awards annually, which is composed of several awards, including Far Eastern Outstanding Architectural Design Award, Special Award for Heritage Reborn, Shinjinsen in Taiwan – Far Eastern Architectural Young Talent Award as well as events such as the Exhibition of Far Eastern Architectural Young Talent, and Far Eastern International Forum for Architecture. In 2021, Far Eastern Memorial Foundation was awarded by Taiwan's Ministry of Culture Gold Award in the 15<sup>th</sup> Arts and Business Awards in recognition of its long-term support for local development of arts. Additionally, the Foundation was honored with a special "Long-term Sponsorship Award" for having supported Ming Hwa Yuan Arts &amp; Cultural Group, a Taiwanese opera troupe for 22 consecutive years. Over the years, we have won nine Gold Awards, one special award and two Special Jury Awards.</p> <p>(3) <b><u>Technology:</u></b> We organize Y.Z. Hsu Science Award annually to reward people who have achieved technological innovation, and also sponsor various tech-related research projects and events.</p> <p>(4) <b><u>Education:</u></b> We organize Y. Z. Hsu Competition – Taiwan Young Student Physicists' Tournament annually. The winners of this competition will participate in the International Young Physicists' Tournament on behalf of Taiwan. The "Y.Z. Hsu Innovation Forum" is held wherein winners of "Y.Z. Hsu Science Award" in the roles of speakers and discussants share research results and experiences to inspire brilliant young minds to fulfill their ambitions in the tech industry.</p> <p>(5) <b><u>Athletics:</u></b> Hsinpu Chemical Fiber Plant holds the annual FENC Classic Marathon, which incorporates a lot of local cultural elements and invites local people from Hsinchu to participate in the event. Every year, thousands of runners sign up for this marathon, which has become one of the most important events to runners in the country. The Company is dedicated to health and fitness promotion among employees and in local communities. By taking part in this annual event and the Company's marathon club, many employees have become outstanding marathon runners that achieved impressive results in national competition, boosting employees' confidence and spirits. In 2021, the Company was recognized for its promotion of sports by Taiwan's Sports Administration with 2021 Sports Enterprise Certification.</p> |                       |    |         |                                                                                                                       |

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

| Item                                                                                                                                                                                                                                                                                                                                                                                | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                     | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                    |
| <b>a. Establishment of Business Conduct Policy and Plans</b>                                                                                                                                                                                                                                                                                                                        |                       |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                    |
| (a) Has the Company established business conduct policy approved by the Board, and also demonstrated the policy and practice in the corporate guidelines and external documents? Have the Board of Directors and management committed to actively implement such policy?                                                                                                            | V                     |    | The Company and its subsidiary, Far EasTone, have established “Code of Ethics” & “Best Practice Principles of Ethical Corporate Management”. In order to promote awareness, the policies are available for access through channels such as intranet, company publications, facility labels and various meetings, etc. All employees are required and trained to comply with our “Code of Ethics” & “Best Practice Principles of Ethical Corporate Management” throughout daily operations. In 2020, the Board of Directors approved the amendments of “Best Practice Principles of Ethical Corporate Management” and established the “Procedures for Ethical Management and Guidelines for Conduct”.                                                                                                                                                                                                                         | None                                                                                                               |
| (b) Has the Company established measures for evaluating unethical conduct risks? Has the Company taken any precautionary measures regularly to prevent corruption or high-risk illegal business activities, at least covering the precautionary measures of Paragraph 2 in Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”? | V                     |    | The procedures and guidelines of the Company and its subsidiaries should at least contain the following matters:<br>(1) Standards for determining if improper benefits have been offered or accepted.<br>(2) Procedures for offering legitimate political donations.<br>(3) Procedures and the standard amounts for offering charitable donations or sponsorship.<br>(4) Rules for avoiding work-related conflicts of interests, and how such conflicts be reported and handled.<br>(5) Rules for preserving confidentiality of trade secrets and business sensitive information obtained in the ordinary course of business.<br>(6) Regulations and procedures for dealing with vendors, clients, and business transaction counterparties suspected of Misconducts.<br>(7) Operational procedures for violations of “Best Practice Principles of Ethical Corporate Management”.<br>(8) Disciplinary measures for offenders. |                                                                                                                    |
| (c) Has the Company established and implemented an unethical conduct prevention plan, which stipulates operational processes, provides guidelines for conduct, discipline for violations of rules and an appeal system, as well as reviewed and amended the aforesaid plan regularly?                                                                                               | V                     |    | To establish an ethical corporate culture and to prevent unethical conduct, the Company hosts education/training seminars periodically for its employees and to remind the stakeholders of the Company to follow and respect the moral and ethical standards of the Company. Related procedures and standards are reviewed and amended regularly, and disclosed on the Company’s website (www.fenc.com).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                    |

## Corporate Governance Report

| Item                                                                                                                                                                                                                                   | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                        | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                    |
| <b>b. Implementation of the Code of Business Conduct</b><br>(a) Does the Company evaluate the ethical conduct records of its counterparties and specify "Ethical clauses" in business contracts?                                       | V                     |    | 1. The Company and its subsidiaries require that suppliers provide the assurance to comply with its rules regarding social activities, such as entertainment and the offering of gifts. If such rules are violated, all rights and cooperation with the supplier will be terminated.<br>2. The Company's subsidiary, Far EasTone, also requires suppliers to sign "Code of Conduct for Far EasTone Supplier Chain Social Responsibility" within the commercial document data sheet provided to suppliers as a way of encouraging all stakeholders to comply and respect with Far EasTone's "Ethical Corporate Management Best Practice Principles".                                                                                                                                             | None                                                                                                               |
| (b) Has the Company established dedicated units under the supervision of the Board of Directors to promote corporate ethical management and which regularly (at least once a year) report to the Board on their implementation status? | V                     |    | The Company has set up "Code of Ethics" & "Best Practice Principles of Ethical Corporate Management" and incorporated them into employment guidelines. Regarding the Legal Department, the "Legal Compliance Team" is established to promote and conduct corporate ethical management, including "Business Corruption Self-Assessments" during the Company's quarterly compliance reviews, and the implementation status is reported to the Board of Directors. The latest is reported to the Board of Directors on Nov 11, 2021.                                                                                                                                                                                                                                                               |                                                                                                                    |
| (c) Does the Company promulgate policies to prevent conflicts of interests and offer appropriate channels for reporting conflicts of benefits?                                                                                         | V                     |    | 1. The Company abides by the principle of zero-tolerance for malpractices. If an employee of the Company takes advantage of his/her position in the Company to advance his/her or a third party's interests, and such actions lead the Company to incur losses by any means, the employee not only will be discharged from the Company, but also will be required to unconditionally compensate the Company for any losses caused.<br>2. Any of the Company employees found to be in violation of the ethical management rules shall be disciplined in accordance with the reward and disciplinary rules of the Company, subject to the severity of the case. Once discharged from the Company, such a person is not allowed to ever be re-employed by the Company or by any of its affiliates. |                                                                                                                    |

| Item                                                                                                                                                                                                                                                                                                                                                                                                 | Implementation Status |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                      | Yes                   | No | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                      |                       |    | 3. The Company has an appeal system in place to provide those who violate the rules with a channel to appeal for remedy, subject to the related rules.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | None                                                                                                               |
| (d) Does the Company establish an effective operation of the accounting and internal control systems to thoroughly implement ethical corporate management, and have the internal audit unit formulating audit plans based on the assessment of unethical conduct risk to audit the compliance status of the preventive measures accordingly? Or does the Company appoint CPAs to perform the audits? | V                     |    | The Company has set up rigorous accounting systems and dedicated Accounting department. Financial statements are audited (or reviewed) by CPA and announced in compliance with legal requirement to ensure the accuracy and transparency of the financial information. At the Company, apart from establishing the Audit Department and related internal audit systems, we review and revise these systems periodically to ensure their effectiveness, so as to enforce the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and "Best Practice Principles of Ethical Corporate Management". Internal auditors of the Company shall also periodically examine the results of compliance with the foregoing, and quarterly prepare audit reports submitted to the Board of Directors and the Audit Committee. |                                                                                                                    |
| (e) Does the Company periodically conduct internal and external training on ethical management?                                                                                                                                                                                                                                                                                                      | V                     |    | 1. To instill an ethical corporate culture and prevent misconduct behaviors (including prohibition of insider trading), our Company undertakes educational trainings for the employees, totaling 2 sessions in 2021. To our stakeholders, we put in effort to promote compliance with ethical and integrity standards. The relevant regulations, guidelines and operational procedures are publicly-disclosed on the Company's website (www.fenc.com).<br>2. Our subsidiary, Far EasTone, makes use of e-Paper to conduct educational training on "The Code of Ethics" & "The Code of Business Conduct".                                                                                                                                                                                                                                          |                                                                                                                    |
| <b>c. Establishment of Reporting Channels for Violations of the Code Of Business Conduct.</b><br>(a) Has the Company established a specific complaints and rewards system through convenient channels for lodging complaints? And does the Company assign dedicated personnel to attend to the matter?                                                                                               | V                     |    | 1. FENC has multiple communication channels for stakeholders to report instances of misconduct, such as bribery and corruption. There are measures in place to conduct independent investigation into the alleged misconduct and escalate the matter to higher levels of authority. The company's suppliers, clients and stakeholders can file a complaint via email to the Supplier Team of the FEG Purchasing Department, the contact of each division or the Audit Committee and Audit Department. More contact information is provided in the stakeholders' section on the Company's website (www.fenc.com).                                                                                                                                                                                                                                  |                                                                                                                    |

## Corporate Governance Report

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

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

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

### 3.8 Others

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

3.8.2 Employee Rights and Interests, Employee Care: (Please refer to page 97)

3.8.3 Investor Relations, Vendor Relations and Rights of Interest-conflicting Parties: (Please refer to page 36)

3.8.4 Risk Management Policies and Risk Measurement Standard Implementation Progress: (Please refer to page 139-140)

a. Company's risk management organization:

(a) Risk precaution system oversees the risk items covered by the administrative units' operation. Each risk item is prioritized with trackable leading indicators and countermeasures, and each countermeasure is scheduled for the review timeline and assigned with in-charges and coordinators. The Corporate Management convenes the risk management meeting monthly, reviews execution performance cross units, and continually improves and optimizes the aforementioned system. In 2020, the Risk Management Policy was set up and approved by the Board of Directors.

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

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

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

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

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

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

3.8.5 Customer Policy Implementation Progress: (Please refer to page 52)

3.8.6 The Company's purchase of liability insurance for Directors: the Company purchases liability insurance for the Company's directors, in order to reduce their risk of legal and financial liabilities that may arise during day to day operations. (The related report has been submitted to the Board meeting on Mar 8, 2022)

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

## Corporate Governance Report

| Category              | Department                         | The Company | Subsidiaries |
|-----------------------|------------------------------------|-------------|--------------|
|                       | Licenses                           |             |              |
| Accounting / Taxation | CPA ROC                            | 18          | 10           |
|                       | CPA China                          | 1           | 1            |
|                       | CPA USA                            | 3           | 3            |
|                       | CIA                                | 4           | 3            |
|                       | CPB                                | 13          | 5            |
| Finance               | CFA                                | 2           | -            |
|                       | Certified Financial Planner        | 1           | -            |
|                       | Securities Investment Analyst      | 3           | 1            |
|                       | Senior Securities Specialist       | 17          | 3            |
|                       | Futures Specialist                 | 4           | 2            |
|                       | Foreign Exchange Trading Personnel | 2           | 1            |
|                       | Trust Specialist                   | 12          | 1            |
|                       | Financial Planning Personnel       | 7           | 1            |
| Real Estate           | Realtor                            | -           | 2            |
|                       | Land Administration Agent          | -           | 2            |
|                       | Non-Life Insurance Salesman        | 5           | -            |
| Labor Safety          | CISA                               | 1           | 5            |

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

| Title     | Name                | Study Date |            | Sponsoring Organization                 | Name of the Course                                                                                         | Study hours |
|-----------|---------------------|------------|------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------|-------------|
|           |                     | From       | To         |                                         |                                                                                                            |             |
| Chairman  | Douglas Tong Hsu    | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance   | Corporate Governance                                                                                       | 3           |
|           |                     | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance   | Digital Transformation of Enterprises                                                                      | 3           |
| Directors | Johnny Hsi          | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance   | Corporate Governance                                                                                       | 3           |
|           |                     | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance   | Digital Transformation of Enterprises                                                                      | 3           |
|           | Peter Hsu           | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance   | Corporate Governance                                                                                       | 3           |
|           |                     | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance   | Digital Transformation of Enterprises                                                                      | 3           |
|           | Shaw Y. Wang        | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance   | Corporate Governance                                                                                       | 3           |
|           |                     | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance   | Digital Transformation of Enterprises                                                                      | 3           |
|           | Jeff Hsu            | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance   | Corporate Governance                                                                                       | 3           |
|           |                     | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance   | Digital Transformation of Enterprises                                                                      | 3           |
|           | Richard Yang        | Feb 25, 21 | Feb 25, 21 | Securities & Futures Institute          | Advanced Seminar for Directors, Supervisors (including Independent) and Chief Corporate Governance Officer | 3           |
|           |                     | Jan 29, 21 | Jan 29, 21 | Securities & Futures Institute          | Advanced Seminar for Directors, Supervisors (including Independent) and Chief Corporate Governance Officer | 3           |
|           | Tonia Katherine Hsu | Oct 25, 21 | Oct 25, 21 | Taiwan Corporate Governance Association | Risk and Opportunities under the Megatrend of ESG                                                          | 3           |
|           |                     | Sep 1, 21  | Sep 1, 21  | Financial Supervisory Commission        | The 13 <sup>th</sup> Taipei Corporate Governance Forum                                                     | 6           |
|           | Kwan-Tao Li         | Dec 23, 21 | Dec 23, 21 | Taiwan Corporate Governance Association | Corporate Governance 3.0 - Sustainability                                                                  | 3           |
|           |                     | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance   | Corporate Governance                                                                                       | 3           |
|           | Alice Hsu           | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance   | Corporate Governance                                                                                       | 3           |
|           |                     | May 7, 21  | May 7, 21  | Taiwan Corporate Governance Association | Advanced Practices Sharing of Audit Committee - M&A Reviews and Directors' Responsibilities                | 3           |
|           | Champion Lee        | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance   | Corporate Governance                                                                                       | 3           |
|           |                     | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance   | Digital Transformation of Enterprises                                                                      | 3           |



| Title                              | Name             | Study Date |            | Sponsoring Organization                        | Name of the Course                                                                                         | Study hours |
|------------------------------------|------------------|------------|------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------|
|                                    |                  | From       | To         |                                                |                                                                                                            |             |
| Independent Directors              | Chen-En Ko       | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance          | Corporate Governance                                                                                       | 3           |
|                                    |                  | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance          | Digital Transformation of Enterprises                                                                      | 3           |
|                                    | Johnsee Lee      | Dec 15, 21 | Dec 15, 21 | Taiwan Corporate Governance Association        | Corporate Sustainability Accelerators – CSR, ESG & SDGs                                                    | 3           |
|                                    |                  | May 5, 21  | May 5, 21  | Taiwan Corporate Governance Association        | Group Governance and Performance Management                                                                | 3           |
|                                    | Raymond R.M. Tai | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance          | Corporate Governance                                                                                       | 3           |
|                                    |                  | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance          | Digital Transformation of Enterprises                                                                      | 3           |
| President                          | K.S. Wu          | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance          | Corporate Governance                                                                                       | 3           |
|                                    |                  | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance          | Digital Transformation of Enterprises                                                                      | 3           |
|                                    | Humphrey Cheng   | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance          | Corporate Governance                                                                                       | 3           |
|                                    |                  | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance          | Digital Transformation of Enterprises                                                                      | 3           |
| Chief Operating Officer            | Eric Chueh       | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance          | Corporate Governance                                                                                       | 3           |
|                                    |                  | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance          | Digital Transformation of Enterprises                                                                      | 3           |
| Chief Auditor                      | Rebecca Huang    | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance          | Corporate Governance                                                                                       | 3           |
|                                    | Y.C. Yuan        | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance          | Corporate Governance                                                                                       | 3           |
| Chief Financial Officer            | David Wang       | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance          | Corporate Governance                                                                                       | 3           |
| Executive Vice President           | Alan Tsai        | Sep 24, 21 | Sep 24, 21 | Accounting Research and Development Foundation | Cooperation with CPAs Assurance Duties; the Responsibility of Financial Audit Reports to Frauds            | 3           |
|                                    |                  | Sep 10, 21 | Sep 10, 21 | Accounting Research and Development Foundation | New Trend and Mindset to Assess Corporate ESG Sustainability Performance                                   | 3           |
|                                    |                  | Aug 13, 21 | Aug 13, 21 | Accounting Research and Development Foundation | Case Study: Financial Risks of Taiwanese Enterprises' Disposal of Real Estate Equity in China              | 3           |
|                                    |                  | May 28, 21 | May 28, 21 | Accounting Research and Development Foundation | The Role and Practices of Independent Directors in Corporate Governance                                    | 3           |
|                                    | Fanny Liao       | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance          | Corporate Governance                                                                                       | 3           |
| Chief Corporate Governance Officer | Li-Chi Chen      | Dec 14, 21 | Dec 14, 21 | Taiwan Corporate Governance Association        | Discussion of Anti Money Laundering and Anti Financing Terrorism from Illegal Cases                        | 3           |
|                                    |                  | Nov 10, 21 | Nov 10, 21 | Taiwan Academy of Banking and Finance          | Corporate Governance                                                                                       | 3           |
|                                    |                  | Oct 22, 21 | Oct 22, 21 | Accounting Research and Development Foundation | Advanced Seminar for Directors, Supervisors (including Independent) and Chief Corporate Governance Officer | 3           |
|                                    |                  | Sep 8, 21  | Sep 8, 21  | Taiwan Academy of Banking and Finance          | Digital Transformation of Enterprises                                                                      | 3           |
|                                    |                  |            |            |                                                |                                                                                                            |             |

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

## Corporate Governance Report

### 3.10 Internal Control System Execution Status

#### 3.10.1 Internal Control Report

##### Far Eastern New Century Corporation Internal Control Statement

Date: March 8, 2022

Far Eastern New Century Corporation (the Company) states the following with regard to its internal control system during 2021, based on the findings of a self-evaluation:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws, and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies promulgated by the Securities and Futures Commission, Ministry of Finance (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that as at December 31, 2021 its internal control system (including its supervision of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws, and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of Far Eastern New Century Corporation's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on March 8, 2022, where none of the 13 attending directors expressed dissenting opinions, all affirmed the content of this Statement.

Far Eastern New Century Corporation

Chairman: Douglas Tong Hsu

Corporate Management President: Humphrey Cheng



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

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

#### 3.11.1 Shareholders' Meeting

|                                           | Date         | Resolutions of Shareholders' Meeting                                                                                                                                                                                                                                                                                                            | Execution                                                                                                                   |
|-------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| 2021 Annual General Shareholders' Meeting | Jul 29, 2021 | Reporting items:<br>· 2020 business operations<br>· 2020 financial statements<br>· The Audit Committee's review report of 2020 business operations and financial statements<br>· 2020 employees' compensation and Directors' remuneration<br>· Information of the corporate bonds issued in 2020<br>· Amendments of "Sustainability Principles" | Not applicable                                                                                                              |
|                                           |              | <u>Approval items:</u><br>· To accept 2020 business report and financial statements<br>· To approve the proposal for distribution of 2020 profits                                                                                                                                                                                               | · Aug 7, 2021 was settled as the ex-dividend date, and cash dividend was distributed on Aug 26, 2021.                       |
|                                           |              | <u>Proposed items &amp; elections of Directors:</u><br>· To elect Directors (including Independent Directors) of Far Eastern New Century Corporation<br>· To Approve the release of the relevant Directors from the non-competition restriction under Article 209 of the Company Act                                                            | · Approved by the Department of Commerce, MOEA on Aug 20, 2021, renewed on the Company's website and processed accordingly. |
|                                           |              |                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                             |

#### 3.11.2 Board Meetings

| Term                                                        | Date         | Important Resolutions                                                                                                                                       | Items under Article 14-3 of Securities and Exchange Act | Independent Directors' Opinions and the Company's reaction |
|-------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------|
| 12 <sup>th</sup> Board Meeting of the 23 <sup>rd</sup> term | Mar 24, 2021 | 1. Approved 2020 employees' compensation and Directors' remuneration.                                                                                       | √                                                       | All presented Independent Directors approved               |
|                                                             |              | 2. Approved 2020 financial statements (including consolidated & stand-alone) and the hiring of CPA                                                          | √                                                       |                                                            |
|                                                             |              | 3. Approved the proposal for distribution of 2020 profits.                                                                                                  | √                                                       |                                                            |
|                                                             |              | 4. To elect Directors (including Independent Directors) of Far Eastern New Century Corporation                                                              |                                                         |                                                            |
|                                                             |              | 5. Approved the proposal of convening 2021 Annual General Shareholders' Meeting                                                                             |                                                         |                                                            |
|                                                             |              | 6. Approved the proposal for 2021 operating budget and capital expenditure budget.                                                                          |                                                         |                                                            |
|                                                             |              | 7. Approved the issuance of corporate bonds.                                                                                                                |                                                         |                                                            |
|                                                             |              | 8. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary                                                                    | √                                                       |                                                            |
|                                                             |              | 9. Approved to terminate the Global Depositary Receipt (GDR) program                                                                                        |                                                         |                                                            |
|                                                             |              | 10. Approved the investment of Far Eastern Investment (Holding) Limited                                                                                     | √                                                       |                                                            |
|                                                             |              | 11. Approved the declaration of internal control system of Far Eastern New Century Corporation.                                                             | √                                                       |                                                            |
| 13 <sup>th</sup> Board Meeting of the 23 <sup>rd</sup> term | May 13, 2021 | 1. Approved 2020 business operation report                                                                                                                  | √                                                       |                                                            |
|                                                             |              | 2. Approved the candidate list of the Company's Director (including Independent Director) nominees.                                                         | √                                                       |                                                            |
|                                                             |              | 3. Approved the release of the relevant Directors from the non-competition restriction.                                                                     | √                                                       |                                                            |
| 14 <sup>th</sup> Board Meeting of the 23 <sup>rd</sup> term | Jul 12, 2021 | 1. Approved the reschedule of 2021 Annual General Shareholders' Meeting date and venue, and the proposal of Chairman authorized to set the ex-dividend date | √                                                       |                                                            |
|                                                             |              | 2. Approved the issuance of corporate bonds.                                                                                                                |                                                         |                                                            |
|                                                             |              | 3. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary.                                                                   | √                                                       |                                                            |

## Corporate Governance Report

| Term                                                       | Date         | Important Resolutions                                                                                                                                                                                                   | Items under Article 14-3 of Securities and Exchange Act | Independent Directors' Opinions and the Company's reaction |
|------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------|
| 1 <sup>st</sup> Board Meeting of the 24 <sup>th</sup> term | Jul 29, 2021 | 1. To elect the Chairman and Vice Chairmen of Far Eastern New Century Corporation.                                                                                                                                      | ✓                                                       |                                                            |
|                                                            |              | 2. Approved the Presidents' and Chief Operating Officers' appointments.                                                                                                                                                 | ✓                                                       |                                                            |
|                                                            |              | 3. Approved the Executive Assistant to the Chairman's appointment and the newly established "Department of Business & Product Transformation"                                                                           | ✓                                                       |                                                            |
|                                                            |              | 4. Approved the appointment of members of the "Remuneration Committee" and "Sustainability Committee".                                                                                                                  | ✓                                                       |                                                            |
| 2 <sup>nd</sup> Board Meeting of the 24 <sup>th</sup> term | Nov 11, 2021 | 1. Approved the Chief Auditor's appointment.                                                                                                                                                                            | ✓                                                       | All presented Independent Directors approved               |
|                                                            |              | 2. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary.                                                                                                                               | ✓                                                       |                                                            |
|                                                            |              | 3. Approved the 2021 Audit Plan review and the 2022 Audit Plan.                                                                                                                                                         | ✓                                                       |                                                            |
| 3 <sup>rd</sup> Board Meeting of the 24 <sup>th</sup> term | Mar 8, 2022  | 1. Approved 2021 employees' compensation and Directors' remuneration.                                                                                                                                                   | ✓                                                       |                                                            |
|                                                            |              | 2. Approved 2021 financial statements (including consolidated & stand-alone) and the hiring of CPA.                                                                                                                     | ✓                                                       |                                                            |
|                                                            |              | 3. Approved the proposal for distribution of 2021 profits.                                                                                                                                                              | ✓                                                       |                                                            |
|                                                            |              | 4. Approved the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation".                                                                                                                    | ✓                                                       |                                                            |
|                                                            |              | 5. Approved amending the Company bylaw of "Procedure for Acquisition and Disposition of Assets of Far Eastern New Century Corporation".                                                                                 | ✓                                                       |                                                            |
|                                                            |              | 6. Approved amending the Company bylaw of "Procedures for Lending of Capital to Others of Far Eastern New Century Corporation" and "Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation". | ✓                                                       |                                                            |
|                                                            |              | 7. Approved amending the Company bylaw of "Election Procedures of Director".                                                                                                                                            |                                                         |                                                            |
|                                                            |              | 8. Approved amending the Company bylaw of "Sustainability Committee Charter" and "Sustainable Development Principles".                                                                                                  | ✓                                                       |                                                            |
|                                                            |              | 9. Approved the proposal of convening 2022 Annual General Shareholders' Meeting.                                                                                                                                        |                                                         |                                                            |
|                                                            |              | 10. Approved the proposal for 2022 operating budget and capital expenditure budget.                                                                                                                                     |                                                         |                                                            |
|                                                            |              | 11. Approved the issuance of corporate bonds.                                                                                                                                                                           |                                                         |                                                            |
|                                                            |              | 12. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary.                                                                                                                              | ✓                                                       |                                                            |
|                                                            |              | 13. Approved the acquisition of new common shares of Oriental Petrochemical (Taiwan) Co., Ltd.                                                                                                                          | ✓                                                       |                                                            |
|                                                            |              | 14. Approved amending the internal audit implementation rules of Far Eastern New Century Corporation.                                                                                                                   | ✓                                                       |                                                            |
|                                                            |              | 15. Approved the declaration of internal control system of Far Eastern New Century Corporation.                                                                                                                         | ✓                                                       |                                                            |
| 4 <sup>th</sup> Board Meeting of the 24 <sup>th</sup> term | May 10, 2022 | 1. Approved the change of auditing CPA (Certified Public Accountant) from Deloitte & Touche.                                                                                                                            | ✓                                                       |                                                            |
|                                                            |              | 2. Approved the consolidated financial statements for the first quarter of 2022.                                                                                                                                        |                                                         |                                                            |
|                                                            |              | 3. Approved amending the company bylaw of "Meeting Rules of Stockholders for Far Eastern New Century Corporation".                                                                                                      |                                                         |                                                            |
|                                                            |              | 4. Approved 2021 business operation report.                                                                                                                                                                             |                                                         |                                                            |
|                                                            |              | 5. Approved revising the proposal of convening 2022 Annual General Shareholders' Meeting and the proposed resolutions.                                                                                                  | ✓                                                       |                                                            |
|                                                            |              | 6. Approved the leasing agreement with the Company and Far Eastern Ai Mai Co., Ltd.                                                                                                                                     | ✓                                                       |                                                            |

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

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

| Title                           | Name        | Date effective | Date dismissed | Reason for dismissal |
|---------------------------------|-------------|----------------|----------------|----------------------|
| President of Polyester Business | Y.H. Tseng  | 2011.07.01     | 2021.07.29     | Job relocation       |
| Chief Auditor                   | Raymond Hsu | 1996.03.01     | 2021.10.20     | Job relocation       |

**4. Certified Public Accountant (CPA) Audit Fees**

**4.1 Information of CPA Audit Fees**

Unit: NT\$ thousands

| Accounting Firm   | Name of CPA    | CPA Audit period           | Audit Fee | Non-audit Fee | Total | Remark |
|-------------------|----------------|----------------------------|-----------|---------------|-------|--------|
| Deloitte & Touche | Chih-Ming Shao | Jan 1, 2021 – Dec 31, 2021 | 8,450     | 790 (Note)    | 9,240 | NIL    |
|                   | Cheng-Hung Kuo |                            |           |               |       |        |

Note: Service fees for business registration, corporate bonds issuance, business tax of dual-status business entities applying the direct deduction method, information security and disbursement fee, etc.

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

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

## Corporate Governance Report

### 5. Information for Change of CPA

#### 5.1 Regarding the Former CPA:

|                                                                                                                                                                                                  |                                                                                                                   |     |                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----|------------------------------------|
| Date of Change                                                                                                                                                                                   | October 2020 & March 2022                                                                                         |     |                                    |
| Cause and explanation                                                                                                                                                                            | To maintain the independency of the CPA, the internal transfer and arrangement taking place in Deloitte & Touche. |     |                                    |
| Specify whether appointer or CPA terminates or rejects the appointment                                                                                                                           | Concerned party Circumstance                                                                                      | CPA | Appointer                          |
|                                                                                                                                                                                                  | Terminate the appointment voluntarily                                                                             | ✓   |                                    |
|                                                                                                                                                                                                  | Reject (refuse to accept) the appointment                                                                         |     |                                    |
| The comments and causes for issue of the audit report other than unqualified opinions within the latest two years                                                                                | None                                                                                                              |     |                                    |
| Disagreement with the issuer                                                                                                                                                                     | Yes                                                                                                               |     | Accounting principles or practices |
|                                                                                                                                                                                                  |                                                                                                                   |     | Disclosure of financial statement  |
|                                                                                                                                                                                                  |                                                                                                                   |     | Scope or steps of audit            |
|                                                                                                                                                                                                  |                                                                                                                   |     | Others                             |
|                                                                                                                                                                                                  | No                                                                                                                | ✓   |                                    |
|                                                                                                                                                                                                  | Note                                                                                                              |     |                                    |
| Other information to be disclosed (to be disclosed according to Item 4-7 of paragraph 6 of Article 10 of the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”) | None                                                                                                              |     |                                    |

#### 5.2 Regarding the Succeeding CPA:

|                                                                                                                                                                                                          |                    |              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------|
| Name of Office                                                                                                                                                                                           | Deloitte & Touche  |              |
| Name of CPA                                                                                                                                                                                              | CPA Chih-Ming Shao | CPA Jason Ke |
| Date of appointment                                                                                                                                                                                      | October 2020       | March 2022   |
| Accounting measures or principles with respect to certain transactions prior to the appointment and inquiries and result as to the comments likely to be issued with respect to the financial statements | —                  |              |
| Succeeding CPA's written opinion towards the disagreement with the former CPA                                                                                                                            | —                  |              |

#### 5.3 The Former CPA's Response to the Issues Referred to Item 1 and Item 2-3 of Paragraph 6 of the Article 10 of the "Regulations Governing the Preparation of Financial Reports by Securities Issuers"

Not applicable

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

None

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

### 7.1 Shareholding Variation

Unit: Shares

| Title         | Name                                | 2021                         |                                      | From Jan 1 2022 to May 1 2022 |                                      |
|---------------|-------------------------------------|------------------------------|--------------------------------------|-------------------------------|--------------------------------------|
|               |                                     | Shares Increased (Decreased) | Pledged Shares Increased (Decreased) | Shares Increased (Decreased)  | Pledged Shares Increased (Decreased) |
| Chairman      | Douglas Tong Hsu                    | -                            | -                                    | -                             | -                                    |
| Vice Chairman | Johnny Hsi                          | -                            | -                                    | -                             | -                                    |
| Vice Chairman | Peter Hsu                           | -                            | -                                    | -                             | -                                    |
| Director      | Asia Cement Corporation             | -                            | -                                    | -                             | -                                    |
|               | Shaw Y. Wang                        | -                            | -                                    | -                             | -                                    |
|               | Jeff Hsu                            | -                            | -                                    | -                             | -                                    |
|               | Far Eastern Department Stores Ltd.  | -                            | -                                    | -                             | -                                    |
|               | Richard Yang                        | -                            | -                                    | -                             | -                                    |
|               | Tonia Katherine Hsu                 | -                            | -                                    | -                             | -                                    |
|               | U-Ming Marine Transport Corporation | -                            | -                                    | -                             | -                                    |
|               | Kwan-Tao Li                         | -                            | -                                    | -                             | -                                    |
|               | Alice Hsu                           | (1,750,000)                  | -                                    | (875,000)                     | -                                    |
|               | Yue Ding Industries Co., Ltd.       | 8,854,000                    | -                                    | -                             | -                                    |
|               | Champion Lee                        | (314,961)                    | -                                    | -                             | -                                    |
|               | Chen-En Ko                          | -                            | -                                    | -                             | -                                    |
|               | Johnsee Lee                         | -                            | -                                    | -                             | -                                    |
|               | Raymond R.M. Tai                    | -                            | -                                    | -                             | -                                    |
| Manager       | Y.H. Tseng                          | 41,000                       | -                                    | -                             | -                                    |
|               | K.S. Wu                             | -                            | -                                    | -                             | -                                    |
|               | Humphrey Cheng                      | -                            | -                                    | -                             | -                                    |
|               | Donald Fan                          | -                            | -                                    | -                             | -                                    |
|               | Judy Lee                            | -                            | -                                    | -                             | -                                    |
|               | Eric Chueh                          | -                            | -                                    | -                             | -                                    |
|               | B.C. Chang                          | -                            | -                                    | -                             | -                                    |
|               | M.J. Wu                             | -                            | -                                    | -                             | -                                    |
|               | Rebecca Huang                       | -                            | -                                    | -                             | -                                    |
|               | Y.C. Yuan                           | -                            | -                                    | -                             | -                                    |
|               | David Wang                          | -                            | -                                    | -                             | -                                    |
|               | Alan Tsai                           | -                            | -                                    | -                             | -                                    |
|               | Emily Wu                            | 309,057                      | -                                    | -                             | -                                    |
|               | Fanny Liao                          | -                            | -                                    | -                             | -                                    |
|               | Li Chi Chen                         | -                            | -                                    | -                             | -                                    |
|               | C.Y. Lin                            | -                            | -                                    | -                             | -                                    |
|               | C.T. Peng                           | -                            | -                                    | -                             | -                                    |
|               | M.L. Tsai                           | -                            | -                                    | -                             | -                                    |
|               | Jackson Wu                          | -                            | -                                    | -                             | -                                    |
|               | Allen Sha                           | -                            | -                                    | -                             | -                                    |
|               | Y.L. Chen                           | -                            | -                                    | -                             | -                                    |
|               | Y.S. Yang                           | -                            | -                                    | -                             | -                                    |
|               | Ju-Her Huang                        | -                            | -                                    | -                             | -                                    |
|               | Ariel Hsu                           | -                            | -                                    | -                             | -                                    |
|               | Davis Dai                           | -                            | -                                    | -                             | -                                    |
|               | Liang-Wei Hsu                       | -                            | -                                    | -                             | -                                    |
|               | Alex Chen                           | -                            | -                                    | -                             | -                                    |
|               | Jenny Ho                            | -                            | -                                    | -                             | -                                    |
|               | Carol Wang                          | -                            | -                                    | -                             | -                                    |
|               | Yu-Sheng Lin                        | -                            | -                                    | -                             | -                                    |
|               | Hung-Hui Lee                        | -                            | -                                    | -                             | -                                    |
|               | William Hsu                         | -                            | -                                    | -                             | -                                    |
|               | Ching-Shan Hsieh                    | -                            | -                                    | -                             | -                                    |

## Corporate Governance Report

| Title   | Name         | 2021                         |                                      | From Jan 1 2022 to May 1 2022 |                                      |
|---------|--------------|------------------------------|--------------------------------------|-------------------------------|--------------------------------------|
|         |              | Shares Increased (Decreased) | Pledged Shares Increased (Decreased) | Shares Increased (Decreased)  | Pledged Shares Increased (Decreased) |
| Manager | Ken Chang    | -                            | -                                    | -                             | -                                    |
|         | David Liu    | -                            | -                                    | -                             | -                                    |
|         | David Shih   | -                            | -                                    | -                             | -                                    |
|         | C.T. Chen    | -                            | -                                    | -                             | -                                    |
|         | Eric Huang   | -                            | -                                    | -                             | -                                    |
|         | Y.T. Chang   | -                            | -                                    | -                             | -                                    |
|         | Roder Chang  | -                            | -                                    | -                             | -                                    |
|         | K.B. Louy    | -                            | -                                    | -                             | -                                    |
|         | Nico Peng    | -                            | -                                    | -                             | -                                    |
|         | Huan Ta Tien | -                            | -                                    | -                             | -                                    |
|         | Teddy Chang  | -                            | -                                    | -                             | -                                    |
|         | Robert Wang  | -                            | -                                    | -                             | -                                    |
|         | Norman Lin   | -                            | -                                    | -                             | -                                    |
|         | Daniel Tsai  | -                            | -                                    | -                             | -                                    |
|         | Nancy Chen   | -                            | -                                    | -                             | -                                    |
|         | Steve Liu    | -                            | -                                    | -                             | -                                    |
|         | Ryan Wu      | -                            | -                                    | -                             | -                                    |
|         | Hans Kuo     | -                            | -                                    | -                             | -                                    |
|         | Andy Lou     | -                            | -                                    | -                             | -                                    |

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

7.3 Shareholding Pledged: Not applicable

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

Book closure date: May 1, 2022

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



| Name                                                                   | Current shareholding |       | Spouse & minor children's shareholding |      | Shareholding in name of others |      | Name, relationship of top ten shareholders being the related party as defined in statement of financial accounting standards No.6 |                                                                            | Major institutional shareholders |
|------------------------------------------------------------------------|----------------------|-------|----------------------------------------|------|--------------------------------|------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------|
|                                                                        | shares               | %     | shares                                 | %    | shares                         | %    | Name                                                                                                                              | Relationship                                                               |                                  |
| Far Eastern Medical Foundation<br><br>Representative: Douglas Tong Hsu | 193,310,445          | 3.61% | 0                                      | 0.00 | 0                              | 0.00 | Asia Cement Corp.                                                                                                                 | The same Chairman                                                          | -                                |
|                                                                        |                      |       |                                        |      |                                |      | Asia Eastern University of Science and Technology                                                                                 |                                                                            |                                  |
|                                                                        |                      |       |                                        |      |                                |      | Yuan Ze University                                                                                                                |                                                                            |                                  |
|                                                                        | 91,748,698           | 1.71% | 0                                      | 0.00 | 0                              | 0.00 | Far Eastern Memorial Foundation                                                                                                   | Chairman is the Director of the Foundation                                 |                                  |
|                                                                        |                      |       |                                        |      |                                |      | Douglas Tong Hsu                                                                                                                  | The Chairman                                                               |                                  |
| Far Eastern Memorial Foundation<br><br>Representative: Kwan-Tao Li     | 183,141,383          | 3.42% | 0                                      | 0.00 | 0                              | 0.00 | Asia Cement Corp.                                                                                                                 | Director of the Foundation is the Chairman of the aforesaid organizations. | -                                |
|                                                                        |                      |       |                                        |      |                                |      | Asia Eastern University of Science and Technology                                                                                 |                                                                            |                                  |
|                                                                        |                      |       |                                        |      |                                |      | Yuan Ze University                                                                                                                |                                                                            |                                  |
|                                                                        | 0                    | 0.00% | 0                                      | 0.00 | 0                              | 0.00 | Far Eastern Medical Foundation                                                                                                    | The Director                                                               |                                  |
|                                                                        |                      |       |                                        |      |                                |      | Douglas Tong Hsu                                                                                                                  |                                                                            |                                  |
| Yuan Ze University<br><br>Representative: Douglas Tong Hsu             | 146,570,213          | 2.74% | 0                                      | 0.00 | 0                              | 0.00 | Asia Cement Corp.                                                                                                                 | The same Chairman                                                          | -                                |
|                                                                        |                      |       |                                        |      |                                |      | Asia Eastern University of Science and Technology                                                                                 |                                                                            |                                  |
|                                                                        |                      |       |                                        |      |                                |      | Far Eastern Medical Foundation                                                                                                    |                                                                            |                                  |
|                                                                        | 91,748,698           | 1.71% | 0                                      | 0.00 | 0                              | 0.00 | Far Eastern Memorial Foundation                                                                                                   | Chairman is the Director of the Foundation                                 |                                  |
|                                                                        |                      |       |                                        |      |                                |      | Douglas Tong Hsu                                                                                                                  | The Chairman                                                               |                                  |
| Nan Shan Life Insurance Corporation<br>Representative: Tang Chen       | 132,411,753          | 2.47% | 0                                      | 0.00 | 0                              | 0.00 | None                                                                                                                              | None                                                                       | -                                |
|                                                                        | 0                    | 0.00% | 0                                      | 0.00 | 0                              | 0.00 |                                                                                                                                   |                                                                            |                                  |
| Douglas Tong Hsu                                                       | 91,748,698           | 1.71% | 0                                      | 0.00 | 0                              | 0.00 | Asia Cement Corp.                                                                                                                 | The Chairman                                                               | -                                |
|                                                                        |                      |       |                                        |      |                                |      | Asia Eastern University of Science and Technology                                                                                 |                                                                            |                                  |
|                                                                        |                      |       |                                        |      |                                |      | Far Eastern Medical Foundation                                                                                                    |                                                                            |                                  |
|                                                                        |                      |       |                                        |      |                                |      | Yuan Ze University                                                                                                                |                                                                            |                                  |
|                                                                        |                      |       |                                        |      |                                |      | Far Eastern Memorial Foundation                                                                                                   | The Director                                                               |                                  |

## Corporate Governance Report

| Name                                                                                                                         | Current shareholding |       | Spouse & minor children's shareholding |      | Shareholding in name of others |      | Name, relationship of top ten shareholders being the related party as defined in statement of financial accounting standards No.6 |                                 | Major institutional shareholders |
|------------------------------------------------------------------------------------------------------------------------------|----------------------|-------|----------------------------------------|------|--------------------------------|------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|
|                                                                                                                              | shares               | %     | shares                                 | %    | shares                         | %    | Name                                                                                                                              | Relationship                    |                                  |
| Chunghwa Post Co., Ltd.<br>Representative:<br>Hong-Mo Wu                                                                     | 83,682,000           | 1.56% | 0                                      | 0.00 | 0                              | 0.00 | None                                                                                                                              | None                            | -                                |
|                                                                                                                              | 0                    | 0.00% | 0                                      | 0.00 | 0                              | 0.00 |                                                                                                                                   |                                 |                                  |
| Der Ching Investment Co., Ltd.<br>Representative:<br>Peter Hsu                                                               | 82,820,887           | 1.55% | 0                                      | 0.00 | 0                              | 0.00 | Asia Cement Corp.                                                                                                                 | ACC's investee by equity method | -                                |
|                                                                                                                              | 48,269,210           | 0.90% | 0                                      | 0.00 | 0                              | 0.00 |                                                                                                                                   |                                 |                                  |
| Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF account in the custody of Taishin International Bank Co., Ltd. | 71,370,000           | 1.33% | 0                                      | 0.00 | 0                              | 0.00 | None                                                                                                                              | None                            | -                                |

## 9. Shareholding Proportion of FENC to Investees

Book closure date: May 1, 2022

| Investees by equity method                  | The Company's Holdings |        | Direct and Indirect Holdings of Directors, and Managers of FENC |       | Total Holdings    |        |
|---------------------------------------------|------------------------|--------|-----------------------------------------------------------------|-------|-------------------|--------|
|                                             | Shares (Thousand)      | %      | Shares (Thousand)                                               | %     | Shares (Thousand) | %      |
| Asia Cement Corp.                           | 750,511                | 21.17  | 252,296                                                         | 7.12  | 1,002,807         | 28.29  |
| Far Eastern Department Stores Ltd.          | 241,770                | 17.06  | 340,215                                                         | 24.01 | 581,985           | 41.07  |
| Oriental Union Chemical Corp.               | 81,216                 | 9.17   | 258,015                                                         | 29.13 | 339,231           | 38.30  |
| Far Eastern International Bank              | 91,903                 | 2.62   | 669,924                                                         | 19.06 | 761,827           | 21.68  |
| Everest Textile Co., Ltd.                   | 108                    | 0.02   | 187,055                                                         | 26.93 | 187,163           | 26.95  |
| Yuan Ding Investment Co., Ltd.              | 1,822,822              | 99.40  | 5,502                                                           | 0.30  | 1,828,324         | 99.70  |
| Far Eastern Resources Development Co., Ltd. | 775,836                | 100.00 | -                                                               | 0.00  | 775,836           | 100.00 |
| Yuan Tong Investment Co., Ltd.              | 742,184                | 100.00 | -                                                               | 0.00  | 742,184           | 100.00 |
| Far Eastern Investment (Holding) Ltd.       | 5,461                  | 100.00 | -                                                               | 0.00  | 5,461             | 100.00 |
| Far Eastern Polychem Industries Ltd.        | 830,815                | 73.04  | 306,644                                                         | 26.96 | 1,137,459         | 100.00 |
| Kai Yuan International Investment Co., Ltd. | 369,417                | 100.00 | -                                                               | 0.00  | 369,417           | 100.00 |
| Oriental Petrochemical (Taiwan) Co., Ltd.   | 1,712,218              | 75.56  | 145,781                                                         | 6.43  | 1,857,999         | 81.99  |
| Far Eastern Polytex (Holding) Ltd.          | 173                    | 100.00 | -                                                               | 0.00  | 173               | 100.00 |

| Investees by equity method                           | The Company's Holdings |        | Direct and Indirect Holdings of Directors, and Managers of FENC |       | Total Holdings    |        |
|------------------------------------------------------|------------------------|--------|-----------------------------------------------------------------|-------|-------------------|--------|
|                                                      | Shares (Thousand)      | %      | Shares (Thousand)                                               | %     | Shares (Thousand) | %      |
| Yuan-Ding Co., Ltd.                                  | 186,929                | 37.13  | 243,474                                                         | 48.37 | 430,403           | 85.50  |
| Far Eastern Construction Co., Ltd.                   | 245,829                | 65.11  | 3,424                                                           | 0.91  | 249,253           | 66.02  |
| Ding Yuan International Investment Co., Ltd.         | 256,906                | 100.00 | -                                                               | 0.00  | 256,906           | 100.00 |
| Oriental Securities Co., Ltd.                        | 141,961                | 19.65  | 476,197                                                         | 65.93 | 618,158           | 85.58  |
| PET Far Eastern (H) Ltd.                             | 397                    | 91.95  | 35                                                              | 8.05  | 432               | 100.00 |
| An Ho Garment Co., Ltd.                              | 76,165                 | 100.00 | -                                                               | 0.00  | 76,165            | 100.00 |
| Pacific Liu Tung Investment Co., Ltd.                | 135,000                | 16.83  | 465,068                                                         | 57.99 | 600,068           | 74.82  |
| Fu Kwok Knitting & Garment Co., Ltd.                 | 4,000                  | 100.00 | -                                                               | 0.00  | 4,000             | 100.00 |
| FEDP (H) Ltd.                                        | 244                    | 50.43  | 240                                                             | 49.57 | 484               | 100.00 |
| Far Eastern Textile Limited                          | 1,300                  | 100.00 | -                                                               | 0.00  | 1,300             | 100.00 |
| Ding Ding Hotel Co., Ltd.                            | 769                    | 0.74   | 103,065                                                         | 99.06 | 103,834           | 99.80  |
| FE Oriental Investment Holding (Singapore) Pte. Ltd. | 50                     | 100.00 | -                                                               | 0.00  | 50                | 100.00 |

## Capital Overview

### IV. Capital Overview

#### 1. Capital and Shares

##### 1.1 Issued Shares

Unit: NT\$ thousands, thousand shares

| Month/<br>Year | Par value<br>(NT\$/<br>Share) | Authorized Capital |            | Paid-in Capital |            | Remark             |                                                   |       |
|----------------|-------------------------------|--------------------|------------|-----------------|------------|--------------------|---------------------------------------------------|-------|
|                |                               | Shares             | Amount     | Shares          | Amount     | Sources of capital | Capital increased<br>by assets other<br>than cash | Other |
| Sep 17         | 10                            | 6,000,000          | 60,000,000 | 5,352,875       | 53,528,752 | Note               | -                                                 | -     |
| Sep 18         | 10                            | 6,000,000          | 60,000,000 | 5,352,875       | 53,528,752 | Note               | -                                                 | -     |
| Sep 19         | 10                            | 6,000,000          | 60,000,000 | 5,352,875       | 53,528,752 | Note               | -                                                 | -     |
| Sep 20         | 10                            | 6,000,000          | 60,000,000 | 5,352,875       | 53,528,752 | Note               | -                                                 | -     |
| Sep 21         | 10                            | 6,000,000          | 60,000,000 | 5,352,875       | 53,528,752 | Note               | -                                                 | -     |

Note: No capitalization of share dividends in 5 years.

Unit: thousand shares

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

##### 1.2 Shelf Registration: None

##### 1.3 Composition of Shareholders

Book closure date: May 1, 2022

| Types<br>Amounts          | Government<br>Agencies | Financial<br>Institutions | Other<br>Juridical<br>Persons | Domestic<br>Citizens | Security<br>Trust Funds | Foreign<br>Institutions<br>& Foreign<br>Persons | Total         |
|---------------------------|------------------------|---------------------------|-------------------------------|----------------------|-------------------------|-------------------------------------------------|---------------|
| Number                    | 16                     | 58                        | 338                           | 103,231              | 18                      | 728                                             | 104,389       |
| Number of<br>shares owned | 76,438,923             | 666,341,588               | 2,735,464,647                 | 890,680,694          | 79,300,633              | 904,648,742                                     | 5,352,875,227 |
| % holdings                | 1.43%                  | 12.45%                    | 51.10%                        | 16.65%               | 1.48%                   | 16.89%                                          | 100.00%       |

## 1.4 Distribution Profile of Share Ownership

Book closure date: May 1, 2022

| Shareholder Ownership | Number of shareholders | Number of shares owned | %              |
|-----------------------|------------------------|------------------------|----------------|
| 1 ~ 999               | 43,208                 | 9,774,305              | 0.18%          |
| 1,000 ~ 5,000         | 42,487                 | 93,027,163             | 1.74%          |
| 5,001 ~ 10,000        | 8,589                  | 64,691,792             | 1.21%          |
| 10,001 ~ 15,000       | 3,201                  | 39,503,708             | 0.74%          |
| 15,001 ~ 20,000       | 1,707                  | 30,940,804             | 0.58%          |
| 20,001 ~ 30,000       | 1,614                  | 40,412,832             | 0.75%          |
| 30,001 ~ 40,000       | 814                    | 28,572,793             | 0.53%          |
| 40,001 ~ 50,000       | 525                    | 24,229,624             | 0.45%          |
| 50,001 ~ 100,000      | 1,000                  | 72,796,430             | 1.36%          |
| 100,001 ~ 200,000     | 492                    | 70,182,796             | 1.31%          |
| 200,001 ~ 400,000     | 277                    | 77,325,546             | 1.44%          |
| 400,001 ~ 600,000     | 115                    | 57,026,203             | 1.07%          |
| 600,001 ~ 800,000     | 60                     | 41,631,927             | 0.78%          |
| 800,001 ~ 1,000,000   | 33                     | 30,329,791             | 0.57%          |
| Over 1,000,001        | 267                    | 4,672,429,513          | 87.29%         |
| <b>Total</b>          | <b>104,389</b>         | <b>5,352,875,227</b>   | <b>100.00%</b> |

## 1.5 Preferred Shares: None

## 1.6 Major Shareholders

Book closure date: May 1, 2022

| Shareholders                                                                                                                 | Total shares owned | Ownership % |
|------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|
| Asia Cement Corporation                                                                                                      | 1,272,277,085      | 23.77%      |
| Asia Eastern University of Science and Technology                                                                            | 257,651,603        | 4.81%       |
| Far Eastern Medical Foundation                                                                                               | 193,310,445        | 3.61%       |
| Far Eastern Memorial Foundation                                                                                              | 183,141,383        | 3.42%       |
| Yuan Ze University                                                                                                           | 146,570,213        | 2.74%       |
| Nan Shan Life Insurance Corporation                                                                                          | 132,411,753        | 2.47%       |
| Douglas Tong Hsu                                                                                                             | 91,748,698         | 1.71%       |
| Chunghwa Post Co., Ltd.                                                                                                      | 83,682,000         | 1.56%       |
| Der Ching Investment Co., Ltd.                                                                                               | 82,820,887         | 1.55%       |
| Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF account in the custody of Taishin International Bank Co., Ltd. | 71,370,000         | 1.33%       |

## Capital Overview

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

| Items                        |                                           | Year                   | 2021      | 2020      | From Jan 1 2022 to Mar 31 2022 |
|------------------------------|-------------------------------------------|------------------------|-----------|-----------|--------------------------------|
| Market price per share       | Highest                                   |                        | 35.55     | 30.80     | 30.90                          |
|                              | Lowest                                    |                        | 26.00     | 20.25     | 28.20                          |
|                              | Average                                   |                        | 29.92     | 26.94     | 29.75                          |
| Net worth per share          | Before distribution                       |                        | 38.50     | 38.12     | 39.67                          |
|                              | After distribution                        |                        | (Note 3)  | 36.77     | (Note 3)                       |
| Earnings per share           | Weighted average shares (thousand shares) |                        | 5,352,875 | 5,352,875 | 5,352,875                      |
|                              | Adjusted earnings per share (Note 1)      |                        | 1.94      | 1.62      | 0.55                           |
| Dividends per share (Note 2) | Cash dividend                             |                        | 1.5       | 1.35      | Not applicable                 |
|                              | Stock dividend                            | From retained earnings | -         | -         |                                |
|                              |                                           | From capital surplus   | -         | -         |                                |
|                              | Accumulated undistributed dividend        |                        | -         | -         |                                |
| Return on Investment         | Price / Earnings ratio (Note 4)           |                        | 15.42     | 16.63     | 13.52                          |
|                              | Price / Dividend ratio (Note 5)           |                        | 19.95     | 19.95     | Not applicable                 |
|                              | Cash Dividend yield (Note 6)              |                        | 5.01      | 5.01      |                                |

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

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

Note 3 : To be resolved by Year 2022 Shareholders' Meeting.

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

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

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

### 1.8 Dividend Policy and its Execution Results

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

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

Unit: NT\$/share

| Year | EPS after Income Tax | Cash Dividend from Retained Earnings(A) | Stock Dividend from Capital Surplus (B) | Total Dividend (A+B=C) |
|------|----------------------|-----------------------------------------|-----------------------------------------|------------------------|
| 2019 | 2.15                 | 1.50                                    | -                                       | 1.50                   |
| 2020 | 1.62                 | 1.35                                    | -                                       | 1.35                   |
| 2021 | 1.94                 | 1.50                                    | -                                       | 1.50                   |

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

- 1.8.2 Proposed distribution of 2021 profits to be approved at the Shareholders' Meeting: Cash dividend of NT\$ 1.5 per share is proposed to be distributed.

## **1.9 Effects on Business Performance and EPS Resulting from Stock Dividend Distribution Proposed by 2021 Annual General Shareholders' Meeting: Not applicable.**

## **1.10 Employees' Compensation and Directors' Remuneration**

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

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

- 1.10.3 Proposed employees' compensation and Directors' remuneration:

The 2021 employees' compensation and Directors' remuneration was resolved in the 3<sup>rd</sup> meeting on March 8, 2022 by the 24<sup>th</sup> term Board of Directors, and will be submitted to the 2022 shareholders' meeting. The amounts and forms are listed below:

- a. Employees' compensation: NT\$ 345,346,800 in cash
  - b. Directors' remuneration: NT\$ 180,847,070 in cash
  - c. Regarding the amount of employees' compensation and Directors' remuneration in cash or in shares, the discrepancy, if there is any, between the estimated amount and the amount being actually paid, and the reason for such discrepancy: None
  - d. Proposed employees' compensation in shares as percentage of net income and total employees' compensation: Not applicable
- 1.10.4 The discrepancy, if there is any, between the total amount being actually paid as employees' compensation, remuneration for Directors and Supervisors for 2020 (including number of shares, dollar amount, and share price) and the amount of such compensation and remuneration being recognized should be stated, and the reason for such discrepancy:
- a. Employees' compensation: Resolved amount is NT\$ 230,231,200. The dollar amount actually being paid is NT\$ 230,231,200.
  - b. Remuneration for Directors: Resolved amount is NT\$ 145,673,400. The dollar amount actually being paid is NT\$ 106,616,667.

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

## **1.11 Share Buyback by the Company:**

The Company did not buy back share from Jan 1, 2021 until May 1, 2022

## Capital Overview

### 2. Corporate Bonds

Book closure date: May 1, 2022

| Corporate Bond Type                                 |                                                                                          | 1 <sup>st</sup> Unsecured Bond 2017                                                                                                                                                                          | 2 <sup>nd</sup> Unsecured Bond 2017                                                                                                    | 1 <sup>st</sup> Unsecured Bond 2018                                                                                                                                                                          | 2 <sup>nd</sup> Unsecured Bond 2018                                                                                                                                                                          |
|-----------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issue Date                                          |                                                                                          | May 17, 2017                                                                                                                                                                                                 | Jan 8, 2018                                                                                                                            | May 18, 2018                                                                                                                                                                                                 | July 18, 2018                                                                                                                                                                                                |
| Face value                                          |                                                                                          | NT\$ 1,000,000                                                                                                                                                                                               | NT\$ 1,000,000                                                                                                                         | NT\$ 1,000,000                                                                                                                                                                                               | NT\$ 1,000,000                                                                                                                                                                                               |
| Issuance and listing                                |                                                                                          | OTC                                                                                                                                                                                                          | OTC                                                                                                                                    | OTC                                                                                                                                                                                                          | OTC                                                                                                                                                                                                          |
| Offering rate                                       |                                                                                          | Par                                                                                                                                                                                                          | Par                                                                                                                                    | Par                                                                                                                                                                                                          | Par                                                                                                                                                                                                          |
| Total amount                                        |                                                                                          | NT\$ 5,000,000,000                                                                                                                                                                                           | NT\$ 3,000,000,000                                                                                                                     | NT\$ 6,000,000,000                                                                                                                                                                                           | NT\$ 8,000,000,000                                                                                                                                                                                           |
| Coupon rate                                         |                                                                                          | 1.15%                                                                                                                                                                                                        | 0.95%                                                                                                                                  | 0.92%                                                                                                                                                                                                        | 0.90%                                                                                                                                                                                                        |
| Maturity                                            |                                                                                          | 5 years<br>Maturity date: May 17, 2022                                                                                                                                                                       | 5 years<br>Maturity date: Jan 8, 2023                                                                                                  | 5 years<br>Maturity date: May 18, 2023                                                                                                                                                                       | 5 years<br>Maturity date: July 18, 2023                                                                                                                                                                      |
| Guarantor                                           |                                                                                          | -                                                                                                                                                                                                            | -                                                                                                                                      | -                                                                                                                                                                                                            | -                                                                                                                                                                                                            |
| Trustee                                             |                                                                                          | Bank SinoPac                                                                                                                                                                                                 | Bank SinoPac                                                                                                                           | Bank SinoPac                                                                                                                                                                                                 | Bank SinoPac                                                                                                                                                                                                 |
| Underwriter                                         |                                                                                          | Masterlink Securities Corporation                                                                                                                                                                            | KGI Securities Co. LTD.                                                                                                                | Yuanta Securities Co., Ltd.                                                                                                                                                                                  | Yuanta Securities Co., Ltd.                                                                                                                                                                                  |
| Legal counsel                                       |                                                                                          | N.C. Liao                                                                                                                                                                                                    | N.C. Liao                                                                                                                              | N.C. Liao                                                                                                                                                                                                    | N.C. Liao                                                                                                                                                                                                    |
| CPA                                                 |                                                                                          | Jing-Bin Shih<br>Cheng-Hung Kuo                                                                                                                                                                              | Jing-Bin Shih<br>Cheng-Hung Kuo                                                                                                        | Jing-Bin Shih<br>Cheng-Hung Kuo                                                                                                                                                                              | Jing-Bin Shih<br>Cheng-Hung Kuo                                                                                                                                                                              |
| Repayment                                           |                                                                                          | 50% of the face value of the bond is repayable at the end of the 4 <sup>th</sup> and 5 <sup>th</sup> years respectively. The interest is calculated and paid annually on the outstanding amount of the bond. | These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond. | 50% of the face value of the bond is repayable at the end of the 4 <sup>th</sup> and 5 <sup>th</sup> years respectively. The interest is calculated and paid annually on the outstanding amount of the bond. | 50% of the face value of the bond is repayable at the end of the 4 <sup>th</sup> and 5 <sup>th</sup> years respectively. The interest is calculated and paid annually on the outstanding amount of the bond. |
| Outstanding amount                                  |                                                                                          | NT\$ 2,500,000,000                                                                                                                                                                                           | NT\$ 3,000,000,000                                                                                                                     | NT\$ 6,000,000,000                                                                                                                                                                                           | NT\$ 8,000,000,000                                                                                                                                                                                           |
| Redemption or early repayment clause                |                                                                                          | None                                                                                                                                                                                                         | None                                                                                                                                   | None                                                                                                                                                                                                         | None                                                                                                                                                                                                         |
| Covenant applicable                                 |                                                                                          | None                                                                                                                                                                                                         | None                                                                                                                                   | None                                                                                                                                                                                                         | None                                                                                                                                                                                                         |
| Credit rating                                       |                                                                                          | None                                                                                                                                                                                                         | None                                                                                                                                   | None                                                                                                                                                                                                         | None                                                                                                                                                                                                         |
| Other rights of bond holders                        | Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities | None                                                                                                                                                                                                         | None                                                                                                                                   | None                                                                                                                                                                                                         | None                                                                                                                                                                                                         |
|                                                     | Conversion rights                                                                        | None                                                                                                                                                                                                         | None                                                                                                                                   | None                                                                                                                                                                                                         | None                                                                                                                                                                                                         |
| Dilution and other effects on existing shareholders |                                                                                          | None                                                                                                                                                                                                         | None                                                                                                                                   | None                                                                                                                                                                                                         | None                                                                                                                                                                                                         |
| Custodian                                           |                                                                                          | None                                                                                                                                                                                                         | None                                                                                                                                   | None                                                                                                                                                                                                         | None                                                                                                                                                                                                         |



| Corporate Bond Type                                 |                                                                                          | 1 <sup>st</sup> Unsecured Bond 2019                                                                                                    | 2 <sup>nd</sup> Unsecured Bond 2019                                                                                                    | 1 <sup>st</sup> Unsecured Bond 2020                                                                                                    | 2 <sup>nd</sup> Unsecured Bond 2020 (Tranche A)                                                                                        |
|-----------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Issue Date                                          |                                                                                          | Apr 29, 2019                                                                                                                           | Aug 8, 2019                                                                                                                            | Apr 22, 2020                                                                                                                           | Jun 10, 2020                                                                                                                           |
| Face value                                          |                                                                                          | NT\$ 1,000,000                                                                                                                         | NT\$ 1,000,000                                                                                                                         | NT\$ 1,000,000                                                                                                                         | NT\$ 1,000,000                                                                                                                         |
| Issuance and listing                                |                                                                                          | OTC                                                                                                                                    | OTC                                                                                                                                    | OTC                                                                                                                                    | OTC                                                                                                                                    |
| Offering rate                                       |                                                                                          | Par                                                                                                                                    | Par                                                                                                                                    | Par                                                                                                                                    | Par                                                                                                                                    |
| Total amount                                        |                                                                                          | NT\$ 8,000,000,000                                                                                                                     | NT\$ 6,000,000,000                                                                                                                     | NT\$ 6,000,000,000                                                                                                                     | NT\$ 2,200,000,000                                                                                                                     |
| Coupon rate                                         |                                                                                          | 0.93%                                                                                                                                  | 0.79%                                                                                                                                  | 0.66%                                                                                                                                  | 0.77%                                                                                                                                  |
| Maturity                                            |                                                                                          | 5 years<br>Maturity date: Apr 29, 2024                                                                                                 | 5 years<br>Maturity date: Aug 8, 2024                                                                                                  | 5 years<br>Maturity date: Apr 22, 2025                                                                                                 | 5 years<br>Maturity date: Jun 10, 2025                                                                                                 |
| Guarantor                                           |                                                                                          | -                                                                                                                                      | -                                                                                                                                      | -                                                                                                                                      | -                                                                                                                                      |
| Trustee                                             |                                                                                          | Bank SinoPac                                                                                                                           | Bank SinoPac                                                                                                                           | Bank SinoPac                                                                                                                           | Bank SinoPac                                                                                                                           |
| Underwriter                                         |                                                                                          | Masterlink Securities Corporation                                                                                                      | Taishin International Bank Co., Ltd.                                                                                                   | Masterlink Securities Corporation                                                                                                      | Taishin International Bank Co., Ltd.                                                                                                   |
| Legal counsel                                       |                                                                                          | N.C. Liao                                                                                                                              | N.C. Liao                                                                                                                              | N.C. Liao                                                                                                                              | N.C. Liao                                                                                                                              |
| CPA                                                 |                                                                                          | Jing-Bin Shih<br>Cheng-Hung Kuo                                                                                                        | Jing-Bin Shih<br>Cheng-Hung Kuo                                                                                                        | Jing-Bin Shih<br>Cheng-Hung Kuo                                                                                                        | Jing-Bin Shih<br>Cheng-Hung Kuo                                                                                                        |
| Repayment                                           |                                                                                          | These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond. | These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond. | These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond. | These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond. |
| Outstanding amount                                  |                                                                                          | NT\$ 8,000,000,000                                                                                                                     | NT\$ 6,000,000,000                                                                                                                     | NT\$ 6,000,000,000                                                                                                                     | NT\$ 2,200,000,000                                                                                                                     |
| Redemption or early repayment clause                |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Covenant applicable                                 |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Credit rating                                       |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Other rights of bond holders                        | Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
|                                                     | Conversion rights                                                                        | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Dilution and other effects on existing shareholders |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Custodian                                           |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |

## Capital Overview

| Corporate Bond Type                                 |                                                                                          | 2 <sup>nd</sup> Unsecured Bond 2020 (Tranche B)                                                                                        | 3 <sup>rd</sup> Unsecured Bond 2020                                                                                                    | 4 <sup>th</sup> Unsecured Bond 2020                                                                                                    |
|-----------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Issue Date                                          |                                                                                          | Jun 10, 2020                                                                                                                           | Sep 17, 2020                                                                                                                           | Dec 21, 2020                                                                                                                           |
| Face value                                          |                                                                                          | NT\$ 1,000,000                                                                                                                         | NT\$ 1,000,000                                                                                                                         | NT\$ 1,000,000                                                                                                                         |
| Issuance and listing                                |                                                                                          | OTC                                                                                                                                    | OTC                                                                                                                                    | OTC                                                                                                                                    |
| Offering rate                                       |                                                                                          | Par                                                                                                                                    | Par                                                                                                                                    | Par                                                                                                                                    |
| Total amount                                        |                                                                                          | NT\$ 3,000,000,000                                                                                                                     | NT\$ 5,500,000,000                                                                                                                     | NT\$ 3,800,000,000                                                                                                                     |
| Coupon rate                                         |                                                                                          | 0.85%                                                                                                                                  | 0.83 %                                                                                                                                 | 0.54 %                                                                                                                                 |
| Maturity                                            |                                                                                          | 7 years<br>Maturity date: Jun 10, 2027                                                                                                 | 7 years<br>Maturity date: Sep 17, 2027                                                                                                 | 5 years<br>Maturity date: Dec 21, 2025                                                                                                 |
| Guarantor                                           |                                                                                          | -                                                                                                                                      | -                                                                                                                                      | -                                                                                                                                      |
| Trustee                                             |                                                                                          | Bank SinoPac                                                                                                                           | Bank SinoPac                                                                                                                           | Bank SinoPac                                                                                                                           |
| Underwriter                                         |                                                                                          | Taishin International Bank Co., Ltd.                                                                                                   | Taishin International Bank Co., Ltd.                                                                                                   | CTBC Bank Co., Ltd.                                                                                                                    |
| Legal counsel                                       |                                                                                          | N.C. Liao                                                                                                                              | N.C. Liao                                                                                                                              | N.C. Liao                                                                                                                              |
| CPA                                                 |                                                                                          | Jing-Bin Shih<br>Cheng-Hung Kuo                                                                                                        | Jing-Bin Shih<br>Cheng-Hung Kuo                                                                                                        | Chih-Ming Shao<br>Cheng-Hung Kuo                                                                                                       |
| Repayment                                           |                                                                                          | These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond. | These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond. | These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond. |
| Outstanding amount                                  |                                                                                          | NT\$ 3,000,000,000                                                                                                                     | NT\$ 5,500,000,000                                                                                                                     | NT\$ 3,800,000,000                                                                                                                     |
| Redemption or early repayment clause                |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Covenant applicable                                 |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Credit rating                                       |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Other rights of bond holders                        | Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
|                                                     | Conversion rights                                                                        | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Dilution and other effects on existing shareholders |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Custodian                                           |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |

| Corporate Bond Type                                 |                                                                                          | 1 <sup>st</sup> Unsecured Bond 2021                                                                                                    | 2 <sup>nd</sup> Unsecured Bond 2021                                                                                                    | 3 <sup>rd</sup> Unsecured Bond 2021                                                                                                    |
|-----------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Issue Date                                          |                                                                                          | Apr 28, 2021                                                                                                                           | May 24, 2021                                                                                                                           | Sep 27, 2021                                                                                                                           |
| Face value                                          |                                                                                          | NT\$ 1,000,000                                                                                                                         | NT\$ 1,000,000                                                                                                                         | NT\$ 1,000,000                                                                                                                         |
| Issuance and listing                                |                                                                                          | OTC                                                                                                                                    | OTC                                                                                                                                    | OTC                                                                                                                                    |
| Offering rate                                       |                                                                                          | Par                                                                                                                                    | Par                                                                                                                                    | Par                                                                                                                                    |
| Total amount                                        |                                                                                          | NT\$ 9,500,000,000                                                                                                                     | NT\$ 1,200,000,000                                                                                                                     | NT\$ 6,500,000,000                                                                                                                     |
| Coupon rate                                         |                                                                                          | 0.67%                                                                                                                                  | 0.52%                                                                                                                                  | 0.63%                                                                                                                                  |
| Maturity                                            |                                                                                          | 5 years<br>Maturity date: Apr 28, 2026                                                                                                 | 5 years<br>Maturity date: May 24, 2026                                                                                                 | 5 years<br>Maturity date: Sep 27, 2026                                                                                                 |
| Guarantor                                           |                                                                                          | -                                                                                                                                      | -                                                                                                                                      | -                                                                                                                                      |
| Trustee                                             |                                                                                          | Bank SinoPac                                                                                                                           | Bank SinoPac                                                                                                                           | Bank SinoPac                                                                                                                           |
| Underwriter                                         |                                                                                          | Masterlink Securities Corporation                                                                                                      | KGI Securities Co. LTD.                                                                                                                | Masterlink Securities Corporation                                                                                                      |
| Legal counsel                                       |                                                                                          | N.C. Liao                                                                                                                              | N.C. Liao                                                                                                                              | N.C. Liao                                                                                                                              |
| CPA                                                 |                                                                                          | Chih-Ming Shao<br>Cheng-Hung Kuo                                                                                                       | Chih-Ming Shao<br>Cheng-Hung Kuo                                                                                                       | Chih-Ming Shao<br>Cheng-Hung Kuo                                                                                                       |
| Repayment                                           |                                                                                          | These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond. | These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond. | These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond. |
| Outstanding amount                                  |                                                                                          | NT\$ 9,500,000,000                                                                                                                     | NT\$ 1,200,000,000                                                                                                                     | NT\$ 6,500,000,000                                                                                                                     |
| Redemption or early repayment clause                |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Covenant applicable                                 |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Credit rating                                       |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Other rights of bond holders                        | Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
|                                                     | Conversion rights                                                                        | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Dilution and other effects on existing shareholders |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |
| Custodian                                           |                                                                                          | None                                                                                                                                   | None                                                                                                                                   | None                                                                                                                                   |

## **Capital Overview**

### **4. Preferred Shares**

None

### **5. Issuance of Overseas Depositary Receipts**

In 1999, the Company issued global depositary receipts (GDRs), one GDRs unit represents 10 common shares of the Company. The GDRs were listed on the Luxembourg Stock Exchange and can be also traded on the London Stock Exchange. The GDR holders had the same rights and obligations as the Company's common share holders.

Due to the generally low trading volume in the Company's GDRs and in order to reduce related management costs, the Board of Directors has resolved to terminate GDR program on Mar 24, 2021. On Apr 29, 2021, the GDR program was delisted on the Luxembourg Stock Exchange and stopped trading on the London Stock Exchange.

### **6. Employee Stock Options**

None

### **7. Employee Restricted Stock Options**

None

### **8. Share Issued for Merger or Acquisition**

None

### **9. Fund Utilization Plans and Status**

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

## V. Operational Highlights

### 1. Business Activities

#### 1.1 Business Scope

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

##### 1.1.1 Sales Breakdown of Main Business Segments

Unit: NT\$ thousands

| Business Segment \ Year | 2021       |            | 2020       |            |
|-------------------------|------------|------------|------------|------------|
|                         | Amount     | % of sales | Amount     | % of sales |
| Petrochemical           | 45,347,767 | 16         | 33,386,694 | 14         |
| Polyester               | 89,428,376 | 32         | 72,387,529 | 31         |
| Textile                 | 35,839,284 | 13         | 29,136,503 | 12         |
| Telecommunication       | 85,320,008 | 31         | 79,500,965 | 34         |
| Property Development    | 9,640,703  | 4          | 9,542,037  | 4          |
| Investment & Others     | 12,224,688 | 4          | 10,719,317 | 5          |

##### 1.1.2 Current Products and Services Provided by the Company and Subsidiaries

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

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

- Low acetaldehyde PET for water bottle, Scratch resistant printing APET sheet, r-PET based Cotton-like poly spun yarn and Quick-Dry spun yarn, Hygroscopic deformation color change fabric, Crystalline polyester low melting thermal bonding fiber, Nylon 56 tire cord, super high tenacity nylon aircraft tire cord, Thin Border Acne Dressing, and Antibacterial Aquafabric dressing.
- Smart street lights/poles, smart charging, energy management, and smart application service.
- Construct high quality official building for lease and residential products for sale, mass rapid transit (MRT), and expressways.

### 1.2 Business Environment

#### 1.2.1 Current Industry Situation and Prospects

##### Production Business

##### 1.2.1.1 Petrochemical Business - Pure Terephthalate Acid (PTA)

In 2021, the global PTA production grew 1% to 72.98 million tons (Source: Wood Mackenzie). While the annual growth rate bounced back from the negative territory, it was second to the lowest in a decade. In 2021, the global PTA capacity increased 7% to 98.35 million tons. Due to the continuous release of capacities, the utilization rate not only dropped 5 percentage points to 74% in a year but also registered the lowest since 2015.

In 2021, the global economy saw a rebound in demand from end users as vaccination rates picked up and the COVID-19 pandemic subsided, which led to an increase in crude oil prices, with WTI oil prices shooting more than 50%. PTA prices, nonetheless, did not increase as much as the feedstock. Worse still, excess supply, soaring prices of acetic acid, and global pressure of carbon reduction have put PTA producers to the test and even in losses.

## Operational Highlights

The world's top five PTA producing countries are China, India, South Korea, Taiwan and the United States, whose combined outputs account for more than 80% of the global market. China takes up more than 60% of global production. In 2021, its production was up 2% to 45.81 million tons. Taiwan's PTA production was 3.57 million tons, up 13% from the year before. As demand in overseas markets rose, PTA exports went up 18%. India, Turkey and Vietnam all saw an increase in PTA imports.

Two major applications, polyester fibers and PET, respectively took up 60% and 30% of the PTA consumptions in 2021, leaving the remaining 10% for others.

### 1.2.1.2 Polyester Business

In 2021, the global polyester production grew 7% to 89.8 million tons (Source: Wood Mackenzie). This was second to the highest growth rate since 2011 mainly due to a recovery in market demand and the base effect after a pandemic-hit 2020. The global capacity grew 5% to 110.75 million tons in 2021. As production increased more than capacity, global utilization rate increased 2 percentage points to 81%. The top five polyester producing countries, in order of output, are China, India, the United States, Taiwan and South Korea, making up nearly 80% of the global production. China's contribution of 53.71 million tons, an 8% increase from the previous year, accounted for roughly 60% of the world's total production. Taiwan produced 2.8 million tons in 2021, overtaking South Korea for the first time as the world's fourth largest and accounting for 3%.

Polyester is mostly used to produce PET and polyester fibers which include filament and staple fibers. In 2021, PET accounted for approximately 30% of the global output, and polyester fibers 65%.

#### ■ PET

In 2021, global PET production grew 3% to 25.66 million tons (Source: Wood Mackenzie). As capacity was growing simultaneously, the utilization rate kept at 75%, the same level as the previous year. PET prices surged in 2021 as feedstock prices went up. PET businesses were riding to prosperity on the robust demand in the market.

The world's five leading PET producing countries in order are China, the United States, India, Taiwan and Mexico, making up 61% of the global output. China's PET production increased 5% to 8.89 million tons in 2021, accounting for 35% of the world's total. Its capacity increased by nearly 0.5 million tons in a year. The utilization rate hovered around 70%. The United States produced 2.87 million tons in 2021, as much as the year before, with utilization rate over 90%. Taiwan shot up by 22% to 1.23 million tons in 2021, utilization rate bouncing back above 80%.

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

#### ■ Polyester fibers

The global production of polyester fibers rose 9% to 59.44 million tons in 2021 (Source: Wood Mackenzie), among which, filaments made up around 70% and staple fibers around 30%.

In 2021, the global production of polyester filaments grew 11% to 41.41 million tons. The top five producing countries in order are China, India, South Korea, Taiwan and Indonesia. In 2021, China and India respectively saw a 12% and a 4% growth in the production of polyester filaments. China produced 32.71 million tons, bringing up its contribution to the global output to 79%, a new high in history; India accounted for 8%, a dip from the previous year, with 3.22 million tons. South Korea, Taiwan and Indonesia, each accounted for roughly 2% of the global production, and all the three of them saw a rise in production from a year before. As outdated capacities were eliminated in 2021, the global capacity for polyester filaments declined by 0.29 million tons, raising the utilization rate by 7 percentage points.

In 2021, the global production of staple fibers rose 4% to 18.03 million tons. China, accounting for 60% of the total as the world's largest producer, was up 2% from last year to 10.67 million tons in 2021. It was followed in order by India at 9% and then South Korea, Turkey, Indonesia, and the United States, each taking up roughly 4% of the global share. The global capacity for polyester staple fibers in 2021 remained at the same level as the year before. The utilization rate was up by three percentage points to 70%.

The global economy recovered in 2021, pushing up the demand for polyester fibers. As apparel consumption increased, the production of polyester filaments grew strongly at a rate of double digits.

### 1.2.1.3 Textile Business

#### ■ Spun yarn

In 2020/2021 crop year, the world's production of cotton decreased by 8% or 2.01 million tons to 24.34 million tons (Source: the U.S. Department of Agriculture). The world's top three cotton producing countries were China, India, and the United States. China's production rose 8% from the previous year whereas India and the U.S. both experienced a decline due to climate factors and reduction in planted area, 3% and 27% respectively. In 2020/2021 crop year, China overtook India and became the world's largest cotton producing country.

According to the National Bureau of Statistics of China, China's cotton production amounted to 5.73 million tons in 2020/2021 crop year, with Xinjiang as its largest producing region accounting for almost 90% of the national total.

In 2020/2021 crop year, the global cotton consumption amounted to 26.56 million tons, up 18% from the year before. Globally, the six main cotton-consuming countries in order were China, India, Pakistan, Bangladesh, Turkey and Vietnam, which in combination contributed to more than 80% of global cotton consumption. All of them experienced a jump in consumption from the year before. Due to the plunge in cotton production and rise in consumption, the global cotton inventory in 2020/2021 crop year dropped to 19.01 million tons.

In 2021, consumption was driven up by economic recoveries in various countries, and supply was unable to meet demand in the cotton market. ICE cotton prices rose more than 30% from 80 cents/lb at the beginning of the year to 110 cents/lb at the end of the year.

#### ■ Industrial yarn

The global capacity for polyester industrial yarn was 3.85 million tons in 2021 (source: Wood Mackenzie and market survey). China is the world's largest producer with more than 80%. The global demand in 2021 was up by 6%, reaching 1.93 million tons. However, the demand did not grow as much as the capacity increased, and therefore the market saw an excess supply, putting immense pressure on manufacturers of standard products.

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

#### ■ Knitted fabrics and apparel

China is the world's largest exporter of textiles and apparel, taking up nearly 40% of worldwide exports (Source: WTO). In 2021, its exports of textiles and apparel grew by 8% to \$315.5 billion from the year before (Source: China's customs authority), which exceeded \$300 billion for the first time and meanwhile hit the new high in history. The growth mainly resulted from the rebound in international demand; apparel exports rose significantly by 24% whereas textile exports slid by 6% as exports of pandemic control supplies declined. However, if medical supplies such as surgical masks were excluded from calculation, textile exports in fact grew robustly by 32%. In recent years, labor cost in China has grown consistently. Additionally, fashion companies continue to diversify their apparel sourcing bases. As a result, the past decade has seen a shift in ratio between textiles and apparel. The proportion of apparel decreased from 63% in 2010 to 54% in 2021; in contrast, textile exports were up by 9 percentage points. Vietnam is the world's second largest exporting country of textile and apparel products, which amounted to \$38.4 billion in 2021. Despite the pandemic-induced hiccup in Q3, Vietnam's exports of textiles and apparel started to grow again in October, after the authorities relaxed control measures and international brands scrambled to place orders. Its annual growth rate reached 14%, and export value not only exceeded pre-COVID 2019 levels but also recorded the highest in history.

### 1.2.1.4 Telecommunication Business

#### ■ Consumer business

According to the report issued by TWNIC (Taiwan Network Information Center) and NCC (National Communications Commission), Taiwan's mobile internet usage rate surpassed 80% and mobile data usage increased 17% in 2021, which drove people's lives towards digital mobility. Also, 5G network and COVID-19 pandemic boost the telecom industry.

## Operational Highlights

### ■ Enterprise business

Despite the impacts of the pandemic last year (2021), the global economical growth rate was estimated to be 5.6% according to IHS Markit on January 18, 2022. Looking forward to this year, the global economical growth rate is estimated to be 4.2% considering the global economy was still able to grow during the high base period last year. Yet, uncertain factors such as the rampant variants, supply chain bottlenecks, and the inflationary pressure raise the global economical downside risks.

Benefiting from the business opportunities of 5G, HPC, automotive electronics and the high prices of raw materials, the domestic export value and manufacturing IPI both hit a record high last year. With the pandemic ease in Taiwan, the return of people to the physical stores, and the business opportunities for end-of-year festive gatherings, retail and restaurant turnover in December reached a record high for the same month of the previous year.

Looking forward to the future, the pace of global economical trade recovery will keep up. The continuous expansion of emerging technology applications such as 5G, HPC, automotive electronics also helps with the stable growth of export orders and manufacturing. The turnover of retail and restaurants are expected to continue to grow due to pre-Lunar New Year purchase and gathering season. Yet, the recent pandemic has become more severe and some of the customers have suspended gatherings and year-end banquets, which may weaken the growth momentum.

#### 1.2.1.5 Property Development Business

In 2021, global GDP growth reached 5.9% (IMF, 2022) due to the slowdown of COVID-19 pandemic and continuation of QE and low interest rates. Global foreign direct investment (FDI) flow increased by 77% from US \$929 billion in 2020 to an estimated US\$1.65 trillion in 2021. Varying degrees of economic recovery have been experienced in different regions: high growth rates seen in East Asia (\$358 billion, +14%) and Southeast Asia (\$184 billion, +35%) and dramatic rebounds in the Americas (\$531 billion, +105%) and Europe (\$305 billion, +1450%). Meanwhile, persistent chaos in global supply chains have resulted in supply shortages. Inflation has become a global concern (Investment Trends Monitor 2022, UNCTAD). Due to the robust performance of its manufacturing sector in exports and political stability, Taiwan enjoyed a growth rate of 6.28%, revised from the original forecast of 6.09% (+0.19%). The year-end foreign exchange reserves reach US\$548.4 billion and net inward foreign exchange \$21.05 billion, both highest in history. However, due to the pandemic, Taiwan's annual unemployment rate rose to 3.95%. Its consumer price index (CPI) rose 1.96%, and wholesale price index (WPI) 9.42%, which indicates that the abundance of hot money in 2021 and also suggests uneven recovery across industries and local inflation in line with global trends.

In Taiwan, transactions in housing and land have sustained the trend of recovery in the real estate market, which benefits greatly from the return of Taiwanese capital and attracts investments from life insurance companies and real estate developers. The central bank's low-interest rate strategy has also played a key role. In 2021, land and commercial property transactions in total stood at approximately NT\$457.5 billion, up 3.4% from the year before (Salvis, 2022). Land transactions accounted for NT\$284.5 billion (-4.4%). Insurance agencies reduced purchases to NT\$8.8 billion (-88%), whereas real estate developers invested up to NT\$208 billion (+15%) and high-tech companies and institutional investors NT\$67.7 billion (+57%). Transactions of commercial properties amounted to NT\$173 billion (+16%), of which industrial properties accounted for 57.2% (+19%), office buildings 14% (+15%), retail 14% (+23%), and hotels 14% (-27%). Housing transactions remain concentrated in metropolitan areas, and annual housing transactions in Taiwan neared 348,000 units (+6.6%), of which 267,700 were executed in the 6 special municipalities, up by 7% from last year.

#### 1.2.1.6 Investment & Others Business

Looking back at the global economic situation in 2021, major countries and regions experienced significant economic growth compared to the previous year, thanks to the improvement of global vaccine coverage rate, the gradual recovery of economic activity, and the active implementation of bailout policies. According to the report published by the Directorate General of Budget, Accounting and Statistics in February 2022, Taiwan's GDP growth in 2021 was 6.45%, and CPI was up 1.96%. Its projected GDP growth in 2022 is 4.42% with CPI up 1.93%. Moving forward to 2022, after the rapid recovery last year, the global economy is not short of major challenges and uncertain factors, such as soaring inflation caused by international wars, recurring Covid waves, tightening monetary policies among central banks, and the US-China economic and trade disputes. As economic situations continue to look uncertain, it is expected that Taiwan's central bank will move in the direction of tightening monetary policy, and domestic interest rates will gradually go upward.



to maintain stable price and financials. In the face of the ever-changing economic climate in the country and around the globe, the Company will assess and review its long-term investment and strengthen management of risks such as interest and exchange rates. More importantly, the Company will make diverse investments, seek joint ventures and explore new fields for investment in order to pursue best performance for the Company and create maximum value for its shareholders.

### **1.2.2 The Supply Chain Analysis**

Originally, the textile industry serves the purpose of providing the necessities of daily life. Today, this industry serves a greater purpose by infusing fashion, technology, and art, to cater to demands beyond the basic clothing needs. In the upstream of the supply chain lies polyester polymers which consume chemicals derived from crude oil. Moving down to the mid-stream, there are spinning, weaving, fabricating, dyeing and finishing production processes. And further down are the apparel, and home furnishings end products. Please refer to page 93 for a summary of the upstream, mid-stream, and downstream linkages of our company's industry.

### **1.2.3 Industry Trends and Competition**

#### **1.2.3.1 Petrochemical Business – PTA**

In 2022, the global PTA capacity is expected to grow 5% and exceed 100 million tons, the highest in history (Source: Wood Mackenzie). Global production is projected to increase by 8% to 78.97 million tons. The utilization rate is likely to increase by two percentage points to 76%. China's PTA production in 2022 is estimated to expand by 5 million tons, its utilization rate to climb slightly to 74%, second to the lowest since 2016. China's strict Covid protocols are a great risk factor for the downstream demand for polyester and factory operations. The industry is grappling with oversupply. Taiwan's utilization rate is expected to rebound to above 80% as market demand recovered in the absence of new capacities.

In 2022, Russia's invasion of Ukraine triggered sanctions from the US and European countries against Russian energy exports. Additionally, the Iran nuclear deal negotiations have yet to produce results. Oil prices have once again soared above \$100 a barrel since 2014. Driven by rising feedstock costs, PTA prices have also surged. The Company not only has adjusted prices to reflect increased costs, but is also optimizing the manufacturing processes and following through with its transition to low-carbon production. We have well-established and complete supply chains in Taiwan and China and are currently building the largest integrated PTA/PET plant in the Americas to reap the benefits of a localized production network.

#### **1.2.3.2 Polyester Business**

##### **■ PET**

The global production of PET is estimated to grow by 3% to 26.43 million tons in 2022 (Source: Wood Mackenzie). The PET global capacity is projected to grow by 6% to 36.06 million tons. Of the new capacity, 80% will be added in China. PET prices remained high due to increased feedstock costs in Q1 2022. Additionally, high shipping prices have tipped the balance of supply and demand; the demand in North American market remains underserved. The PET capacity utilization rate in the US is expected to stay above 90% in 2022. FENC has established PET production sites worldwide, in Taiwan, China, the U.S., Vietnam, and Japan, with a total capacity of 2.2 million tons. The Company thus enjoys competitive advantages in production and sales derived from regionalized operations.

The Company has been committed to business development in the industry of eco-friendly PET polyester, turning recycled PET bottles into beverage bottles, clothing, footwear, packaging materials, etc., supplying leading brands in various industries. We have worked with Coca Cola and 7-11 in Japan, building a 100% closed-loop recycling system for PET bottles. This partnership has been developed on the concept of a localized circular economy—from local production and consumption through recycling and looping back to reproduction, and is expanding to include more businesses. We are currently one of the world's top two companies in recycled polyester business and world number one in capacity for filament and food-grade quality. The Company will press ahead with the expansion of its global presence to build up momentum for the development of the circular economy.

##### **■ Polyester fibers**

In 2022, the global production of polyester fibers is expected to increase 6% to 63.07 million tons (Source: Wood Mackenzie). It is projected that the production of polyester filaments will grow by 8% to 44.54 million tons and polyester staple fibers by 3% to 18.53 million tons.

## Operational Highlights

As the world's major producer of polyester staple fibers for non-textile purposes, FENC supplies high value-added products across a variety of industries ranging from healthcare, hygiene, building materials, sports, automobile and household goods. The Company is currently the world's largest supplier of medical grade composite fibers such as PE/PP and PE/PET. We are committed to the R&D of antibacterial, antiviral, breathable, high-performance technologies that differentiate our products from competitors'. In 2021, FENC developed FENC® Bio-hygiene, nonwoven fibers for the production of bio-based and biodegradable face masks. These fibers are hydrophilic, gentle on the skin, ultrasoft and comparable in quality to petrochemical products. Moreover, they can help reduce carbon emissions by more than 50%. Used applications can break down under proper landfill conditions through natural biological processes, which helps both businesses and consumers to fulfill their social responsibility for the environment.

The Company is Taiwan's major supplier of polyester filaments, whose product offerings include POY, DTY, etc. Our products feature a broad range of desirable properties, including cooling, moisture absorption, heat generation, sweat wicking, fire retardant and UV resistance. FENC is the world's largest producer of recycled polyester filament, turning waste PET bottles drifting in the ocean into brand-new products with its exclusive technology of polyester synthesis and reproduction. In 2022, many national teams will compete in the Football World Cup in sportswear made from ocean-recycled yarns. Fabrics made with FENC's unique weaving technology are not only light but also absorb moisture efficiently and stretch freely.

Additionally, the Company's Nylon 6,6 Filament (for apparel) has been a champion in the Asia-Pacific market, suitable for the making of various high-end textiles, such as yoga wear, running clothing, outdoor sportswear, puffer jackets, lingerie, haute couture, etc. Riding on the trend of eco-friendliness, the Company has rolled out Nylon 6,6 Solution Dye fiber, which enables fabric with colors without going through a dyeing process. It can reduce the application of dyestuff, auxiliary chemicals and the consumption of water.

### 1.2.3.3 Textile Business

#### ■ Spun yarn

According to U.S. Department of Agriculture, in the 2021/2022 crop year, the global production of cotton is forecast at 26.1 million tons (Source: the U.S. Department of Agriculture), up 7% from the previous crop year, with the U.S. up 20% mainly due to an increase in planted area. In the 2021/2022 crop year, the global demand for cotton is estimated to rise 2% from the previous crop year to 27.12 million tons. Cotton inventories will drop 5% to 17.98 million tons.

Cotton prices were increasing along with the rise in global inflation in Q1 2022. ICE cotton prices surged above 135 cents per pound in March, the highest in 10 years.

The Company focuses on the development of differentiating products, including functional yarns that feature temperature adaptiveness, moisture absorption, heat generation and flame retardant, and special yarns that are suitable for multi-fiber blending. To meet the demand for green products and for the sake of sustainable development, in addition to yarns made from recycled PET bottles, we have also introduced to the market FENC® TOPGREEN® rTEX Spun Yarn. 100% polyester and 100% cotton textiles are treated mechanically, converting textile waste into 100% recycled staple yarns to unlock the value in waste textiles.

#### ■ Industrial yarn

It is project that the global capacity for polyester industrial yarn will grow by 2% to 3.93 million tons in 2022 (Source: Wood Mackenzie and market survey), and that global demand by 3% to 1.99 million tons, with the utilization rate edging up by one percentage point.

The Company's industrial yarn business mainly produces differentiating products with the focus on the industry of automotive fibers, including safety-enhancing yarns for safety belts and air bags, and tire cord fabrics. Additionally, as the circular economy has been rising up the corporate agenda in recent years, we have doubled down on our commitment to the development of green products. In collaboration with Continental AG, we jointly launched tire cord fabrics made of recycled PET bottles. This is a successful application of recycling technology to the much more challenging material—industrial grade fibers. We plan to introduce even more commercial applications in the near future.

#### ■ Knitted fabrics and apparel

The United States was the world's largest apparel importer in 2021, with the import value up 27% to \$81.6

billion. China, Vietnam and Bangladesh are its top three apparel suppliers, accounting for 24%, 18%, 9% respectively, and more than 50% in combination. There are noteworthy trends in the variation of these countries' proportions in the US clothing imports. China has been declining since it reached 37% in 2010, the highest on record, mainly because American brands have diversified their pool of production countries over the years. The trade war between the U.S. and China in recent years has further intensified the shift in sourcing countries. Vietnam's share in U.S. apparel imports has been increasing and is expected to come even closer to China's in years to come.

Vietnam's exports of textiles and apparel exceeded \$10 billion in Q1 2022. The export value was up by 20% from the previous year, not only a new high in the same time period, but also the 3<sup>rd</sup> highest in quarterly records, indicating a robust growth. According to the goal set by Vietnam Textile and Apparel Association, the export value might reach \$42.5 to \$43.5 billion. As RCEP started to take effect, the goal is likely to be reached.

In recent years, the Company has been expanding the business of knitted fabrics and apparel in Vietnam. It has not only established a vertically-integrated production site, but also increased investments in production automation systems and manufacturing processes that feature energy efficiency and carbon reduction. We have also developed a long-term strategic partnership with brand clients to solidify our position as their core supplier.

#### 1.2.3.4 Telecommunication Business

##### ■ Consumer business

FET spends a lot of efforts in developing 5G network after acquiring the best 5G spectrum in the auction. Due to thoughtful development of quality network, FET was ranked at the top in the world for its 5G service and according to Opensignal for its 5G download speed, upload speed, and 5G user experience in 2021. And FET will continuously enhance our network quality, dedicate ourselves in developing innovative services, which would work greatly with our excellent network quality. Moreover, through integrating group resources and partnership with diverse company, FET will strive to innovate in the fields of big data, artificial intelligence, and IoT, and lead the 5G revolution in Taiwan.

The telecom market in Taiwan continues to be dominated by three large and two small players. As the two small operators unceasingly offer competitive rate plans to acquire customers, competition intensifies. However, 5G leads ARPU turnaround, and leads to wireless revenue growth. Because of heavy investment in 5G spectrum and infrastructure, operators expect to encourage 5G adoption by better network quality, 5G handset and 5G innovative applications to minimize the price competition.

##### ■ Enterprise business

FET continues to be customer-oriented and innovative. We are well-informed of the development trends in the technology market, introduce ICT integrated services such as cloud, big data and IoT, and provide customers with one-stop ICT solutions.

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

#### 1.2.3.5 Property Development Business

In order to accelerate land development and integrate the Group's land resources, FENC utilizes the Group's synergies to improve the efficiency of asset utilization and investment performance. For example, the lots in the prime areas of Banqiao District, New Taipei City and Jiaoxi Township, Yilan County have been respectively developed into Tpark—an ICT hub and a hot spring resort project. In the future, we will speed up strategic development of land, initiating construction projects on buildable land for sale or lease purposes, to further unlock the hidden land value and generate profits.

## Operational Highlights

### 1.2.3.6 Investment & Others Business

Leveraging the Company's resources, we have invested in other businesses, such as cement and retail markets. Investments in these listed companies, which are all top performers in their own right, generate consistent incomes for FENC. Asia Cement Corporation had a significant growth in earnings mainly from its remarkable performance in China. In the retail segment, Far Eastern Department Stores Ltd. intends to advance its dominance in the sector of department stores by engaging intensely in smart retail with the latest technology. After the grand opening of FEDS Zhubei Store, the position of the retail industry in Hsinchu area has been consolidated. Its innovative operations are certain to fortify its iconic stature in Taiwan's retail industry. The Company consistently seeks to grow their businesses, captures the best market opportunities and delivers maximal profits for the Company.

## 1.3 Technology Innovation and R&D Overview

### 1.3.1 R&D Expense in Recent Years

R&D expenses in 2021 & 2020 were NT\$880.071 million and NT\$866.814 million, respectively.

### 1.3.2 Successful Technology or Products from the Development

#### 1.3.2.1 Production Business(Petrochemical, Polyester & Textile Business)

Heat shrinkable polyester film for PE bottle; High denier TPEE conjugate mono filament; Heat resistant polyester tire cord; Low denier high strength tire cord; Acne Dressing with Calendula Essential Oil; Antibacterial ZnO polyol; FENC® Fabric Shield; Polyol for low swelling PU breathable film

#### 1.3.2.2 Telecommunication Business

friDay Video; friDay Omusic; friDay Shopping; friDay Finance; Smart Plus; Smart Kids Watch; Smart Pole; Energy Management System; 5G Remote Diagnosis; 5G Smart Factory; Traffic Analysis

#### 1.3.2.3 Property Development Business

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

## 1.4 Long-term and Near-term Business Plans

### 1.4.1 Near-term Business Plan

#### 1.4.1.1 Expand Scale of Operation

The Company continues to strengthen its global production network and establish regional supply chains. It is building an integrated PTA/PET plant in Texas, US, expanding the production site for recycled polyester in the Philippines, which is scheduled to start production in 2022. The production facilities in Vietnam are also being expanded to increase capacities for polyester filament, staple fiber and recycled polyester. The plant in Japan is about to undergo the Phase III expansion, which will cement its leadership in the business of recycled polyester in Japan. FENC creates advantages in global competition with a diversity of product offerings from various production sites around the world.

#### 1.4.1.2 Perfect Recycling Technology

FENC has committed itself to the development of the circular economy for more than 30 years. In 2021, the Company contributed significantly to waste reduction by recycling 20 billion plus PET bottles. We are the world's largest supplier of ocean-recycled polyester filament. In addition to collecting used PET bottles and polyester waste on land and from the ocean, in collaboration with brand customers, we took a bold step in being the world's first one, making recycled yarns with waste gas emitted by steel factories. We are developing a broad range of recycling technologies for the circular economy. Our endless pursuit for technological innovation and steadfast commitment to R&D are bound to set unsurmountable barriers for competitors.

#### 1.4.1.3 Leverage Vertical Integration

The Company's production business ranges from petrochemical, polyester to textiles, featuring a vertically integrated network of production and sales that sets itself apart from competitors around the world. It is able to reap the benefits of synergy by consolidating the resources in feedstock acquisition, production and sales. As commodity prices become increasingly volatile, FENC's solid structure of vertical integration has earned global brands' trust. We will continue to consolidate internal resources and technologies to accelerate product innovation and achieve operational synergy.

#### 1.4.2 Long-term Business Plan

##### 1.4.2.1 Focus on Development of Green Products

FENC has long been committed to developing a variety of green products, including rPET, fast reheat energy saving PET, Bio PET, recycled fibers, solution-dyed fibers, etc., through waste reduction, recycling and replacement. The sale of green products, at a growth rate of 17%, generated a revenue of NT\$38.4 billion for the Company in 2021, accounting for nearly 30% of the total in its production business. We will continue to expand the diversity of green product offerings and also our production capacities to thoroughly transform the Company into an eco-friendly and sustainable organization.

##### 1.4.2.2 Transition to a Low-carbon Organization

FENC has responded positively to the global cause of carbon reduction, having pledged to achieve net-zero by 2050. Efforts to reduce carbon emissions have been undertaken in five dimensions, including enhancing energy efficiency, replacing fuels, developing renewable energy, transformation of feedstock use, and finally developing carbon capture, utilization and storage (CCUS). The Company installs solar power generation facilities extensively and has also started to use biogas to generate electricity. It has set short, medium and long-term goals for carbon reduction, planning to craft a green and low-carbon model for business operations. The Company upholds the philosophy of environmental protection, assuming the industry's leadership role in reducing carbon emissions. FENC is Taiwan's first company in the polyester business to support the TCFD. To fulfill our corporate responsibility for carbon reduction, we have started to conduct the inventory of GHG emissions in our subsidiaries around the world.

##### 1.4.2.3 Pursue Corporate Sustainable Development

FENC has worked diligently to pursue sustainable growth, aiming for excellence in corporate governance, environmental practices and social engagement. We strive to align our endeavors with UN SDGs. FENC is not merely an industrial leader in the circular economy, but also the only enterprise in Taiwan that issues three bonds for sustainable development, including green bond, sustainable bond and social responsibility bond. Through a diversity of sustainability financial instruments, we are able to exert a corporation's positive influences and create a promising future for the environment, business and society.

## Operational Highlights

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

### 2.1 Market Analysis

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

The major sales regions and the percentage sales of the production business (petrochemical, polyester, and textile): Asia (70%), America (20%), Europe (7%), and others (3%).

#### 2.1.2 Domestic Market Share of Major Products (KPI Value)

| Items \ Products | Polyester Polymer |           | Polyester Staple Fiber |         | Polyester Filament |         |
|------------------|-------------------|-----------|------------------------|---------|--------------------|---------|
|                  | Production        | Sales     | Production             | Sales   | Production         | Sales   |
| FENC (tons)      | 928,635           | 36,008    | 173,985                | 170,169 | 77,361             | 46,823  |
| Taiwan (tons)    | 3,417,783         | 1,735,039 | 420,481                | 409,776 | 719,934            | 458,578 |
| Market Share (%) | 27.2%             | 2.1%      | 41.4%                  | 41.5%   | 10.7%              | 10.2%   |

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

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

2021 Market share of mobile subscribers by carriers: Chunghwa Telecom at 36.1%, Far EasTone at 23.8%, Taiwan Mobile at 24.0%, Taiwan Star Telecom (VIBO) and Asia Pacific Telecom, combined at 16.1%.

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

##### 2.1.3.1 Petrochemical, Polyester & Textile Business

The global economy recorded a solid rebound in 2021 with a GDP growth of 6.1%, the highest in a half century (Source: IMF). However, businesses are still operating under tremendous pressure as they are faced with multiple challenges, including increased geopolitical risks triggered by Russia's invasion of Ukraine, developed countries' adjustment of interest rates, repeated resurgence of COVID-19 outbreaks, ever-pressing urgency of carbon reduction, etc. As a result, annual global GDP growth is projected to drop to 3.6% in 2022. Even though the number is not as impressive as the year before, in comparison with the average GDP growth rate of 3.4% over the period 2017-2019, the year 2022 might fare well with a much stronger momentum for global economic growth than pre-Covid years and a solid demand in the market.

FENC has multiple distinctive competitive strengths, including an integrated network of production and sales, diversified product offerings, production sites across Asia and Americas, access to global markets, and rock-solid partnerships with international brands. These advantages not only reduce operational risks but also lead to greater resilience than competitors. Additionally, the Company has long engaged in the circular economy and has assumed an indispensable role in the global green supply chain. Meanwhile, we have undertaken a multitude of energy conservation projects. As carbon reduction remains in focus, the Company is poised to rise above competition with its commitment to sustainability.

The year 2022 appears set to present myriad challenges to businesses. According to the law of "survival of the fittest," the industry is about to undergo a shakeout. FENC, nonetheless, competes on solid footing with over 70 years of successful experience in the market, unrivaled core competencies and forward-thinking strategies. We are confident that we can initiate a new wave of momentum and lay down the cornerstones for sustainable growth.

##### 2.1.3.2 Telecommunication Business

After Taiwan telecom industry officially entered 5G era, consumer and enterprise applications constantly emerging, and lead to a growth in the industry. On consumer side, except for providing faster 5G speed to consumers, operators also deliver innovative applications in the market and aim to bring consumers into a brand-new 5G digital world.

### 2.1.3.3 Property Development Business

In 2022, the global economy may not see a dramatic rebound like the one last year, but is expected to grow gradually as vaccination rates continue to rise and the pandemic is thus kept under control. Inflation remains a universal concern. Taiwan's property market is quite vibrant due to its overall economic stability. However, the construction industry is faced with multiple challenges, including soaring prices of building materials, labor shortages. It is therefore very hard to keep real estate prices in check.

Expanding domestic demand and fast-tracking infrastructure development remain priorities for Taiwan's national development. In 2022, the total budget for public construction projects reached approximately NT\$459.6 billion (including the central budget of NT\$146.6 billion, the special purpose fund of NT\$227.3 billion, plus NT\$85.7 billion of NT\$105.7 billion in the special budget of the forward-looking plan in 2022). The "Healthy Real Estate Market Plan" implemented by the Executive Yuan is expected to have a positive impact on the construction industry and the real estate market and also create a safe environment for investors. Nevertheless, the credit control measures that were introduced in the second half of 2021 have started to influence the real estate market. Financing conditions are expected to tighten.

The number of building permits issued is an indicator of the housing market. In 2021, 169,000 (+6.5%) were issued nationwide for residential property construction, with an area of 7.456 million ping or 24.6 million sq-meter (+7.2%). Among the six special municipalities, in terms of area approved for construction, the top three were Taichung (1.577 million ping or 5.2 million sq-meter), Taoyuan (1.019 million ping or 3.36 million sq-meter) and New Taipei City (1.01 million ping or 3.3 million sq-meter); in terms of annual growth rates, the top three cities were Tainan (174 thousand ping or 575 thousand sq-meter, +27.9%), Kaohsiung (141 thousand ping or 466 thousand sq-meter, +24.1%) and Taipei City (64 thousand ping or 212 thousand sq-meter, +16.1%). In the category of commercial property, the top three were Kaohsiung (160 thousand ping or 529 thousand sq-meter), Taipei (80 thousand ping or 266 thousand sq-meter) and Taichung (65 thousand ping or 215 thousand sq-meter); in terms of annual growth rates, significant growth was seen in Kaohsiung (133 thousand ping or 440 thousand sq-meter, +498%) and New Taipei City (42 thousand ping or 139 thousand sq-meter, +236%), while decline was observed in Taoyuan (32 thousand ping or 106 thousand sq-meter, -90.8%) and Tainan (30 thousand ping or 99 thousand sq-meter, -74%). In the category of office buildings, Taipei (207 thousand ping or 686 thousand sq-meter), Taichung (188 thousand ping or 623 thousand sq-meter), Taoyuan (185 thousand ping or 612 thousand sq-meter) and New Taipei City (174 thousand ping or 575 thousand sq-meter) held the top 4 places in terms of construction area; in terms of annual growth rates, the top three were Taichung (140 thousand ping or 463 thousand sq-meter, +294%), Taoyuan (120 thousand ping or 397 thousand sq-meter, +186%) and New Taipei City (89.4 thousand ping or 296 thousand sq-meter, +105.8%).

Overall, the real estate market is recovering. Prices and volume remain steady in housing and land markets. Moderate growth is seen in commercial real estate. As real estate policies and monetary tightening materialize against the backdrop of a global economy slowly recovering from the pandemic, the tide of hot money might recede. We are less likely to see the 2021 craze for land repeat itself, from high-tech manufacturers to construction companies. As high-tech manufacturers set up production sites at industrial parks throughout Taiwan, real estate markets are expected to experience ripple effects. In the north, residential and commercial properties near the MRT system and its supporting network of public transportation are more resistant to market volatility. The expansion of high-tech companies at science industrial parks in Taichung, Kaohsiung and Tainan is expected to drive up the demand in surrounding areas. With vacancy rates going down, rents for factories and offices are likely to edge up. Retail and hotels are looking to a turnaround in the second half of the year. The overall real estate market will see an increase in prices and a steady volume. In the future, to stand out from competition, properties must feature brand designs, energy conservation, intelligence, safety and value-added services tailored to the changing demographics.

## Operational Highlights

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

#### **A. Competitive advantages**

- (1) Industrial know-hows accumulated for over 70 years
- (2) Diversification in product applications and innovative capability
- (3) Leadership position in the industry of green products and technological superiority over competitors
- (4) Vertical integration from upstream to downstream

#### **B. Positive factors**

- (1) Increased demand driven up by population growth
- (2) Growing demand for rPET boosted by consumers' increased environmental awareness
- (3) Growing demand for healthcare and hygiene products resulting from an aging population
- (4) Clients' shift toward regional procurement and streamlined services

#### **C. Negative factors**

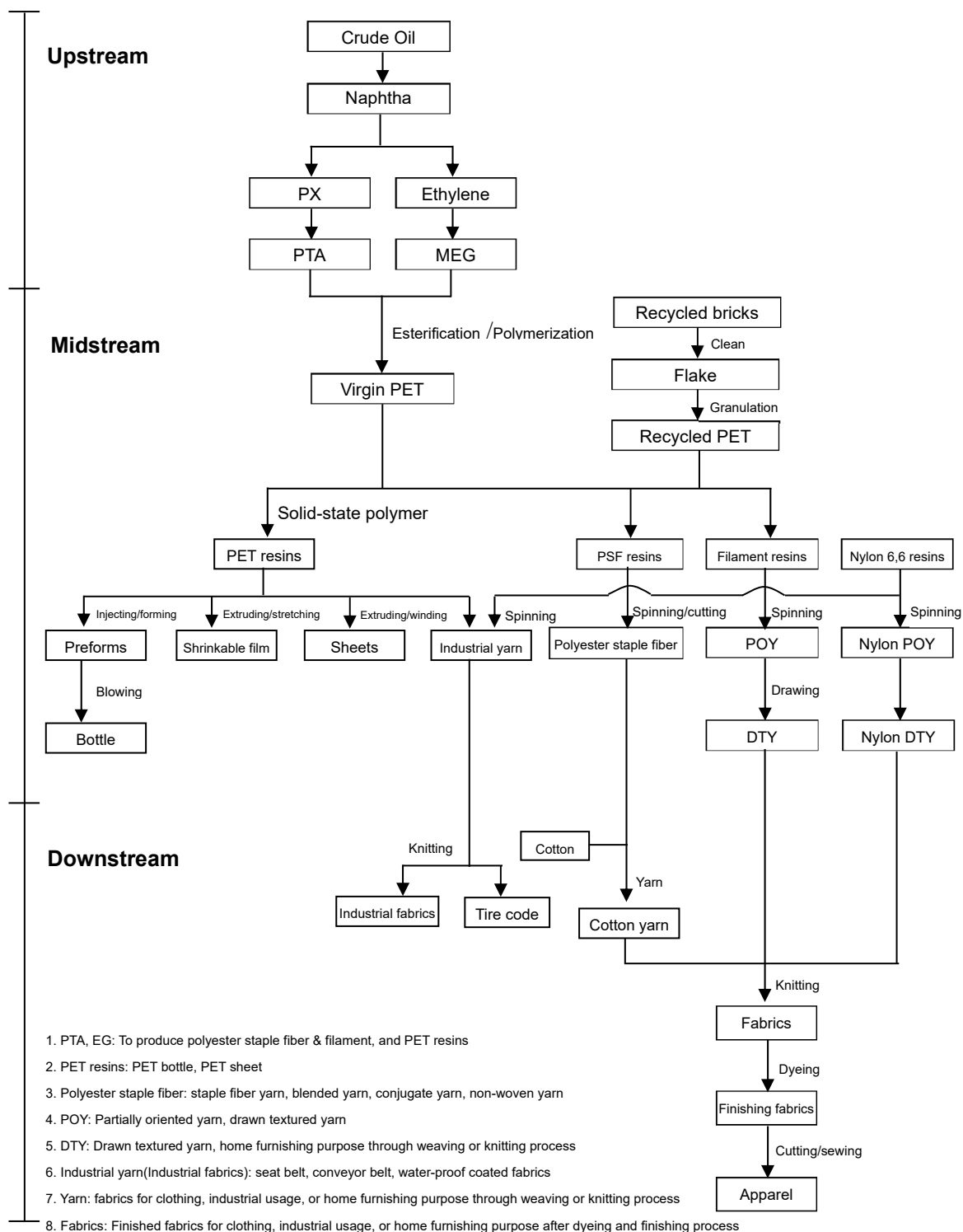
- (1) Drastic fluctuation of oil price triggered by geopolitical crises
- (2) Rising costs of working capital induced by central banks' upward adjustment of interest rates
- (3) Rising costs of production under the trend of carbon reduction
- (4) Lack of progress in Taiwan's participation in regional economic integration

#### **D. Company's measures to counteract negative factors**

- (1) Increasing the share of green products in sales and scaling up their operations
- (2) Focusing on development of high value-added products
- (3) Developing quality clients and building lasting partnerships
- (4) Implementing digital management and smart management on full scale
- (5) Crafting a green and low-carbon production model
- (6) Reinforcing the strengths of regional industry chain



## 2.2 Applications and Production Process of Major Products



## Operational Highlights

### 2.3 Sources of Major Raw Materials

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

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

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

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

### 2.5 Volume and Value of the Production in Recent Two Years

Unit: NT\$ thousands

| Main Products \ Year |                         |                 | 2021                |                   |                  | 2020                |                   |                  |
|----------------------|-------------------------|-----------------|---------------------|-------------------|------------------|---------------------|-------------------|------------------|
|                      |                         |                 | Production Capacity | Production Volume | Production Value | Production Capacity | Production Volume | Production Value |
| Petro-chemical       | PTA                     | MT              | 2,750,000           | 2,371,918         | 45,661,979       | 2,750,000           | 2,363,318         | 34,887,930       |
|                      |                         |                 |                     |                   |                  |                     |                   |                  |
| Polyester            | Polyester Chip          | MT              | 2,666,200           | 2,295,827         | 60,102,749       | 2,666,200           | 2,098,353         | 43,224,548       |
|                      | PET Resin (Note)        | MT              | 2,235,000           | 2,133,559         | 58,440,473       | 2,198,550           | 1,928,288         | 43,127,460       |
|                      | PET Bottle Preform      | Thousand pieces | 2,940,000           | 2,246,691         | 2,143,466        | 2,840,000           | 2,147,032         | 1,881,440        |
|                      | PET Sheet               | MT              | 123,600             | 104,216           | 3,564,905        | 123,600             | 97,353            | 2,948,750        |
|                      | Polyester Staple Fiber  | MT              | 418,800             | 317,173           | 11,085,291       | 444,600             | 318,399           | 9,913,787        |
|                      | PET Film                | MT              | 21,120              | 20,894            | 1,188,048        | 21,120              | 17,651            | 891,370          |
|                      | Partially Oriented Yarn | MT              | 94,680              | 100,182           | 4,365,638        | 93,480              | 79,624            | 3,383,937        |
|                      | Drawn Textured Yarn     | MT              | 53,352              | 53,352            | 3,388,992        | 42,682              | 42,682            | 2,852,111        |
| Textile              | Yarn                    | Bales           | 373,946             | 276,044           | 4,251,203        | 302,810             | 248,749           | 3,299,297        |
|                      | Knitted Fabrics         | MT              | 42,540              | 30,108            | 10,528,300       | 42,300              | 27,359            | 9,512,444        |
|                      | Industrial Fabrics      | MT              | 21,600              | 18,316            | 1,451,308        | 21,600              | 17,848            | 1,317,254        |
|                      | Industrial Yarn         | MT              | 149,600             | 138,513           | 7,849,815        | 143,600             | 114,094           | 5,331,092        |
|                      | Apparel                 | Thousand pieces | 74,500              | 51,409            | 7,162,799        | 85,719              | 48,948            | 6,466,735        |

Note: Including recycled PET

## 2.6 Sales Volume and Revenue in Recent Two Years

Unit: NT\$ thousands

| Main Products  |                         |                 | 2021           |            |              |            | 2020           |            |              |            |
|----------------|-------------------------|-----------------|----------------|------------|--------------|------------|----------------|------------|--------------|------------|
|                |                         |                 | Domestic sales |            | Export sales |            | Domestic sales |            | Export sales |            |
|                |                         |                 | Volume         | Revenue    | Volume       | Revenue    | Volume         | Revenue    | Volume       | Revenue    |
| Petro-chemical | PTA                     | MT              | 1,826,435      | 34,354,476 | 577,077      | 10,931,576 | 1,775,137      | 25,136,828 | 605,675      | 8,256,066  |
| Polyester      | Polyester Chip (Note1)  | MT              | 38,254         | 1,154,130  | 16,548       | 524,985    | 35,678         | 861,918    | 41,491       | 977,649    |
|                | PET Resin (Note2)       | MT              | 821,430        | 26,430,315 | 1,079,027    | 35,041,219 | 763,654        | 20,623,777 | 996,862      | 25,902,083 |
|                | PET Bottle Preform      | Thousand pieces | 1,414,727      | 1,344,724  | 711,552      | 847,844    | 1,316,734      | 1,214,096  | 657,582      | 851,684    |
|                | PET Sheet               | MT              | 73,528         | 2,653,860  | 29,401       | 1,228,261  | 67,828         | 2,269,673  | 29,405       | 1,211,704  |
|                | Polyester Staple Fiber  | MT              | 131,779        | 4,943,411  | 204,623      | 8,336,642  | 143,436        | 5,702,512  | 206,931      | 8,020,474  |
|                | PET Film                | MT              | 6,755          | 508,948    | 14,385       | 1,135,651  | 7,419          | 535,532    | 11,023       | 872,495    |
|                | Partially Oriented Yarn | MT              | 47,063         | 1,830,219  | 10,401       | 532,418    | 34,379         | 1,376,963  | 9,778        | 475,010    |
|                | Drawn Textured Yarn     | MT              | 36,931         | 2,593,309  | 22,742       | 1,689,725  | 29,562         | 2,109,047  | 17,021       | 1,320,721  |
| Textile        | Yarn                    | Bales           | 174,824        | 3,316,037  | 93,953       | 1,234,489  | 158,448        | 2,402,857  | 106,296      | 1,147,329  |
|                | Knitted Fabrics         | MT              | 9,942          | 2,387,504  | 35,118       | 10,245,281 | 7,011          | 1,951,923  | 29,875       | 8,611,313  |
|                | Industrial Fabrics      | MT              | 5,280          | 506,015    | 14,327       | 1,527,266  | 6,104          | 535,288    | 12,525       | 1,169,305  |
|                | Industrial Yarn         | MT              | 36,652         | 1,976,640  | 63,357       | 4,175,642  | 35,991         | 1,672,000  | 52,083       | 2,761,683  |
|                | Apparel                 | Thousand pieces | 4,383          | 1,059,541  | 41,267       | 6,031,452  | 5,740          | 1,259,452  | 44,200       | 5,690,598  |

Note1: Mainly due to internal consumption

Note2: Including recycled PET

## 3. Information about Employees

| Year                                  |                       | 2021   | 2020   | Mar 31, 2022 |
|---------------------------------------|-----------------------|--------|--------|--------------|
| Number of employees                   |                       | 30,937 | 30,478 | 32,736       |
| Average age                           |                       | 36     | 36     | 36           |
| Average years of service              |                       | 7.5    | 7.6    | 7.2          |
| Breakdown of educational level (Note) | Ph.D.                 | 0.2%   | 0.2%   | 0.2%         |
|                                       | Master                | 7.0%   | 6.3%   | 6.5%         |
|                                       | Bachelor              | 42.9%  | 40.2%  | 40.8%        |
|                                       | High school and below | 49.9%  | 53.3%  | 52.5%        |

Note: Migrant workers are not included.

## **Operational Highlights**

### **4. Expenses on Environmental Protection**

#### **4.1 Loss or Damage Due to Pollution, Disclosure on Current and Future Estimates of Possible Damages and Countermeasures: None**

The Company did not cause material operational loss due to environmental pollution. Two cases due to the leakage of odor pollutants were fined minor penalties. One is that the Department of Environmental Protection, Taoyuan inspected Kuanyin Dyeing and Finishing Plant and found that the air pollution control facility of the washing tower exceeded the standard of de-pressured data within the authorized range. In violation of Paragraph 2, Article 24, Air Pollution Control Act, on Apr 23, 2021, the Company was fined NT\$100,000 and lectured 2 hour environmental session (Fine Letter: 20-110-040022). The company immediately shut down the facility to clean the filter in response to the adjustment, and right after the pressure difference returned to the normal range. Going forward, the operators were required to record and confirm the regular pollution emission data every two hours; The other is that the Department of Environmental Protection, Taoyuan conducted an inspection to Oriental Petrochemical (Taiwan) Co., Ltd. and found that the detection data of foreign contaminants in the discharging pipeline, which did not meet the air pollutant emission standards for regular pollutant sources. In violation of Paragraph 1, Article 20, Air Pollution Control Act, on Jul 16, 2021, the Company was fined NT\$585,000 (Fine Letter: 20-110-070019). The Company responded by installing an exhaust cooling system and consulted SGS Taiwan Ltd. (SGS) to evaluate the odor pollutants in the pipeline. Then, the detected data has met the air pollutant emission standards for regular pollutant sources. In the second quarter of 2021, the Company's subsidiaries in China were inspected by law enforcement, revealing that there were some circumstances not fully in compliance with the regulations in the perspectives of environmental protection, fire safety, equipment, and taxation, and the relevant penalty was accumulated to RMB 36.5 million. As for the audit finding reviewed by local law enforcement, the project in related business has been fully improved item by item in the required timeline. The Company actively carries out the greenhouse gas emission audit and certification, and reviews the implementation of environmental protection policies on a monthly basis to reduce pollution incidents occurred.

### **5. Employees**

#### **5.1 Current Agreements with Employee and Employee Welfare**

##### **5.1.1 Recruitment**

Employees are essential to the Company's success. In order to further strengthen its operational prowess, the Company has spared no effort in recruiting outstanding talents across various fields to staff every business unit with the best personnel.

Under the motto of "putting talents where they can be best utilized" and "letting people fulfill their potential," the Company selects suitable candidates based on their character, personality traits, professional knowledge, work skills, etc. All applicants are treated equally regardless of race, gender, age, religion, nationality or political stance. Selection takes place under fair and open procedures.

Despite the impact of the Covid-19 pandemic in 2021, the company's demand for new talent persisted and recruited 354 people (8% of the company's headcount).

##### **5.1.2 Compensation**

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

### 5.1.3 Insurance

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

### 5.1.4 Employee Welfare

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

### 5.1.5 Employee Training and Development

The company has planned complete functional training for managers and colleagues at all levels, including orientation training, professional advanced training, regulatory training, supervisor training, etc., providing multiple learning channels and abundant training resources to help colleagues continue to learn and grow, and introduce training courses such as digital transformation and sustainable development to cultivate key capabilities of colleagues. A total of 41,343 training sessions in 2021, with a total of 112,223 hours.

At the beginning of each year, supervisors and subordinates discuss together to formulate future development learning projects, implement learning and application in the middle of the year, organize knowledge sharing groups to communicate with each other, create a learning organization to instantly strengthen the functions of colleagues, and adapt to future talent deployment strategies.

### 5.1.6 Employee Rewards

The Company owes its constant growth and numerous successes to all the employees and appreciates sincerely their scrupulous diligence, relentless innovation, and ever-lasting dedication. We have many incentive programs, such as the Proposal Improvement Bonus for the production unit and the R&D Bonus for the research unit. In addition, the "Far East Spirit Award" and "Far East Energy Conservation Award" are awarded at the Far Eastern Group Annual Strategy Meeting to individual employees or teams with outstanding performances in different fields to encourage innovative thinking and a can-do attitude. Moreover, employees with high seniority are rewarded for their commitment and contribution to the Company with a bonus and special gifts upon retirement.

### 5.1.7 Talent Retention

The Company retains talent in a multi-pronged approach. For example, the labor-management council meets regularly and so are labor satisfaction surveys conducted to give employees various opportunities to voice their concerns and to participate in seeking solutions to promote their well-being.

Meanwhile, the Company is committed to developing and promoting talent from within and provides a stage on which employees can live up to their potentials through the institutionalized performance appraisal system, education and training, project assignment and job rotation. In addition, a friendly environment conducive to talent retention is built through the employee stock ownership trust plan that shares some of the Company's financial success with employees. The Company's turnover rate in 2021 was 9%, much lower than the overall average turnover rate of Taiwan's manufacturing industry (15.5%), which attests to the Company's success in talent retention.

## Operational Highlights

### 5.1.8 Pension and Retirement Plan

The pension fund, along with all the other affairs related to employee retirement, is managed in compliance with the Labor Standards Act. The Labor Pension Reserve Supervision Committee has been established to review and supervise the management of employee pensions. The Company appropriates funding monthly into the pension fund trust account in custody of Bank of Taiwan to safeguard the interest of current and retired employees. In addition, for those who are subject to or opted for the new labor pension system, the Company contributes on a monthly basis to individual labor pension accounts in accordance with the "Labor Pension Act".

We handle retirement issues according to related laws and regulations. In Taiwan, FENC established the Employee Retirement Fund Committee in 1980 and allocated a reserve fund for employee retirement benefits. An account was opened for the employee retirement fund at then Central Trust of China in 1984 and meanwhile the Supervisory Committee of Employees' Retirement Fund was established to supervise the activities of the retirement fund. The Supervisory Committee meets quarterly, and more than half of its members are labor representatives delegated by the unions to determine whether the retirement fund suffices. Tower Watson performs an actuarial valuation of the retirement fund and its allocation. The Ministry of Labor introduced a new system for retirement pension in July 2005. All the existing employees were surveyed by the Company, as required by law, on their willingness to switch to the new system. For those who opted for the new scheme and new recruits, 6% of their full salary will be allocated into their individual retirement pension account. For those opted old scheme, they will receive pension accumulated from years of working in the company at retirement. The retirement scheme covers 100% of permanent employees.

### 5.1.9 Attendance and Leave policy

The Company instituted regulations regarding regular leave, rest day, annual leave and overtime payment standards in accordance with the Labor Standards Act. Our Legal Department, Human Resources Department, Auditing Department, and all businesses meet quarterly to ensure legal compliance of each unit.

### 5.1.10 Best Practice Principles of Ethical Corporate Management and Code of Ethics

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

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

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

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

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

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

**5.1.12 Working Environment and Employee Safety Protection Procedures:**

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

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

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

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

**B. Occupational safety and health management:**

In order to strengthen the occupational safety and health management and to mitigate the risk of related operation, the Company's 17 production sites have obtained Occupational Health and Safety Assessment Series (ISO 45001) and also CNS45001 certification has been fully approved among production sites in Taiwan and continues to be valid in 2022. At present with 2022 valid certificates, there are still four factories with low operating risks that have not been certified to ISO45001. In the future, they will be certified according to business development and operational categories.

**C. Work environment sustainability:**

In accordance with the procurement policies of Taiwan Occupational Safety and Health Management (CNS45001), the Company's procurement of machinery, tools, equipment, material and feedstock met the related safety and health criteria on checking, discharging, delivery, storing and installing.

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

## Operational Highlights

### D. Employee health sustainability:

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

### E. Disaster response drills:

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

### F. Safety and health personnel training:

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

Safety and health personnel training headcounts and hours in the recent three years:

| Year | Training headcounts | Training hours |
|------|---------------------|----------------|
| 2019 | 41,163              | 182,556        |
| 2020 | 43,717              | 215,598        |
| 2021 | 41,836              | 82,513         |

### G. Occupational injury statistics:

In 2021, the Company's occupational injury of 101 people accounted for 0.50% of the number of employees. In order to prevent the occurrence of occupational disasters, the Company will propose preventive measures according to the causes of the disasters as follows:

1. Look for safer working tools, and the equipment is designed with fool-proof devices.
2. Add mechanical equipment warning signs to remind operators.
3. Implement safety and health dynamic inspections and predict hazards before promoting work.
4. Construct occupational safety and health E-based or AI intelligent management and control measures.
5. Strengthen employee safety and health promotion to reduce the incidence of occupational disasters.

## 5.2 Loss Occurs Due to Labor Disputes in the Latest Years Till the Publishing Of This Annual Report: None



## **6. Information Security Management**

### **6.1 Information security risk management framework, information security policy, specific management plan and resources invested**

FENC has established a well-defined information security management system (hereinafter referred to as ISMS) and policies to protect its competitive advantages, i.e., technological innovation and excellence throughout the industrial chain from downstream to upstream, and honor its commitment to shareholders, customers and partners. The Company has set up ISMS mechanisms and guidelines that apply in various dimensions, including, personnel, operation, technology and legal compliance. It continues to reinforce the management system and technologies and implements a thorough risk control program to effectively safeguard the security of information and resources and ensure digital transformation be undertaken in the organization smoothly, systematically and consistently and that FENC's goals in information security management be achieved.

Internal control and security operation:

The Company started to implement ISO 27001 in 2014. Information security risks were assessed and ranked in terms of impact, probability, and treatment cost. An internal audit, including PDCA – Plan, Do, Check, and Act cycle, was conducted. ISO 27001 key performance indicators (KPIs) were established to measure the operating effectiveness of the ISMS. Since 2016, the Company has been ISO 27001 certified by an external auditor. It also makes timely adjustments in the allocation of resources to safeguard the security of production processes, protect customer information, sustain business operations and implement ISMS standards effectively.

#### **6.1.1 Information security monitoring system:**

Security policies and organizations; human resources and information assets; access control and password policies; system acquisition, development and maintenance; communications security; physical and environmental security; information security of the production process; operations security; management of supply chain relationships; management of security incidents; business continuity management; compliance management and management of business process and information system

#### **6.1.2 Handling and reporting of information security incidents:**

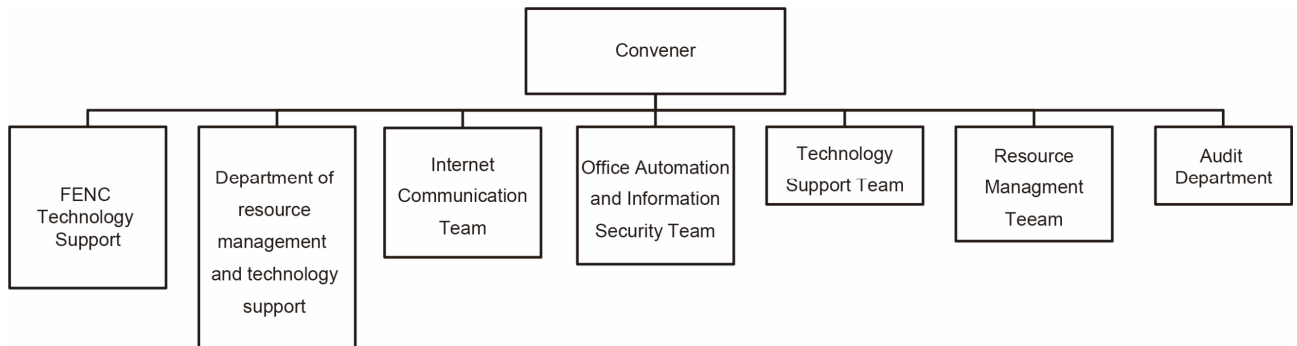
The Company has established security incident management procedures that specify the process and measures to follow, including the incident reporting protocol and the description of the designated manager's responsibilities. In the event of an incident, the incident management team confirms the situation and then determines its severity. Next, they initiate the reporting process, handle the incident and track the progress of risk management until the case is closed. The team handling the incident is responsible for making subsequent improvement, reporting work results and putting forth a plan for corrective and preventive actions. FENC has experienced neither major information security incident nor material financial loss induced by such an incident within the scope of audit for ISO 27001 compliance in the past year as of the day this report goes to print. Another third-party audit has been scheduled for June 22, 2022 to renew the certification.

#### **6.1.3 Personnel training on information security:**

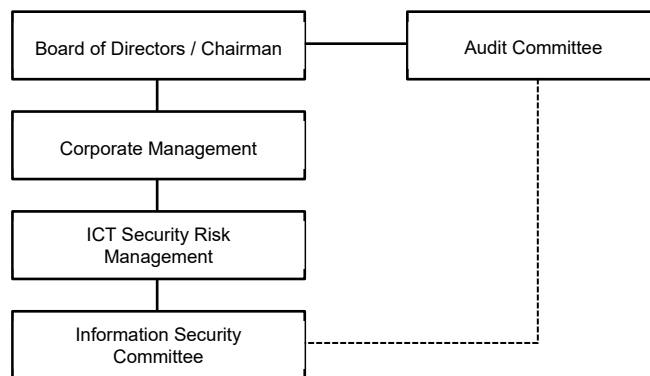
The Company designates the Human Resources Development Center to organize trainings on information security to promote understanding and raise awareness of its importance among employees. They are encouraged to participate in the training and acquire certificates. System developers and managers are required to comply with the regulations for system establishment and security management to ensure the stability, safety and efficiency of our systems and also to effectively reduce the risk posed by unauthorized access.

## Operational Highlights

### 6.1.4 Information Security Committee:



At the production sites, there are designated staff responsible for operation technology and information technology. Additionally, a third party, DDMC, has been involved in the structuring of the Company's information/communication security organization and other related matters, which are handled by a staff of 37 employees, and has also joined Taiwan CERT/CSIRT Alliance. The Committee briefs the Company at the monthly risk management meeting on risk-related issues, corresponding responses, security-strengthening measures and review of regulations. The Company has also decided to appoint a chief information security officer and a designated team of professionals by the end of 2022 to build an architecture for corporate information security management, a functional organization at the board level.



The Company's Information Security Committee oversees the implementation of corporate security policies and is entrusted with the management and promotion of IT security, information security of the production process, business continuity and other security-related issues. The Committee is tasked with the following duties:

1. Security operations: Analyzing security threats in a timely manner.
2. Cyber intelligence: Assisting the Board of Directors to understand potential security concerns.
3. Data protection: Preventing employees' abuse or theft of data.
4. Security structure: Ensuring that IT and network infrastructure be designed in such a way that its security is guaranteed.

### 6.2 Loss Occurs Due to information security disputes in the Latest Years Till the Publishing Of This Annual Report: None

## 7. Important Contracts and Agreements

| Type                         | Company                           | Counter Party                                  | Duration Period                    | Major Contents                                                                                                                               | Covenants                                                                                              |
|------------------------------|-----------------------------------|------------------------------------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Technology Cooperation       | FENC                              | National Synchrotron Radiation Research Center | 2017.04~2022.03                    | Structural evolution of aromatic polyamide fibers by in-situ synchrotron X-ray analysis                                                      | None                                                                                                   |
|                              |                                   | ChangYang Material Corp.                       | 2021.09~2023.02                    | Recycled-based footwear materials                                                                                                            |                                                                                                        |
|                              | DDIM                              | Far Eastern International Bank                 | 2009.09~Present                    | FEDirect HGI IC card agreement                                                                                                               | No marketing for HGI card holders without prior approval of the parties.                               |
|                              |                                   | Citibank Taiwan                                | 2016.05~2024.12                    | Co-Branded card agreement                                                                                                                    | Both parties shall not provide their cardholders' information to others for the promotional activities |
| Long-Term Supply Contract    | FENC                              | SABIC                                          | 2011.01~Present                    | EG supply agreement                                                                                                                          | Automatically extended by one year when expiration                                                     |
|                              | OPTC                              | A to G (total seven companies)                 | 2018.01~Present                    | PX supply agreement                                                                                                                          | None                                                                                                   |
|                              | Far Eastern Industries (Shanghai) | SABIC                                          | 2019.01~2023.12                    | EG supply agreement                                                                                                                          |                                                                                                        |
|                              | Yuan Hsin Digital Payment         | Kaohsiung Rapid Transit Corp.                  | 2016.07~2037.01                    | HappyCash for open trading                                                                                                                   |                                                                                                        |
|                              | Far EasTone                       | Ericsson Taiwan                                | 2015.04~Present                    | Purchase for 4G & 5G cell site, mobile phone system and network equipment, software, installation, system construction and technical service | Confidential Clause                                                                                    |
|                              |                                   | Apple Asia LLC                                 | 2010.01~Present<br>2010.09~Present | Procurement agreement for iPhone<br>Wireless Service License for Apple's iPad Product                                                        |                                                                                                        |
|                              |                                   | Taiwan International Standard Electronics LTD. | 2021.05~Present                    | Procurement agreement for telecommunication equipment                                                                                        |                                                                                                        |
| Construction Agreement       | Far Eastern General Contractor    | Taiwan Fertilizer Co., Ltd.                    | 2021.01~2024.02                    | TFC Nangang C4 commercial building construction                                                                                              | None                                                                                                   |
| Long-Term Borrowing Contract | OPTC                              | Mega International Commercial Bank             | 2021.10~2026.10                    | ESG linked loan agreement                                                                                                                    |                                                                                                        |
|                              | Far Eastern Fibertech             | The Bank of Taiwan                             | 2022.02~2027.02                    | "Action Plan for Accelerated Investment by Domestic Corporations" loan                                                                       |                                                                                                        |
|                              | Oriental Green Materials          | Mega International Commercial Bank             | 2021.01~2026.01                    | "Action Plan for Accelerated Investment by SMEs" loan                                                                                        |                                                                                                        |
|                              |                                   | The Bank of Taiwan                             | 2021.03~2026.03                    | "Action Plan for Accelerated Investment by SMEs" loan                                                                                        |                                                                                                        |
|                              | FENC                              | First Commercial Bank                          | 2022.04~2023.10                    | Bank loan agreement                                                                                                                          |                                                                                                        |
|                              |                                   | The Bank of Taiwan                             | 2020.08~2024.02<br>2021.11~2025.05 | Bank loan agreement                                                                                                                          |                                                                                                        |
|                              |                                   | Mizuho bank                                    | 2020.09~2023.09                    | Bank loan agreement                                                                                                                          |                                                                                                        |
|                              | Yuan Ding Investment Corp.        | International Bills Finance Corp.              | 2020.04~2023.04                    | Unsecured recurring commercial paper                                                                                                         |                                                                                                        |
|                              |                                   | Mega Bills Finance Co., Ltd.                   | 2020.04~2023.04                    | Unsecured recurring commercial paper                                                                                                         |                                                                                                        |
|                              |                                   | Ta Ching Bills Finance Corp.                   | 2020.04~2023.10<br>2020.06~2023.12 | Unsecured recurring commercial paper                                                                                                         |                                                                                                        |
|                              |                                   | Taiwan Finance Corp.                           | 2020.06~2024.06                    | Unsecured recurring commercial paper                                                                                                         |                                                                                                        |

## Financial Information

# VI. Financial Information

## 1. Five-Year Financial Summary

### 1.1. Condensed Balance Sheets & Statements of Comprehensive Income

#### 1.1.1 Condensed Consolidated Balance Sheets

Unit: NT\$ thousands

| Item                                               | Year                | Dec 31, 2021 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2018 | Dec 31, 2017 | Mar 31, 2022<br>(Note 1) |
|----------------------------------------------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------------------|
|                                                    |                     |              |              |              |              |              |                          |
| Current assets                                     |                     | 144,073,658  | 111,246,067  | 119,594,481  | 129,188,871  | 100,053,197  | 153,779,481              |
| Property, plant and equipment                      |                     | 165,089,960  | 162,659,904  | 163,017,162  | 164,557,019  | 152,732,987  | 166,685,535              |
| Intangible assets                                  |                     | 87,572,942   | 93,617,166   | 55,286,152   | 57,997,019   | 60,311,664   | 86,134,270               |
| Other assets                                       |                     | 238,591,025  | 249,432,133  | 238,181,904  | 213,846,511  | 203,668,432  | 241,333,696              |
| Total assets                                       |                     | 635,327,585  | 616,955,270  | 576,079,699  | 565,589,420  | 516,766,280  | 647,932,982              |
| Current liabilities                                | Before distribution | 124,141,318  | 107,025,470  | 114,920,194  | 128,880,103  | 101,640,620  | 138,660,327              |
|                                                    | After distribution  | (Note 2)     | 114,251,852  | 122,949,507  | 138,515,278  | 108,064,070  | (Note 2)                 |
| Non-current liabilities                            |                     | 241,771,349  | 240,505,160  | 189,838,322  | 168,979,880  | 159,586,567  | 232,181,494              |
| Total liabilities                                  | Before distribution | 365,912,667  | 347,530,630  | 304,758,516  | 297,859,983  | 261,227,187  | 370,841,821              |
|                                                    | After distribution  | (Note 2)     | 354,757,012  | 312,787,829  | 307,495,158  | 267,650,637  | (Note 2)                 |
| Common stock                                       |                     | 53,528,751   | 53,528,751   | 53,528,751   | 53,528,751   | 53,528,751   | 53,528,751               |
| Capital surplus                                    | Before distribution | 3,403,003    | 3,320,137    | 3,270,355    | 2,908,631    | 2,859,569    | 3,406,982                |
|                                                    | After distribution  |              |              |              |              |              |                          |
| Retained earnings                                  | Before distribution | 153,067,440  | 150,115,757  | 150,837,528  | 149,192,149  | 141,693,400  | 155,824,789              |
|                                                    | After distribution  | (Note 2)     | 142,889,375  | 142,808,215  | 139,556,974  | 135,269,950  | (Note 2)                 |
| Other equity                                       |                     | (3,925,396)  | (2,910,395)  | (3,089,283)  | (2,069,331)  | (3,696,270)  | (443,055)                |
| Treasury stocks                                    |                     | (25,063)     | (25,063)     | (25,063)     | (25,063)     | (25,063)     | (25,063)                 |
| Total equity attributable to owners of the Company | Before distribution | 206,048,735  | 204,029,187  | 204,522,288  | 203,535,137  | 194,360,387  | 212,292,404              |
|                                                    | After distribution  | (Note 2)     | 196,802,805  | 196,492,975  | 193,899,962  | 187,936,937  | (Note 2)                 |
| Non-controlling interests                          |                     | 63,366,183   | 65,395,453   | 66,798,895   | 64,194,300   | 61,178,706   | 64,798,757               |
| Total equity                                       | Before distribution | 269,414,918  | 269,424,640  | 271,321,183  | 267,729,437  | 255,539,093  | 277,091,161              |
|                                                    | After distribution  | (Note 2)     | 262,198,258  | 263,291,870  | 258,094,262  | 249,115,643  | (Note 2)                 |

Note 1: The financial data of Mar 31, 2022 has been reviewed by the independent auditor.

Note 2: The distribution of 2021 earnings is subject to the approval at the upcoming 2022 Annual General Shareholders' Meeting.

## 1.1.2 Condensed Consolidated Statements of Comprehensive Income

Unit: NT\$ thousands, except earnings per share

| Item \ Year                                                          | 2021        | 2020        | 2019        | 2018        | 2017        | For the three months ended Mar 31, 2022 (Note 1) |
|----------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|--------------------------------------------------|
| Operating revenues                                                   | 238,806,217 | 206,769,281 | 250,146,590 | 228,661,933 | 217,846,948 | 63,384,251                                       |
| Gross profit                                                         | 46,485,700  | 40,395,676  | 44,749,930  | 44,400,112  | 49,698,205  | 13,444,233                                       |
| Operating income                                                     | 11,711,538  | 10,002,311  | 13,762,994  | 14,783,942  | 15,434,269  | 4,263,134                                        |
| Nonoperating income (expenses)                                       | 6,115,767   | 6,121,173   | 5,367,261   | 6,271,188   | 1,458,022   | 719,066                                          |
| Income before income tax                                             | 17,827,305  | 16,123,484  | 19,130,255  | 21,055,130  | 16,892,291  | 4,982,200                                        |
| Net income                                                           | 14,844,485  | 12,980,539  | 16,435,163  | 18,391,602  | 14,201,337  | 4,067,499                                        |
| Other comprehensive income, net                                      | (979,731)   | 258,469     | (455,369)   | 905,869     | (97,661)    | 3,675,472                                        |
| Total comprehensive income                                           | 13,864,754  | 13,239,008  | 15,979,794  | 19,297,471  | 14,103,676  | 7,742,971                                        |
| Net income attributable to owner of the Company                      | 9,684,584   | 8,062,699   | 10,732,669  | 12,028,294  | 8,066,136   | 2,753,391                                        |
| Net income attributable to non-controlling interests                 | 5,159,901   | 4,917,840   | 5,702,494   | 6,363,308   | 6,135,201   | 1,314,108                                        |
| Total comprehensive income attributable to owner of the Company      | 9,169,547   | 8,036,556   | 10,546,569  | 12,883,387  | 7,808,712   | 6,239,429                                        |
| Total comprehensive income attributable to non-controlling interests | 4,695,207   | 5,202,452   | 5,433,225   | 6,414,084   | 6,294,964   | 1,503,542                                        |
| EPS (NT\$/share, Note 2)                                             | 1.94        | 1.62        | 2.15        | 2.41        | 1.61        | 0.55                                             |

Note 1: The financial data of Mar 31, 2022 has been reviewed by the independent auditor.

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

## 1.1.3 Condensed Balance Sheets (Stand-alone)

Unit: NT\$ thousands

| Year                                               |                     | Dec 31, 2021 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2018 | Dec 31, 2017 |
|----------------------------------------------------|---------------------|--------------|--------------|--------------|--------------|--------------|
| Item                                               |                     |              |              |              |              |              |
| Current assets                                     |                     | 33,457,578   | 30,257,013   | 31,823,888   | 31,423,092   | 23,622,633   |
| Property, plant and equipment                      |                     | 22,808,295   | 24,271,372   | 25,325,644   | 24,507,928   | 24,216,996   |
| Intangible assets                                  |                     | 15,611       | 16,280       | 18,948       | 17,087       | 20,427       |
| Other assets                                       |                     | 277,194,374  | 271,907,411  | 271,953,123  | 261,082,047  | 238,260,228  |
| Total assets                                       |                     | 333,475,858  | 326,452,076  | 329,121,603  | 317,030,154  | 286,120,284  |
| Current liabilities                                | Before distribution | 22,641,821   | 22,380,382   | 24,007,226   | 23,339,671   | 15,560,934   |
|                                                    | After distribution  | (Note)       | 29,606,764   | 32,036,539   | 32,974,846   | 21,984,384   |
| Non-current liabilities                            |                     | 104,785,302  | 100,042,507  | 100,592,089  | 90,155,346   | 76,198,963   |
| Total liabilities                                  | Before distribution | 127,427,123  | 122,422,889  | 124,599,315  | 113,495,017  | 91,759,897   |
|                                                    | After distribution  | (Note)       | 129,649,271  | 132,628,628  | 123,130,192  | 98,183,347   |
| Common stock                                       |                     | 53,528,751   | 53,528,751   | 53,528,751   | 53,528,751   | 53,528,751   |
| Capital surplus                                    | Before distribution | 3,403,003    | 3,320,137    | 3,270,355    | 2,908,631    | 2,859,569    |
|                                                    | After distribution  |              |              |              |              |              |
| Retained earnings                                  | Before distribution | 153,067,440  | 150,115,757  | 150,837,528  | 149,192,149  | 141,693,400  |
|                                                    | After distribution  | (Note)       | 142,889,375  | 142,808,215  | 139,556,974  | 135,269,950  |
| Other equity                                       |                     | (3,925,396)  | (2,910,395)  | (3,089,283)  | (2,069,331)  | (3,696,270)  |
| Treasury stocks                                    |                     | (25,063)     | (25,063)     | (25,063)     | (25,063)     | (25,063)     |
| Total equity attributable to owners of the Company | Before distribution | 206,048,735  | 204,029,187  | 204,522,288  | 203,535,137  | 194,360,387  |
|                                                    | After distribution  | (Note)       | 196,802,805  | 196,492,975  | 193,899,962  | 187,936,937  |

Note: The distribution of 2021 earnings is subject to the approval at the upcoming 2022 Annual General Shareholders' Meeting.

## Financial Information

### 1.1.4 Condensed Statements of Comprehensive Income (Stand-alone)

Unit: NT\$ thousands, except earnings per share

| Item \ Year                            | 2021       | 2020       | 2019       | 2018       | 2017        |
|----------------------------------------|------------|------------|------------|------------|-------------|
| <b>Operating revenues</b>              | 45,527,236 | 38,768,801 | 46,477,960 | 54,063,801 | 45,216,423  |
| <b>Gross profit</b>                    | 6,934,699  | 5,290,621  | 4,953,143  | 5,197,053  | 3,706,024   |
| <b>Operating Income (Loss)</b>         | (554,938)  | 339,915    | 137,076    | 260,263    | (1,258,899) |
| <b>Nonoperating income (expenses)</b>  | 10,498,692 | 7,544,687  | 10,606,950 | 12,458,314 | 9,375,660   |
| <b>Income before income tax</b>        | 9,943,754  | 7,884,602  | 10,744,026 | 12,718,577 | 8,116,761   |
| <b>Net income</b>                      | 9,684,584  | 8,062,699  | 10,732,669 | 12,028,294 | 8,066,136   |
| <b>Other comprehensive income, net</b> | (515,037)  | (26,143)   | (186,100)  | 855,093    | (257,424)   |
| <b>Total comprehensive income</b>      | 9,169,547  | 8,036,556  | 10,546,569 | 12,883,387 | 7,808,712   |
| <b>EPS (NT\$/share, Note)</b>          | 1.94       | 1.62       | 2.15       | 2.41       | 1.61        |

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

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

| Year        | Name of CPA                     | Auditing Opinion               |                                |
|-------------|---------------------------------|--------------------------------|--------------------------------|
|             |                                 | Consolidated                   | Stand-alone                    |
| <b>2021</b> | Chih-Ming Shao & Cheng-Hung Kuo | Unmodified unqualified opinion | Unmodified unqualified opinion |
| <b>2020</b> | Chih-Ming Shao & Cheng-Hung Kuo | Unmodified unqualified opinion | Unmodified unqualified opinion |
| <b>2019</b> | Jing-Bin Shih & Cheng-Hung Kuo  | Unmodified unqualified opinion | Unmodified unqualified opinion |
| <b>2018</b> | Jing-Bin Shih & Cheng-Hung Kuo  | Unmodified unqualified opinion | Unmodified unqualified opinion |
| <b>2017</b> | Jing-Bin Shih & Cheng-Hung Kuo  | Unmodified unqualified opinion | Unmodified unqualified opinion |

## 2. Financial Ratio Analysis for Recent Five Years

### 2.1 Financial Ratio Analysis

#### 2.1.1 Financial Ratio Analysis (Consolidated)

| Item                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                 | Year             | 2021  | 2020  | 2019  | 2018  | 2017  | March 31<br>2022 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------|-------|-------|-------|-------|-------|------------------|
| Financial structure                                                                                                                                                                                                                                                                                                                                                                                                                     | Ratio of liabilities to assets (%)                              |                  | 57.6  | 56.3  | 52.9  | 52.7  | 50.6  | 57.2             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Ratio of long-term capital to property, plant and equipment (%) |                  | 245.9 | 255.6 | 241.9 | 226.4 | 231.7 | 241.6            |
| Liquidity analysis                                                                                                                                                                                                                                                                                                                                                                                                                      | Current ratio (%)                                               |                  | 116.1 | 103.9 | 103.6 | 100.2 | 98.4  | 110.9            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Quick ratio (%)                                                 |                  | 72.9  | 80.3  | 78.3  | 69.9  | 68.9  | 68.1             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Interest coverage ratio (times)                                 |                  | 7.6   | 6.5   | 6.9   | 8.8   | 7.5   | 8.8              |
| Operating ability                                                                                                                                                                                                                                                                                                                                                                                                                       | Receivables turnover(times)                                     |                  | 8.5   | 7.7   | 8.9   | 8.3   | 8.6   | 8.4              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Average collection period (days)                                |                  | 42.9  | 47.4  | 41.1  | 43.9  | 42.3  | 43.7             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Inventory turnover (times)                                      |                  | 5.4   | 6.8   | 6.7   | 6.1   | 6.9   | 3.8              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Average sales days (days)                                       |                  | 67.3  | 53.8  | 54.4  | 60.0  | 52.8  | 95.3             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Payables turnover (times)                                       |                  | 10.6  | 9.2   | 11.7  | 9.8   | 9.2   | 9.3              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Property, plant and equipment turnover (times)                  |                  | 1.5   | 1.3   | 1.5   | 1.4   | 1.4   | 1.5              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Total assets turnover (times)                                   |                  | 0.4   | 0.3   | 0.4   | 0.4   | 0.4   | 0.4              |
| Profitability analysis                                                                                                                                                                                                                                                                                                                                                                                                                  | Return on total assets (%)                                      |                  | 2.8   | 2.7   | 3.4   | 3.9   | 3.3   | 2.9              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Return on equity attributable to owners of the Company (%)      |                  | 4.7   | 4.0   | 5.3   | 6.1   | 4.2   | 5.3              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Ratio to paid-in capital (%)                                    | Operating profit | 21.9  | 18.7  | 25.7  | 27.6  | 28.8  | 31.9             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                 | Pre-tax income   | 33.3  | 30.1  | 35.7  | 39.3  | 31.6  | 37.2             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Ratio of net income to sales (%)                                |                  | 6.2   | 6.3   | 6.6   | 8.0   | 6.5   | 6.4              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | EPS (NT\$/share) (Note)                                         |                  | 1.94  | 1.62  | 2.15  | 2.41  | 1.61  | 0.55             |
| Cash flow                                                                                                                                                                                                                                                                                                                                                                                                                               | Cash flow ratio (%)                                             |                  | 29.4  | 38.8  | 38.2  | 14.6  | 29.3  | 20.7             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Cash flow adequacy ratio (%)                                    |                  | 81.6  | 85.6  | 78.8  | 70.5  | 76.4  | 81.6             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Cash reinvestment ratio (%)                                     |                  | 8.3   | 10.9  | 11.0  | 2.0   | 8.3   | 5.4              |
| Leverage                                                                                                                                                                                                                                                                                                                                                                                                                                | Operating leverage                                              |                  | 4.9   | 5.0   | 4.1   | 3.7   | 3.8   | 3.8              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                         | Financial leverage                                              |                  | 1.3   | 1.4   | 1.3   | 1.2   | 1.2   | 1.2              |
| Analysis of variations exceeding 20% of the numbers in previous year for 2020 and 2021:<br>(1) Operating ability (Inventory turnover)decrease : mainly due to the 2021 "investment properties" was reclassified to "inventories-construction in progress", and then increase the inventory.<br>(2) Cash flow(Cash flow ratio 、Cash reinvestment ratio)decrease : mainly due to the 2021 cash flows from operating activities decreased. |                                                                 |                  |       |       |       |       |       |                  |

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

## Financial Information

### 2.1.2 Financial Ratio Analysis (Stand-alone)

| Item                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 | Year             | 2021    | 2020    | 2019    | 2018    | 2017    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------|---------|---------|---------|---------|---------|
| Financial structure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ratio of liabilities to assets (%)                              |                  | 38.2    | 37.5    | 37.9    | 35.8    | 32.1    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Ratio of long-term capital to property, plant and equipment (%) |                  | 1,350.8 | 1,241.8 | 1,204.8 | 1,198.4 | 1,177.2 |
| Liquidity analysis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Current ratio (%)                                               |                  | 147.8   | 135.2   | 132.6   | 134.6   | 151.8   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Quick ratio (%)                                                 |                  | 115.8   | 115.8   | 110.7   | 105.8   | 111.5   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Interest coverage ratio (times)                                 |                  | 12.2    | 9.3     | 11.9    | 15.0    | 11.0    |
| Operating ability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Receivables turnover(times)                                     |                  | 7.1     | 7.4     | 7.5     | 7.7     | 6.4     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Average collection period (days)                                |                  | 51.5    | 49.1    | 48.4    | 47.6    | 56.8    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Inventory turnover (times)                                      |                  | 7.1     | 7.1     | 7.0     | 7.6     | 6.7     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Average sales days (days)                                       |                  | 51.7    | 51.6    | 52.1    | 47.8    | 54.4    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Payables turnover (times)                                       |                  | 15.5    | 14.6    | 14.6    | 15.6    | 13.0    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Property, plant and equipment turnover (times)                  |                  | 2.0     | 1.6     | 1.8     | 2.2     | 1.9     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Total assets turnover (times)                                   |                  | 0.1     | 0.1     | 0.1     | 0.2     | 0.2     |
| Profitability analysis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Return on total assets (%)                                      |                  | 3.2     | 2.8     | 3.6     | 4.3     | 3.1     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Return on shareholders' equity (%)                              |                  | 4.7     | 4.0     | 5.3     | 6.1     | 4.2     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Ratio to paid-in capital (%)                                    | Operating profit | (1.0)   | 0.6     | 0.3     | 0.5     | (2.4)   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                 | Pre-tax income   | 18.6    | 14.7    | 20.1    | 23.8    | 15.2    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Ratio of net income to sales (%)                                |                  | 21.3    | 20.8    | 23.1    | 22.3    | 17.8    |
| Cash flow                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | EPS (NT\$/share, Note)                                          |                  | 1.94    | 1.62    | 2.15    | 2.41    | 1.61    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Cash flow ratio (%)                                             |                  | 20.5    | 47.0    | 58.7    | 39.4    | 41.2    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Cash flow adequacy ratio (%)                                    |                  | 93.5    | 106.4   | 106.6   | 98.0    | 98.1    |
| Leverage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Cash reinvestment ratio (%)                                     |                  | (0.8)   | 0.8     | 1.5     | 1.0     | 0.8     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Operating leverage                                              |                  | —       | 21.1    | 53.2    | 30.5    | —       |
| Leverage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Financial leverage                                              |                  | —       | —       | —       | —       | —       |
| <b>Analysis of variations exceeding 20% of the numbers in previous year for 2020 and 2021:</b><br>(1) Interest coverage ratio increased: mainly due to the 2021 income before tax increased.<br>(2) Return on property, plant and equipment increased : mainly due to the 2021 operating revenue increased.<br>(3) Ratios of profitability analysis (operating profit to paid-in capital ratio) decreased: mainly due to the 2021 operating profit decreased;<br>Ratios of profitability analysis (pre-tax income to paid-in capital ratio) increased: mainly due to the 2021 income before income tax increased<br>(4) Cash flow(Cash flow ratio 、Cash reinvestment ratio)decrease : mainly due to the 2021 cash flows from operating activities decreased.<br>(5) Leverage (Operating leverage 、Financial leverage)decrease : mainly due to the 2021 operating profit decreased. |                                                                 |                  |         |         |         |         |         |

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



**The formula used for the calculation of numbers in the table:****1. Financial structure**

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

**2. Liquidity analysis**

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

**3. Operating ability**

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

**4. Profitability analysis**

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

**5. Cash flow**

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

**6. Leverage**

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

## Financial Information

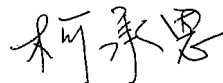
### 3. The Audit Committee's Review Report

#### The Audit Committee's Review Report

To the 2021 General Shareholders' Meeting of Far Eastern New Century Corporation,

In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we have examined the Business Report, Financial Statements, and the Resolution for Allocation of Surplus Profit submitted by the Board of Directors for the year ending 2021 which had been audited by Deloitte & Touche, and found them in order.

The Convener of the Audit Committee: Chen-En KO



May 6, 2022

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

None

## 5. Financial Report (Consolidated)

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

### 2021 Independent Auditors' Report

#### (English Translation of a Report Originally Issued in Chinese)

The Board of Directors and Shareholders  
Far Eastern New Century Corporation

#### Opinion

We have audited the accompanying consolidated financial statements of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021. 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, 2021 are as follows:

##### Fair Value Evaluation of Investment Property

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.

## Financial Information

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 appraiser engaged by the management, discussed with the management the scope of work of the appraiser and the process of appointment to confirm that there is no possible risk affecting the appraiser's independence, nor restrictions on the appraiser's work scope.
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

Mobile telecommunications service revenue is the main source of the Group's telecommunications segment. The calculation of mobile telecommunications service revenue relies heavily on automated systems and includes complicated and huge amounts of data transmission. In order to meet market demands and remain competitive, the Group often launches different combinations of products and services. The charge rates of the aforementioned products and services are set manually to systems. Since the effectiveness of the design and implementation of internal controls over systems and rate settings relevant to telecommunications service revenue directly and significantly affects the accuracy of revenue calculation, the recognition of mobile telecommunications service revenue is considered a key audit matter.

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

By conducting tests of controls, we obtained an understanding of the Group's recognition of mobile telecommunications service revenue and the design and implementation of related controls.

We also engaged internal information technology (IT) specialists to understand and assess the systems and internal controls relevant to mobile telecommunications service revenue and perform the corresponding audit procedures which are listed as follows. The IT specialists:

1. Identified key systems that processed mobile telecommunications service revenue; assessed and tested the general information technology controls of the aforementioned systems, including access controls and change controls
2. Tested the completeness and accuracy of interface controls between the switch equipment and the billing systems.
3. Tested the access controls and change controls over the input of rates to the billing systems.
4. Tested the accuracy of the billing calculation.
5. Tested the completeness and accuracy of the calculation and billing of monthly fees, airtime fees and value-added service fees.

In coordination with the internal IT specialists, we:

1. Performed dialing tests to verify the accuracy and completeness of the traffic and information in the switch equipment.
2. Sampled user contracts to confirm the accuracy of the billing system information.

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

1. For the billed amounts, we compared whether there is 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.

Accounting Treatment of Frequency and Network Sharing Services

In 2021, the Group had a business cooperation with Asia-Pacific Telecom Co., Ltd. (APTC) which provided frequency and network sharing services. The contract total amount was significant and the transaction content was complex, including lots of additional conditions. There was no similar transaction for reference in the past. Therefore, it required complicated processes to determine a proper accounting treatment. If the accounting treatment of the transaction was improper, it would directly affect the accuracy of the calculation and recognition of the relevant assets, liabilities and the amounts of profit and loss. Thus, the appropriate application of the accounting treatment of the transaction is considered a key audit matter.

In our audit of the frequency and network sharing services, we:

1. Obtained the contracts and minutes of board meetings relevant to the business cooperation of frequency and network sharing between the Group and APTC and confirmed that the business cooperation had been approved by the board of directors of Far EasTone.
2. Obtained the documents of the management's assessment and decision-making processes for accounting treatment of the transaction and confirmed that the decision was properly reviewed and approved.
3. Reviewed contracts relevant to the frequency and network sharing services and confirmed that the accounting treatment adopted by the management was appropriate.
4. Tested whether the actual accounting treatments were the same as those decided by the management and recalculated and confirmed the accuracy of the amount of assets, liabilities and profit and loss related to the transaction.

**Other Matter**

We did not audit the financial statements of APG Polytech, LLC and Corpus Christi Polymers, LLC, which is subsidiary and joint operation, respectively included in the consolidated financial statements of the Group for the years ended December 31, 2021 and 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 aforementioned companies, is based solely on the reports of other auditors. The total assets of the aforementioned companies were NT\$18,260,477 thousand and NT\$17,801,322 thousand, both representing 3% of the Group's consolidated assets as of December 31, 2021 and 2020. The total operating revenue of the aforementioned companies was NT\$12,093,616 thousand and NT\$9,560,047 thousand, both representing 5% of the Group's consolidated net operating revenue for the years ended December 31, 2021 and 2020.

We have also audited the parent company only financial statements of Far Eastern New Century Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued unmodified opinion with other matter paragraph.

**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.

## Financial Information

### 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, 2021 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, 2022

**Notice to Readers**

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

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

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

#### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

| ASSETS                                                                     | 2021                  |            | 2020                  |            |
|----------------------------------------------------------------------------|-----------------------|------------|-----------------------|------------|
|                                                                            | Amount                | %          | Amount                | %          |
| <b>CURRENT ASSETS</b>                                                      |                       |            |                       |            |
| Cash and cash equivalents (Note 6)                                         | \$ 34,544,963         | 5          | \$ 35,198,619         | 6          |
| Financial assets at fair value through profit or loss (Notes 7 and 34)     | 5,973,798             | 1          | 5,455,230             | 1          |
| Financial assets at fair value through other comprehensive income (Note 8) | 141,111               | -          | 86,209                | -          |
| Financial assets at amortized cost - current (Notes 9 and 34)              | 3,736,179             | 1          | 2,507,071             | -          |
| Contact assets (Notes 27 and 34)                                           | 6,838,329             | 1          | 6,098,262             | 1          |
| Notes and accounts receivable, net (Notes 11, 27 and 34)                   | 29,336,993            | 5          | 26,788,957            | 4          |
| Other receivables (Note 34)                                                | 3,409,599             | -          | 3,828,566             | 1          |
| Current tax assets (Note 4)                                                | 43,922                | -          | 35,937                | -          |
| Inventories (Notes 12 and 35)                                              | 48,965,163            | 8          | 21,937,176            | 4          |
| Prepayments (Note 34)                                                      | 4,659,552             | 1          | 3,349,841             | 1          |
| Other financial assets (Notes 34 and 35)                                   | 2,837,333             | -          | 2,655,502             | -          |
| Refundable deposits                                                        | 52,252                | -          | 64,369                | -          |
| Other current assets (Note 27)                                             | 3,534,464             | 1          | 3,240,328             | -          |
| Total current assets                                                       | 144,073,658           | 23         | 111,246,067           | 18         |
| <b>NON-CURRENT ASSETS</b>                                                  |                       |            |                       |            |
| Financial assets at fair value through other comprehensive income (Note 8) | 7,450,337             | 1          | 2,726,579             | -          |
| Financial assets at amortized cost (Notes 9, 10, 34 and 35)                | 515,300               | -          | 510,000               | -          |
| Financial assets for hedging                                               | 3,517                 | -          | -                     | -          |
| Investments accounted for using the equity method (Notes 14 and 35)        | 79,452,479            | 13         | 75,201,025            | 12         |
| Contract assets (Note 27)                                                  | 3,362,671             | 1          | 3,221,916             | 1          |
| Property, plant and equipment (Notes 16 and 35)                            | 165,089,960           | 26         | 162,659,904           | 26         |
| Right-of-use assets (Notes 17 and 34)                                      | 17,282,460            | 3          | 18,710,578            | 3          |
| Investment properties (Notes 18 and 35)                                    | 117,236,910           | 18         | 136,853,033           | 22         |
| Concessions (Notes 20 and 35)                                              | 71,801,775            | 11         | 77,002,309            | 13         |
| Goodwill (Note 19)                                                         | 12,285,871            | 2          | 12,287,387            | 2          |
| Other intangible assets (Note 20)                                          | 3,485,296             | 1          | 4,327,470             | 1          |
| Deferred tax assets (Note 4)                                               | 2,766,907             | -          | 2,700,290             | -          |
| Prepayments for equipment (Note 16)                                        | 803,961               | -          | 568,398               | -          |
| Refundable deposits                                                        | 1,380,859             | -          | 1,363,405             | -          |
| Long-term receivables (Notes 11 and 27)                                    | 93,134                | -          | 129,598               | -          |
| Incremental costs of obtaining a contract (Note 27)                        | 3,908,968             | 1          | 3,490,644             | 1          |
| Net defined benefit assets (Note 24)                                       | 1,409,774             | -          | 642,298               | -          |
| Other financial assets (Notes 34 and 35)                                   | 2,263,788             | -          | 2,770,633             | 1          |
| Other non-current assets                                                   | 659,960               | -          | 543,736               | -          |
| Total non-current assets                                                   | 491,253,927           | 77         | 505,709,203           | 82         |
| <b>TOTAL</b>                                                               | <b>\$ 635,327,585</b> | <b>100</b> | <b>\$ 616,955,270</b> | <b>100</b> |



## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(In Thousands of New Taiwan Dollars)

| LIABILITIES AND EQUITY                                                      | 2021                  |            | 2020                  |            |
|-----------------------------------------------------------------------------|-----------------------|------------|-----------------------|------------|
|                                                                             | Amount                | %          | Amount                | %          |
| <b>CURRENT LIABILITIES</b>                                                  |                       |            |                       |            |
| Short-term borrowings (Note 21)                                             | \$ 41,123,185         | 6          | \$ 33,474,613         | 5          |
| Short-term bills payable (Note 21)                                          | 5,907,698             | 1          | 6,905,315             | 1          |
| Financial liabilities at fair value through profit or loss (Notes 7 and 34) | 372                   | -          | 10,619                | -          |
| Contract liabilities (Notes 27 and 34)                                      | 5,884,426             | 1          | 5,509,591             | 1          |
| Notes and accounts payable                                                  | 17,980,129            | 3          | 17,746,056            | 3          |
| Notes and accounts payable to related parties (Note 34)                     | 292,181               | -          | 291,020               | -          |
| Lease liabilities (Notes 17 and 34)                                         | 3,218,502             | -          | 3,220,558             | 1          |
| Payables to suppliers of machinery and equipment                            | 3,556,519             | 1          | 3,455,701             | 1          |
| Other payables                                                              | 15,949,146            | 3          | 14,431,102            | 2          |
| Current tax liabilities (Note 4)                                            | 3,146,037             | -          | 2,913,079             | -          |
| Provisions (Note 23)                                                        | 256,684               | -          | 249,424               | -          |
| Guarantee deposits received                                                 | 145,360               | -          | 126,100               | -          |
| Current portion of long-term liabilities (Notes 21 and 22)                  | 23,213,998            | 4          | 15,524,620            | 3          |
| Other current liabilities                                                   | 3,467,081             | 1          | 3,167,672             | -          |
| Total current liabilities                                                   | 124,141,318           | 20         | 107,025,470           | 17         |
| <b>NON-CURRENT LIABILITIES</b>                                              |                       |            |                       |            |
| Financial liabilities for hedging                                           | -                     | -          | 8,508                 | -          |
| Contract liabilities (Note 27)                                              | 10,619,363            | 2          | 189,322               | -          |
| Bonds payable (Note 22)                                                     | 103,892,830           | 16         | 104,682,499           | 17         |
| Long-term borrowings (Note 21)                                              | 96,014,553            | 15         | 107,093,501           | 18         |
| Provisions (Note 23)                                                        | 1,401,275             | -          | 1,049,170             | -          |
| Deferred tax liabilities (Note 4)                                           | 18,568,637            | 3          | 18,359,149            | 3          |
| Lease liabilities (Notes 17 and 34)                                         | 6,447,007             | 1          | 7,289,561             | 1          |
| Deferred credit-gains on related-party transactions (Note 34)               | 121,416               | -          | 121,971               | -          |
| Net defined benefit liabilities (Note 24)                                   | 873,412               | -          | 904,696               | -          |
| Guarantee deposits received (Note 34)                                       | 779,279               | -          | 761,458               | -          |
| Other non-current liabilities                                               | 3,053,577             | 1          | 45,325                | -          |
| Total non-current liabilities                                               | 241,771,349           | 38         | 240,505,160           | 39         |
| Total liabilities                                                           | 365,912,667           | 58         | 347,530,630           | 56         |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)</b>               |                       |            |                       |            |
| Share capital                                                               |                       |            |                       |            |
| Common stock                                                                | 53,528,751            | 8          | 53,528,751            | 9          |
| Capital surplus                                                             | 3,403,003             | 1          | 3,320,137             | 1          |
| Retained earnings                                                           |                       |            |                       |            |
| Legal reserve                                                               | 19,759,271            | 3          | 19,028,517            | 3          |
| Special reserve                                                             | 119,451,597           | 19         | 117,342,360           | 19         |
| Unappropriated earnings                                                     | 13,856,572            | 2          | 13,744,880            | 2          |
| Total retained earnings                                                     | 153,067,440           | 24         | 150,115,757           | 24         |
| Other equity                                                                | (3,925,396)           | (1)        | (2,910,395)           | (1)        |
| Treasury shares                                                             | (25,063)              | -          | (25,063)              | -          |
| Total equity attributable to owners of the Company                          | 206,048,735           | 32         | 204,029,187           | 33         |
| <b>NON-CONTROLLING INTERESTS (Note 26)</b>                                  | 63,366,183            | 10         | 65,395,453            | 11         |
| Total equity                                                                | 269,414,918           | 42         | 269,424,640           | 44         |
| <b>TOTAL</b>                                                                | <b>\$ 635,327,585</b> | <b>100</b> | <b>\$ 616,955,270</b> | <b>100</b> |

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

(With Deloitte & Touche auditors' report dated March 31, 2022)

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|                                                                                                          | 2021               |            | 2020               |            |
|----------------------------------------------------------------------------------------------------------|--------------------|------------|--------------------|------------|
|                                                                                                          | Amount             | %          | Amount             | %          |
| OPERATING REVENUE (Notes 27 and 34)                                                                      |                    |            |                    |            |
| Net sales                                                                                                | \$ 169,280,929     | 71         | \$ 138,939,956     | 67         |
| Telecommunications service revenue                                                                       | 45,333,985         | 19         | 45,541,683         | 22         |
| Construction revenue                                                                                     | 7,297,098          | 3          | 7,212,184          | 4          |
| Other operating revenue                                                                                  | <u>16,894,205</u>  | <u>7</u>   | <u>15,075,458</u>  | <u>7</u>   |
| Total operating revenue                                                                                  | <u>238,806,217</u> | <u>100</u> | <u>206,769,281</u> | <u>100</u> |
| OPERATING COSTS (Notes 12, 28 and 34)                                                                    |                    |            |                    |            |
| Cost of goods sold                                                                                       | 151,471,140        | 63         | 127,158,892        | 61         |
| Cost of telecommunications services                                                                      | 24,338,066         | 10         | 23,796,630         | 12         |
| Construction costs                                                                                       | 6,517,730          | 3          | 6,918,007          | 3          |
| Other operating costs                                                                                    | 9,910,004          | 4          | 8,486,618          | 4          |
| Loss on disposal of investments, net                                                                     | <u>83,577</u>      | <u>-</u>   | <u>13,458</u>      | <u>-</u>   |
| Total operating costs                                                                                    | <u>192,320,517</u> | <u>80</u>  | <u>166,373,605</u> | <u>80</u>  |
| GROSS PROFIT                                                                                             | <u>46,485,700</u>  | <u>20</u>  | <u>40,395,676</u>  | <u>20</u>  |
| REALIZED CONSTRUCTION INCOME                                                                             | <u>555</u>         | <u>-</u>   | <u>555</u>         | <u>-</u>   |
| OPERATING EXPENSES (Notes 28 and 34)                                                                     |                    |            |                    |            |
| Selling and marketing                                                                                    | 23,047,831         | 10         | 18,777,380         | 9          |
| General and administrative                                                                               | 10,781,952         | 5          | 10,282,121         | 5          |
| Research and development                                                                                 | 880,071            | -          | 866,814            | 1          |
| Expected credit loss                                                                                     | <u>283,543</u>     | <u>-</u>   | <u>467,605</u>     | <u>-</u>   |
| Total operating expenses                                                                                 | <u>34,993,397</u>  | <u>15</u>  | <u>30,393,920</u>  | <u>15</u>  |
| OTHER GAIN AND LOSS, NET                                                                                 | <u>218,680</u>     | <u>-</u>   | <u>-</u>           | <u>-</u>   |
| OPERATING INCOME                                                                                         | <u>11,711,538</u>  | <u>5</u>   | <u>10,002,311</u>  | <u>5</u>   |
| NON-OPERATING INCOME AND EXPENSES                                                                        |                    |            |                    |            |
| Share of the profit or loss of associates                                                                | 7,221,766          | 3          | 5,524,945          | 3          |
| Interest income (Note 34)                                                                                | 266,179            | -          | 299,102            | -          |
| Other income                                                                                             | 1,300,742          | -          | 1,901,821          | 1          |
| Gain/(loss) on disposal of non-financial assets (Notes 28)                                               | 1,004,040          | -          | (915,725)          | (1)        |
| Gain (loss) on financial assets (liabilities) at fair value through profit or loss, net (Notes 7 and 34) | 529,457            | -          | 523,420            | -          |
| Gain on change in fair value of investment properties (Note 18)                                          | 249,820            | -          | 3,245,848          | 2          |
| Interest expense (Notes 28 and 34)                                                                       | (2,691,754)        | (1)        | (2,939,261)        | (1)        |
| Other expenses                                                                                           | (722,472)          | -          | (899,092)          | (1)        |
| Exchange (loss)/gain, net                                                                                | (207,822)          | -          | 15,204             | -          |
| Impairment loss (Notes 16 and 20)                                                                        | <u>(834,189)</u>   | <u>-</u>   | <u>(635,089)</u>   | <u>-</u>   |
| Total non-operating income and expenses                                                                  | <u>6,115,767</u>   | <u>2</u>   | <u>6,121,173</u>   | <u>3</u>   |
| INCOME BEFORE INCOME TAX                                                                                 | 17,827,305         | 7          | 16,123,484         | 8          |
| INCOME TAX EXPENSE (Notes 4 and 29)                                                                      | <u>(2,982,820)</u> | <u>(1)</u> | <u>(3,142,945)</u> | <u>(2)</u> |
| NET INCOME                                                                                               | <u>14,844,485</u>  | <u>6</u>   | <u>12,980,539</u>  | <u>6</u>   |

(Continued)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|                                                                                                                            | 2021                 |            | 2020                 |          |
|----------------------------------------------------------------------------------------------------------------------------|----------------------|------------|----------------------|----------|
|                                                                                                                            | Amount               | %          | Amount               | %        |
| Other comprehensive income (loss)                                                                                          |                      |            |                      |          |
| Items that will not be reclassified subsequently to profit or loss:                                                        |                      |            |                      |          |
| Remeasurement of defined benefit plans                                                                                     | \$ 317,398           | -          | \$ (209,796)         | -        |
| Gain on property revaluation (Note 16)                                                                                     | 272,452              | -          | 1,721,507            | 1        |
| Unrealized (loss)/gain on investments in equity instruments designated as at fair value through other comprehensive income | (170,815)            | -          | 53,125               | -        |
| Share of the other comprehensive income gain/(loss) of associates accounted for using the equity method                    | 415,502              | 1          | (752,803)            | (1)      |
| Income tax relating to items that will not be reclassified subsequently to profit or loss                                  | (78,870)             | -          | (91,796)             | -        |
|                                                                                                                            | <u>755,667</u>       | <u>1</u>   | <u>720,237</u>       | <u>-</u> |
| Items that may be reclassified subsequently to profit or loss:                                                             |                      |            |                      |          |
| Exchange differences on translation of foreign operations                                                                  | (1,314,281)          | (1)        | (520,593)            | -        |
| Gain on hedging instruments                                                                                                | 12,025               | -          | 22,579               | -        |
| Share of the other comprehensive income (loss) of associates accounted for using the equity method                         | (433,142)            | -          | 36,246               | -        |
|                                                                                                                            | <u>(1,735,398)</u>   | <u>(1)</u> | <u>(461,768)</u>     | <u>-</u> |
| Other comprehensive income (loss), net of income tax                                                                       | <u>(979,731)</u>     | <u>-</u>   | <u>258,469</u>       | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME                                                                                                 | <u>\$ 13,864,754</u> | <u>6</u>   | <u>\$ 13,239,008</u> | <u>6</u> |
| NET INCOME ATTRIBUTABLE TO:                                                                                                |                      |            |                      |          |
| Owners of the Company                                                                                                      | \$ 9,684,584         | 4          | \$ 8,062,699         | 4        |
| Non-controlling interests                                                                                                  | <u>5,159,901</u>     | <u>2</u>   | <u>4,917,840</u>     | <u>2</u> |
|                                                                                                                            | <u>\$ 14,844,485</u> | <u>6</u>   | <u>\$ 12,980,539</u> | <u>6</u> |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:                                                                                |                      |            |                      |          |
| Owners of the Company                                                                                                      | \$ 9,169,547         | 4          | \$ 8,036,556         | 4        |
| Non-controlling interests                                                                                                  | <u>4,695,207</u>     | <u>2</u>   | <u>5,202,452</u>     | <u>2</u> |
|                                                                                                                            | <u>\$ 13,864,754</u> | <u>6</u>   | <u>\$ 13,239,008</u> | <u>6</u> |
| EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 30)                                                                           |                      |            |                      |          |
| Basic                                                                                                                      | <u>\$ 1.94</u>       |            | <u>\$ 1.62</u>       |          |
| Diluted                                                                                                                    | <u>\$ 1.94</u>       |            | <u>\$ 1.61</u>       |          |

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

(With Deloitte & Touche auditors' report dated March 31, 2022)

(Concluded)

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)

|                                                                                                                              | Equity Attributable to Owners of the Company |                    |                   |                    |                            |
|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------|-------------------|--------------------|----------------------------|
|                                                                                                                              | Common<br>Stock                              | Capital<br>Surplus | Retained Earnings |                    |                            |
|                                                                                                                              |                                              |                    | Legal<br>Reserve  | Special<br>Reserve | Unappropriated<br>Earnings |
| BALANCE AT JANUARY 1, 2020                                                                                                   | \$ 53,528,751                                | \$ 3,270,355       | \$ 17,955,250     | \$ 115,505,874     | \$ 17,376,404              |
| 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)                |
| Cash dividends distributed by subsidiaries                                                                                   | -                                            | -                  | -                 | -                  | -                          |
| Cash dividends distributed by subsidiaries from capital surplus                                                              | -                                            | -                  | -                 | -                  | -                          |
| Net income for the year ended December 31, 2020                                                                              | -                                            | -                  | -                 | -                  | 8,062,699                  |
| Other comprehensive income (loss) for the year ended<br>December 31, 2020                                                    | -                                            | -                  | -                 | -                  | (180,004)                  |
| Total comprehensive income (loss) for the year ended<br>December 31, 2020                                                    | -                                            | -                  | -                 | -                  | 7,882,695                  |
| Change in associates accounted for using the equity method                                                                   | -                                            | 48,613             | -                 | -                  | (417,606)                  |
| Change in the Company's capital surplus due to the distribution<br>of dividends to subsidiaries                              | -                                            | 1,169              | -                 | -                  | -                          |
| Change in ownership interest of subsidiaries                                                                                 | -                                            | -                  | -                 | -                  | (133,171)                  |
| Associate disposed the investment in equity instruments<br>designated as at fair value through other comprehensive<br>income | -                                            | -                  | -                 | -                  | (24,376)                   |
| BALANCE AT DECEMBER 31, 2020                                                                                                 | 53,528,751                                   | 3,320,137          | 19,028,517        | 117,342,360        | 13,744,880                 |
| Appropriation of the 2020 earnings                                                                                           |                                              |                    |                   |                    |                            |
| Legal reserve                                                                                                                | -                                            | -                  | 730,754           | -                  | (730,754)                  |
| Special reserve                                                                                                              | -                                            | -                  | -                 | 2,109,237          | (2,109,237)                |
| Cash dividends                                                                                                               | -                                            | -                  | -                 | -                  | (7,226,382)                |
| Cash dividends distributed by subsidiaries                                                                                   | -                                            | -                  | -                 | -                  | -                          |
| Cash dividends distributed by subsidiaries from capital surplus                                                              | -                                            | -                  | -                 | -                  | -                          |
| Net income for the year ended December 31, 2021                                                                              | -                                            | -                  | -                 | -                  | 9,684,584                  |
| Other comprehensive income (loss) for the year ended<br>December 31, 2021                                                    | -                                            | -                  | -                 | -                  | 288,692                    |
| Total comprehensive income (loss) for the year ended<br>December 31, 2021                                                    | -                                            | -                  | -                 | -                  | 9,973,276                  |
| Change in associates accounted for using the equity method                                                                   | -                                            | 131,179            | -                 | -                  | 46,117                     |
| Change in the Company's capital surplus due to the distribution<br>of dividends to subsidiaries                              | -                                            | 1,052              | -                 | -                  | -                          |
| Differences between the acquisition or disposition of the equity<br>price of subsidiaries and the carrying amount            | -                                            | (50,072)           | -                 | -                  | -                          |
| Change in ownership interest of subsidiaries                                                                                 | -                                            | 707                | -                 | -                  | -                          |
| Disposal of equity instruments measured at fair value through<br>other comprehensive income                                  | -                                            | -                  | -                 | -                  | 125,315                    |
| Associate disposed the investment in equity instruments<br>designated as at fair value through other comprehensive<br>income | -                                            | -                  | -                 | -                  | 33,357                     |
| BALANCE AT DECEMBER 31, 2021                                                                                                 | \$ 53,528,751                                | \$ 3,403,003       | \$ 19,759,271     | \$ 119,451,597     | \$ 13,856,572              |

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)

| Equity Attributable to Owners of the Company              |                                                                                             |                             |                               |                    |                                                    |                           |                       |  |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------|-------------------------------|--------------------|----------------------------------------------------|---------------------------|-----------------------|--|
| Other Equity                                              |                                                                                             |                             |                               |                    |                                                    |                           |                       |  |
| Exchange Differences on Translation of Foreign Operations | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Gain on Hedging Instruments | Gain on Property Revaluations | Treasury Shares    | Total Equity Attributable to Owners of the Company | Non-controlling Interests | Total Equity          |  |
| \$ (6,545,706)                                            | \$ 2,439,965                                                                                | \$ 11,700                   | \$ 1,004,758                  | \$ (25,063)        | \$ 204,522,288                                     | \$ 66,798,895             | \$ 271,321,183        |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | -                                                  | -                         | -                     |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | (8,029,313)                                        | -                         | (8,029,313)           |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | -                                                  | (6,682,000)               | (6,682,000)           |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | -                                                  | (51,156)                  | (51,156)              |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | 8,062,699                                          | 4,917,840                 | 12,980,539            |  |
| <u>(673,235)</u>                                          | <u>(469,545)</u>                                                                            | <u>7,780</u>                | <u>1,288,861</u>              | <u>-</u>           | <u>(26,143)</u>                                    | <u>284,612</u>            | <u>258,469</u>        |  |
| <u>(673,235)</u>                                          | <u>(469,545)</u>                                                                            | <u>7,780</u>                | <u>1,288,861</u>              | <u>-</u>           | <u>8,036,556</u>                                   | <u>5,202,452</u>          | <u>13,239,008</u>     |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | (368,993)                                          | (3,859)                   | (372,852)             |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | 1,169                                              | -                         | 1,169                 |  |
| -                                                         | 651                                                                                         | -                           | -                             | -                  | (132,520)                                          | 131,121                   | (1,399)               |  |
| -                                                         | <u>24,376</u>                                                                               | -                           | -                             | -                  | -                                                  | -                         | -                     |  |
| (7,218,941)                                               | 1,995,447                                                                                   | 19,480                      | 2,293,619                     | (25,063)           | 204,029,187                                        | 65,395,453                | 269,424,640           |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | -                                                  | -                         | -                     |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | (7,226,382)                                        | -                         | (7,226,382)           |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | -                                                  | (4,705,450)               | (4,705,450)           |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | -                                                  | (2,041,690)               | (2,041,690)           |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | 9,684,584                                          | 5,159,901                 | 14,844,485            |  |
| <u>(1,500,584)</u>                                        | <u>409,880</u>                                                                              | <u>3,912</u>                | <u>283,063</u>                | <u>-</u>           | <u>(515,037)</u>                                   | <u>(464,694)</u>          | <u>(979,731)</u>      |  |
| <u>(1,500,584)</u>                                        | <u>409,880</u>                                                                              | <u>3,912</u>                | <u>283,063</u>                | <u>-</u>           | <u>9,169,547</u>                                   | <u>4,695,207</u>          | <u>13,864,754</u>     |  |
| -                                                         | (50,869)                                                                                    | -                           | (1,731)                       | -                  | 124,696                                            | 1,134                     | 125,830               |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | 1,052                                              | -                         | 1,052                 |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | (50,072)                                           | (27,167)                  | (77,239)              |  |
| -                                                         | -                                                                                           | -                           | -                             | -                  | 707                                                | 48,696                    | 49,403                |  |
| -                                                         | (125,315)                                                                                   | -                           | -                             | -                  | -                                                  | -                         | -                     |  |
| -                                                         | <u>(33,357)</u>                                                                             | -                           | -                             | -                  | -                                                  | -                         | -                     |  |
| <u>\$ (8,719,525)</u>                                     | <u>\$ 2,195,786</u>                                                                         | <u>\$ 23,392</u>            | <u>\$ 2,574,951</u>           | <u>\$ (25,063)</u> | <u>\$ 206,048,735</u>                              | <u>\$ 63,366,183</u>      | <u>\$ 269,414,918</u> |  |

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

(With Deloitte & Touche auditors' report dated March 31, 2022)

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

|                                                                                                 | 2021              | 2020              |
|-------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                     |                   |                   |
| Income before income tax                                                                        | \$ 17,827,305     | \$ 16,123,484     |
| Adjustments for:                                                                                |                   |                   |
| Depreciation                                                                                    | 20,634,019        | 20,320,980        |
| Amortization                                                                                    | 6,916,743         | 5,431,770         |
| Expected credit loss                                                                            | 283,543           | 467,605           |
| Interest expense                                                                                | 2,691,754         | 2,939,261         |
| Interest income                                                                                 | (266,179)         | (299,102)         |
| Dividend income                                                                                 | (87,330)          | (146,494)         |
| Share of the profit of associates                                                               | (7,221,766)       | (5,524,945)       |
| (Gain)/loss on disposal of non-financial assets                                                 | (1,004,040)       | 915,725           |
| Loss on disposal of investments                                                                 | 63,092            | -                 |
| Impairment loss                                                                                 | 834,189           | 635,089           |
| Write-down of inventories                                                                       | 34,773            | 117,536           |
| Realized gain on the transactions with associates                                               | (555)             | (555)             |
| Gain on change in fair value of investment properties                                           | (249,820)         | (3,245,848)       |
| Loss/(gain) on modifications of lease                                                           | (306)             | 4,678             |
| Net changes in operating assets and liabilities                                                 |                   |                   |
| Financial assets at fair value through profit or loss                                           | (518,568)         | (401,514)         |
| Contract assets                                                                                 | (893,412)         | (588,168)         |
| Notes and accounts receivable                                                                   | (2,815,713)       | (770,835)         |
| Other receivables                                                                               | 13,757            | 916,113           |
| Inventories                                                                                     | (10,353,496)      | 3,503,967         |
| Prepayments                                                                                     | (1,309,711)       | (837,834)         |
| Other current assets                                                                            | (294,136)         | 112,619           |
| Incremental cost of obtaining a contract                                                        | (418,324)         | (92,537)          |
| Financial liabilities at fair value through profit or loss                                      | (10,247)          | 8,758             |
| Contract liabilities                                                                            | 10,804,876        | 952,521           |
| Notes and accounts payable                                                                      | 234,073           | 41,931            |
| Notes and accounts payable to related parties                                                   | 1,161             | (45,241)          |
| Other payables                                                                                  | 1,627,786         | (406,217)         |
| Provisions                                                                                      | 359,365           | 86,800            |
| Other current liabilities                                                                       | 299,409           | 179,399           |
| Net defined benefit assets and liabilities                                                      | (481,489)         | (419,805)         |
| Cash generated from operations                                                                  | 36,700,753        | 39,979,141        |
| Interest received                                                                               | 291,443           | 294,075           |
| Dividends received                                                                              | 5,031,452         | 4,745,631         |
| Interest paid                                                                                   | (2,805,822)       | (2,973,209)       |
| Income tax paid                                                                                 | (2,693,719)       | (556,183)         |
| Net cash generated from operating activities                                                    | <u>36,524,107</u> | <u>41,489,455</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                     |                   |                   |
| Acquisition of financial assets at fair value through other comprehensive income                | (5,248,450)       | (522,455)         |
| Proceeds from the disposal of financial assets at fair value through other comprehensive income | 272,256           | -                 |

(Continued)

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)**

|                                                                                                            | 2021                 | 2020                 |
|------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Cash received by reduction of capital of financial assets at fair value through other comprehensive income | 21,450               | 13,500               |
| Increase in financial assets at amortized cost                                                             | (1,234,408)          | (704,982)            |
| Acquisition of investments accounted for using the equity method                                           | (1,773,561)          | (4,080,195)          |
| Acquisition of property, plant, equipment and prepayments for equipment                                    | (20,173,864)         | (19,332,091)         |
| Proceeds from the disposal of property, plant and equipment                                                | 3,130,060            | 222,484              |
| (Increase)/decrease in refundable deposits                                                                 | (5,337)              | 155,900              |
| Decrease/(increase) in other receivables                                                                   | 568,230              | (550,590)            |
| Acquisition of intangible assets                                                                           | (684,663)            | (758,880)            |
| Increase in concessions                                                                                    | (171,271)            | (42,150,715)         |
| Proceeds from disposal of concessions                                                                      | 1,714                | 40                   |
| Proceeds on the disposal of intangible assets                                                              | 19,411               | 2,061                |
| Acquisition of right-of-use assets                                                                         | (1,752)              | (208,951)            |
| Acquisition of investment properties                                                                       | (21,258)             | (5,370)              |
| Proceeds from the disposal of investment properties                                                        | 192,882              | 101                  |
| Decrease in other financial assets                                                                         | 325,014              | 1,535,382            |
| Increase in other non-current assets                                                                       | (164,261)            | (59,262)             |
| Other investing activities                                                                                 | <u>3,163,755</u>     | <u>-</u>             |
| Net cash used in investing activities                                                                      | <u>(21,784,053)</u>  | <u>(66,444,023)</u>  |
| CASH FLOWS FROM FINANCING ACTIVITIES                                                                       |                      |                      |
| Increase (decrease) in short-term borrowings                                                               | 7,648,572            | (1,954,973)          |
| Decrease in short-term bills payables                                                                      | (1,000,522)          | (1,218,878)          |
| Proceeds from issue of bonds                                                                               | 21,400,000           | 34,500,000           |
| Repayments of bonds payables                                                                               | (13,200,000)         | (20,600,000)         |
| Proceeds from long-term borrowings                                                                         | 230,986,198          | 266,586,037          |
| Repayments of long-term borrowings                                                                         | (243,049,759)        | (237,847,021)        |
| Increase in guarantee deposits received                                                                    | 37,081               | 19,085               |
| Repayment of the principal portion of lease liability                                                      | (3,953,827)          | (4,160,695)          |
| Decrease in other non-current liabilities                                                                  | (155,503)            | (45,594)             |
| Cash dividends paid                                                                                        | (7,226,382)          | (8,028,144)          |
| Increase on non-controlling interests                                                                      | 49,403               | 162                  |
| Acquisition of partial equity in subsidiaries from non-controlling interest                                | (77,239)             | -                    |
| Dividends paid to non-controlling interests                                                                | <u>(6,746,753)</u>   | <u>(6,733,082)</u>   |
| Net cash generated from (used in) financing activities                                                     | <u>(15,288,731)</u>  | <u>20,516,897</u>    |
| EFFECTS OF EXCHANGE RATE CHANGES                                                                           | <u>(104,979)</u>     | <u>711,702</u>       |
| NET DECREASE IN CASH AND CASH EQUIVALENTS                                                                  | <u>(653,656)</u>     | <u>(3,725,969)</u>   |
| CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR                                                           | <u>35,198,619</u>    | <u>38,924,588</u>    |
| CASH AND CASH EQUIVALENTS, END OF THE YEAR                                                                 | <u>\$ 34,544,963</u> | <u>\$ 35,198,619</u> |

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

(With Deloitte & Touche auditors' report dated March 31, 2022)

(Concluded)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

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#### 1. GENERAL INFORMATION

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

On October 13, 2009, the shareholders resolved to change the Company’s name from its former name, Far Eastern Textile 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 8, 2022.

#### 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)

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

- b. The IFRSs endorsed by the FSC for application starting from 2022

| New IFRSs                                                                           | Effective Date<br>Announced by IASB |
|-------------------------------------------------------------------------------------|-------------------------------------|
| “Annual Improvements to IFRS Standards 2018-2020”                                   | January 1, 2022 (Note 1)            |
| Amendments to IFRS 3 “Reference to the Conceptual Framework”                        | January 1, 2022 (Note 2)            |
| Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use” | January 1, 2022 (Note 3)            |
| Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”            | January 1, 2022 (Note 4)            |



Note 1: 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 2: 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 3: 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 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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.

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

| <b>New IFRSs</b>                                                                                                         | <b>Effective Date<br/>Announced by IASB (Note 1)</b> |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” | To be determined by IASB                             |
| IFRS 17 “Insurance Contracts”                                                                                            | January 1, 2023                                      |
| Amendments to IFRS 17                                                                                                    | January 1, 2023                                      |
| Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”                              | 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 2)                             |
| Amendments to IAS 8 “Definition of Accounting Estimates”                                                                 | January 1, 2023 (Note 3)                             |
| Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction                   | January 1, 2023 (Note 4)                             |

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 will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: 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.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

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

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

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.

Refer to Note 13, Table 14 and Table 15 for the detailed information of subsidiaries, including the percentages of ownership and main businesses.

The Group shared and assumed the assets, liabilities, revenue and expenses of the joint operation - Corpus Christi Polymers LLC by recognizing its equity. Refer to Note 15.

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 33.

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 33.

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

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, 2022. 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

|                                                                                   | <b>December 31</b>   |                      |
|-----------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                   | <b>2021</b>          | <b>2020</b>          |
| Cash                                                                              |                      |                      |
| Cash on hand and petty cash                                                       | \$ 28,721            | \$ 30,343            |
| Demand and checking accounts                                                      | <u>26,709,608</u>    | <u>30,539,115</u>    |
|                                                                                   | <u>26,738,329</u>    | <u>30,569,458</u>    |
| Cash equivalents (investments with original maturities of less than three months) |                      |                      |
| Time deposits                                                                     | 2,532,036            | 2,095,619            |
| Commercial paper and corporate bonds purchased under resale agreements            | <u>5,118,035</u>     | <u>2,338,482</u>     |
|                                                                                   | <u>7,650,071</u>     | <u>4,434,101</u>     |
| Management discretionary accounts                                                 |                      |                      |
| Demand accounts                                                                   | <u>156,563</u>       | <u>195,060</u>       |
|                                                                                   | <u>\$ 34,544,963</u> | <u>\$ 35,198,619</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 interest rates for cash equivalents as of the balance sheet date were as follows:

|                                                                        | <b>December 31</b> |             |
|------------------------------------------------------------------------|--------------------|-------------|
|                                                                        | <b>2021</b>        | <b>2020</b> |
| Time deposits                                                          | 0.08%-2.03%        | 0.10%-1.89% |
| Commercial paper and corporate bonds purchased under resale agreements | 0.21%-0.32%        | 0.21%-0.25% |

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

|                                                               | <b>December 31</b>  |                     |
|---------------------------------------------------------------|---------------------|---------------------|
|                                                               | <b>2021</b>         | <b>2020</b>         |
| <u>Financial assets - current</u>                             |                     |                     |
| Financial assets mandatorily classified as at FVTPL           |                     |                     |
| Non-derivative financial assets                               |                     |                     |
| Mutual funds - beneficial certificates                        | \$ 5,551,567        | \$ 5,104,645        |
| Listed shares                                                 | 394,802             | 327,275             |
| Derivative financial assets (not under hedge accounting)      |                     |                     |
| Forward exchange contracts                                    | <u>27,429</u>       | <u>23,310</u>       |
|                                                               | <u>\$ 5,973,798</u> | <u>\$ 5,455,230</u> |
| <u>Financial liabilities - current</u>                        |                     |                     |
| Held for trading                                              |                     |                     |
| Derivative financial liabilities (not under hedge accounting) |                     |                     |
| Forward exchange contracts                                    | <u>\$ 372</u>       | <u>\$ 10,619</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, 2021 and 2020, the Group had outstanding forward exchange contracts, which were stated as follows:

|                          | Currency | Maturity              | Contract Amount<br>(Thousands) |
|--------------------------|----------|-----------------------|--------------------------------|
| <u>December 31, 2021</u> |          |                       |                                |
| Sell                     | USD/NTD  | 2022.01.07-2022.04.01 | USD73,620/NTD2,042,646         |
| Sell                     | EUR/USD  | 2022.01.28-2022.03.31 | EUR9,000/USD10,190             |
| Buy                      | USD/JPY  | 2022.01.25-2022.04.01 | USD6,500/JPY739,823            |
| Buy                      | USD/RMB  | 2022.02.25            | USD3,000/RMB19,188             |
| Sell                     | RMB/NTD  | 2022.01.10-2022.01.20 | RMB16,850/NTD73,368            |
| Sell                     | JPY/NTD  | 2022.01.07-2022.03.04 | JPY1,179,380/NTD287,191        |
| Sell                     | JPY/RMB  | 2022.01.28-2022.03.22 | JPY310,000/RMB17,506           |
| Sell                     | USD/RMB  | 2022.01.05-2022.06.15 | USD92,600/RMB596,206           |
| Sell                     | EUR/RMB  | 2022.01.25-2022.06.15 | EUR8,400/RMB61,384             |
| Buy                      | USD/NTD  | 2022.01.05-2022.01.17 | USD2,500/NTD69,244             |
| <u>December 31, 2020</u> |          |                       |                                |
| Sell                     | USD/NTD  | 2021.01.06-2021.04.19 | USD69,490/NTD1,960,358         |
| Sell                     | EUR/USD  | 2021.01.29-2021.02.26 | EUR5,000/USD6,027              |
| Buy                      | USD/JPY  | 2021.01.28-2021.03.15 | USD5,000/JPY519,830            |
| Sell                     | JPY/NTD  | 2021.01.11            | JPY80,000/NTD21,930            |
| Sell                     | USD/JPY  | 2021.01.27-2021.02.26 | USD8,300/JPY864,843            |
| Buy                      | USD/NTD  | 2021.01.11            | USD500/NTD14,252               |
| Sell                     | USD/RMB  | 2021.01.15-2021.06.30 | USD49,000/RMB326,547           |

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, 2021 and 2020.

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

|                                                                     | December 31         |                     |
|---------------------------------------------------------------------|---------------------|---------------------|
|                                                                     | 2021                | 2020                |
| <u>Financial assets at FVTOCI</u>                                   |                     |                     |
| Domestic listed shares                                              | \$ 4,971,562        | \$ 581,555          |
| Domestic unlisted shares                                            | 1,545,447           | 1,338,471           |
| Real estate investment trust mutual funds - beneficial certificates | 487,029             | 316,200             |
| Oversea shares                                                      | <u>587,410</u>      | <u>576,562</u>      |
|                                                                     | <u>\$ 7,591,448</u> | <u>\$ 2,812,788</u> |
| Current                                                             | \$ 141,111          | \$ 86,209           |
| Non-current                                                         | <u>7,450,337</u>    | <u>2,726,579</u>    |
|                                                                     | <u>\$ 7,591,448</u> | <u>\$ 2,812,788</u> |

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

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

In order to maximize the efficiency of utilizing network and spectrum resources and enhance competitiveness in the 5G markets, Far EasTone acquired 11.58% ownership of Asia Pacific Telecom Co., Ltd. (APTC) through private placement by subscribing for 500,000,000 new common stock issued by APTC with the amount invested \$5,000,000 thousand in 2021.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

|                                                                     | December 31         |                     |
|---------------------------------------------------------------------|---------------------|---------------------|
|                                                                     | 2021                | 2020                |
| <u>Current</u>                                                      |                     |                     |
| Domestic investments                                                |                     |                     |
| Time deposits with original maturities of more than 3 months (a)    | <u>\$ 3,736,179</u> | <u>\$ 2,507,071</u> |
| <u>Non-current</u>                                                  |                     |                     |
| Domestic investments                                                |                     |                     |
| Time deposits with original maturities of more than 3 months (a)    | \$ 15,300           | \$ 10,000           |
| Subordinated corporate bonds of Cathay Life Insurance Co., Ltd. (b) | <u>500,000</u>      | <u>500,000</u>      |
|                                                                     | <u>\$ 515,300</u>   | <u>\$ 510,000</u>   |

- a. The interest rates for time deposits with original maturities of more than 3 months were from 0.07% to 2.10% and 0.16% to 2.10% as of December 31, 2021 and 2020.
- 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 3.00%.

Refer to Note 35 for information related to investments in financial assets at amortized cost pledged as collateral or for security.

## 10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

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

|                                     | <b>At Amortized<br/>Cost</b> |
|-------------------------------------|------------------------------|
| <u>December 31, 2021</u>            |                              |
| Gross carrying amount               | \$ 500,000                   |
| Less: Allowance for impairment loss | <u>-</u>                     |
| Amortized cost                      | <u>\$ 500,000</u>            |
| <u>December 31, 2020</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>   |                      |
|---------------------------------------|----------------------|----------------------|
|                                       | <b>2021</b>          | <b>2020</b>          |
| <u>Notes and accounts receivable</u>  |                      |                      |
| At amortized cost                     |                      |                      |
| Notes and accounts receivable         | \$ 30,423,284        | \$ 28,200,474        |
| Less: Allowance for doubtful accounts | (1,082,425)          | (1,407,791)          |
| Less: Unrealized interest income      | (2,425)              | (2,152)              |
| Less: Ungained interest income        | <u>(1,441)</u>       | <u>(1,574)</u>       |
|                                       | <u>\$ 29,336,993</u> | <u>\$ 26,788,957</u> |

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

|                                      | <b>December 31</b> |                   |
|--------------------------------------|--------------------|-------------------|
|                                      | <b>2021</b>        | <b>2020</b>       |
| Gross amounts of accounts receivable | \$ 95,638          | \$ 152,552        |
| Allowance for doubtful accounts      | (6,797)            | (3,483)           |
| Unrealized interest income           | <u>(4,181)</u>     | <u>(8,862)</u>    |
|                                      | <u>\$ 84,660</u>   | <u>\$ 140,207</u> |
| Current                              | \$ 28,737          | \$ 52,099         |
| Non-current                          | <u>55,923</u>      | <u>88,108</u>     |
|                                      | <u>\$ 84,660</u>   | <u>\$ 140,207</u> |

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

At the end of the reporting period, finance leases of the Group were as follows:

|                                          | <b>December 31</b> |                  |
|------------------------------------------|--------------------|------------------|
|                                          | <b>2021</b>        | <b>2020</b>      |
| Gross amount of finance lease receivable | \$ 49,081          | \$ 53,841        |
| Ungained interest income                 | <u>(4,620)</u>     | <u>(5,949)</u>   |
|                                          | <u>\$ 44,461</u>   | <u>\$ 47,892</u> |
| Undiscounted lease payments              |                    |                  |
| 1 <sup>st</sup> year                     | \$ 8,691           | \$ 7,976         |
| 2 <sup>nd</sup> year                     | 8,691              | 7,976            |
| 3 <sup>rd</sup> year                     | 8,691              | 7,976            |
| 4 <sup>th</sup> year                     | 8,691              | 7,976            |
| 5 <sup>th</sup> year                     | 8,334              | 7,976            |
| Over 5 <sup>th</sup> year                | <u>5,983</u>       | <u>13,961</u>    |
|                                          | 49,081             | 53,841           |
| Less: Unearned finance income            | <u>(4,620)</u>     | <u>(5,949)</u>   |
| Finance lease receivables                | <u>\$ 44,461</u>   | <u>\$ 47,892</u> |
| Current                                  | \$ 7,250           | \$ 6,402         |
| Non-current                              | <u>37,211</u>      | <u>41,490</u>    |
|                                          | <u>\$ 44,461</u>   | <u>\$ 47,892</u> |

The Group entered into a finance lease agreement with a client to lease out its data center equipment as part of the enterprise project services provided to the client. The term of the finance lease entered into was 5-8 years. The interest rate inherent in the lease was 3.5%, which was determined at the contract date and was fixed for the entire term of the lease.

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, 2021

|                               | 1 to 90 Days         | 91 to 180 Days      | 181 to 365 Days  | Over 365 Days    | Total                |
|-------------------------------|----------------------|---------------------|------------------|------------------|----------------------|
| Gross carrying amount         | \$ 27,889,417        | \$ 2,241,158        | \$ 85,021        | \$ 203,822       | \$ 30,419,418        |
| Loss allowance (Lifetime ECL) | <u>(661,562)</u>     | <u>(255,717)</u>    | <u>(39,232)</u>  | <u>(125,914)</u> | <u>(1,082,425)</u>   |
| Amortized cost                | <u>\$ 27,227,855</u> | <u>\$ 1,985,441</u> | <u>\$ 45,789</u> | <u>\$ 77,908</u> | <u>\$ 29,336,993</u> |

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> |

The above aging schedule was based on the invoice date.

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

|                                                  | <u>For the Year Ended December 31</u> |                     |
|--------------------------------------------------|---------------------------------------|---------------------|
|                                                  | <u>2021</u>                           | <u>2020</u>         |
| Balance at January 1                             | \$ 1,407,791                          | \$ 1,181,254        |
| Add: Bad debt recovered                          | 206,907                               | 207,887             |
| Add: Impairment losses recognized on receivables | 270,953                               | 467,605             |
| Less: Amounts written off                        | (799,810)                             | (448,699)           |
| Foreign exchange gains and losses                | <u>(3,416)</u>                        | <u>(256)</u>        |
| Balance at December 31                           | <u>\$ 1,082,425</u>                   | <u>\$ 1,407,791</u> |



### Sale of overdue accounts receivable

In the years ended December 31, 2021 and 2020, the Group entered into agreements to sell its overdue accounts receivable which had been written off to asset management companies, and did not bear the risk of loss arising from uncollectible receivables

Related information as of December 31, 2021 and 2020 is as follows:

| Counterparty                                      | Amount of<br>Accounts<br>Receivable Sold | Proceeds from<br>the Sale of<br>Accounts<br>Receivable |
|---------------------------------------------------|------------------------------------------|--------------------------------------------------------|
| <u>2021</u>                                       |                                          |                                                        |
| Taiwan Sex Lyon Co., Ltd.                         | \$ 557,402                               | \$ 39,323                                              |
| <u>2020</u>                                       |                                          |                                                        |
| Chenxu Enterprise Management Consultant Co., Ltd. | \$ 554,240                               | \$ 38,816                                              |

## 12. INVENTORIES

|                                         | December 31          |                      |
|-----------------------------------------|----------------------|----------------------|
|                                         | 2021                 | 2020                 |
| Merchandise inventories                 | \$ 4,031,993         | \$ 3,435,580         |
| Finished goods                          | 8,790,726            | 4,665,995            |
| Work in progress                        | 4,002,286            | 2,684,671            |
| Raw materials                           | 8,438,811            | 6,251,089            |
| Supplies                                | 1,605,553            | 1,156,303            |
| Available-for-sale - buildings and land | 631,183              | 740,185              |
| Available-for-construction - land       | 1,022,822            | 208,384              |
| Construction in progress (Note 18)      | <u>20,441,789</u>    | <u>2,794,969</u>     |
|                                         | <u>\$ 48,965,163</u> | <u>\$ 21,937,176</u> |

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was \$151,471,140 thousand and \$127,158,892 thousand, respectively. The cost of goods sold included inventory write-downs of \$34,733 thousand and \$117,536 thousand for the years ended December 31, 2021 and 2020, respectively.

## 13. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

| Investor                                             | No. | Investee                                                   | Nature of Activities                                                                                                                            | Proportion of Ownership |        |
|------------------------------------------------------|-----|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------|
|                                                      |     |                                                            |                                                                                                                                                 | December 31             |        |
|                                                      |     |                                                            |                                                                                                                                                 | 2021                    | 2020   |
| Far Eastern New Century Corporation                  | 1   | Far EastTone Telecommunications Co., Ltd. (Notes 1 and 14) | Telecommunications                                                                                                                              | 38.33                   | 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 13)               | Digital payment                                                                                                                                 | 71.63                   | 74.36  |
|                                                      | 20  | Malaysia Garment Manufactures Pte. Ltd.                    | Clothing production and Investment                                                                                                              | 50.92                   | 50.92  |
|                                                      | 21  | FE Oriental Investment Holding (Singapore) Pte. Ltd.       | Investment                                                                                                                                      | 100.00                  | 100.00 |
|                                                      | 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.                   | Production and wholesale of medical supplies                                                                                                    | 100.00                  | 100.00 |
| Yuan Ding Investment Co., Ltd.                       | 27  | Oriental Green Materials Limited                           | Waste recycling and re-processing                                                                                                               | 100.00                  | 100.00 |
|                                                      | 28  | Yuan Faun Co., Ltd.                                        | Consulting                                                                                                                                      | 100.00                  | 100.00 |
|                                                      | 29  | FETG Investment Autilles N.V. (Note 15)                    | Investment                                                                                                                                      | -                       | 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 |
| Far Eastern Polychem Industries Ltd. (FEPI)          | 37  | Far Eastern Industries (Shanghai) Ltd.                     | Chemical fiber production                                                                                                                       | 100.00                  | 100.00 |
|                                                      | 38  | Far Eastern Industries (Yangzhou) Ltd.                     | Production and sales of polyester products                                                                                                      | 100.00                  | 100.00 |
|                                                      | 39  | Far Eastern Ishizuka Green Pet Corporation (FIGP)          | Recycled PET production and sales                                                                                                               | 90.00                   | 90.00  |
| Far Eastern Construction Co., Ltd.                   | 40  | Far Eastern General Contractor Inc.                        | Construction                                                                                                                                    | 99.95                   | 99.95  |
| Far Eastern Apparel (Holding) Ltd. (FEAH)            | 41  | Far Eastern Dyeing & Finishing (Suzhou) Ltd.               | Garment production                                                                                                                              | 100.00                  | 100.00 |
| Yuan Faun Co., Ltd.                                  | 42  | Far Eastern Innovation Apparel (Suzhou) Co., Ltd.          | Garment production                                                                                                                              | 100.00                  | 100.00 |
|                                                      | 43  | Yuan Cheng Human Resources Consultant Corporation          | Personnel recruitment                                                                                                                           | 55.19                   | 55.19  |
| Yuan Tong Investment Co., Ltd.                       | 44  | Sino Belgium (Holding) Ltd.                                | Investment                                                                                                                                      | 90.88                   | 90.88  |
| Far Eastern Electronic Toll Collection Co., Ltd.     | 45  | FETC International Co., Ltd                                | Human services and equipment procurement and product sales agency services                                                                      | 100.00                  | 100.00 |
| FETC International Co., Ltd                          | 46  | FETC International (Thailand) Co., Ltd.(Note 10)           | Human services and equipment procurement and product sales agency services                                                                      | 100.00                  | 100.00 |
| Far Eastern Apparel (Suzhou) Co., Ltd.               | 47  | Suzhou An Ho Apparel Ltd.                                  | Garment production                                                                                                                              | 100.00                  | 100.00 |
| PET Far Eastern (Holding) Ltd. (PETH)                | 48  | Oriental Petrochemical (Shanghai) Corporation              | PTA production and sale                                                                                                                         | 61.35                   | 61.35  |
| Oriental Textile (Holding) Ltd. (OTTI)               | 49  | Far Eastern Industries (Wuxi) Ltd.                         | Fiber and textile production                                                                                                                    | 100.00                  | 100.00 |
|                                                      | 50  | Oriental Industries (Suzhou) Ltd.                          | Production and sales of polyester resins and industrial fabrics                                                                                 | 100.00                  | 100.00 |
| FEDP (Holding) Ltd. (FEDP)                           | 51  | Far Eastern Industries (Suzhou) Ltd.                       | Production and sales of polyester products                                                                                                      | 100.00                  | 100.00 |
| Far Eastern Polytex (Holding) Ltd.                   | 52  | Wuhan Far Eastern New Material Ltd.                        | Production and sales of PET sheet, chip, filament, staple fibers, and apparel                                                                   | 100.00                  | 100.00 |
|                                                      | 53  | Far Eastern Apparel (Suzhou) Ltd.                          | Garment production                                                                                                                              | 100.00                  | 100.00 |
|                                                      | 54  | Far Eastern Yihua Petrochemical (Yangzhou) Corporation     | PTA and by-product production and sale                                                                                                          | 60.00                   | 60.00  |
| Far Eastern New Century (China) Investment Co., Ltd. | 55  | Far Eastern New Century (China) Investment Co., Ltd.       | Investment                                                                                                                                      | 100.00                  | 100.00 |
|                                                      | 56  | Shanghai Yuan Zi Information Technology Co., Ltd.          | Internet Software development services                                                                                                          | 100.00                  | 100.00 |
|                                                      | 57  | Yuan Ding Enterprise (Shanghai) Limited (Note 1)           | 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.                          | 58  | Sino Belgium Beer (Suzhou) Ltd.                            | Beer brewing                                                                                                                                    | 100.00                  | 100.00 |
| Oriental Petrochemical (Shanghai) Corporation        | 59  | Martens Beers Trading (Shanghai) Ltd.                      | Beer sale                                                                                                                                       | 100.00                  | 100.00 |
|                                                      | 60  | Shanghai Far Eastern Petrochemical Logistic Corporation    | Transportation                                                                                                                                  | 100.00                  | 100.00 |
| Yuan Ding Co., Ltd.                                  | 61  | Ding Ding Hotel Co., Ltd.                                  | Hotel                                                                                                                                           | 99.26                   | 99.26  |
|                                                      | 62  | YDT Technology International Co., Ltd.                     | Electronic materials and by-product sale                                                                                                        | 100.00                  | 100.00 |
|                                                      | 63  | Far Eastern Technical Consultants Co., Ltd.                | Real estate development business consulting and management                                                                                      | 100.00                  | 100.00 |
|                                                      | 64  | FET Consulting Engineers Co., Ltd.                         | Investment                                                                                                                                      | 100.00                  | 100.00 |
| FET Consulting Engineers Co., Ltd.                   | 65  | Ding Ding Integrated Marketing Services Co., Ltd.          | Market research and general advertisement                                                                                                       | 80.00                   | 80.00  |
| YDT Technology International Co., Ltd.               | 66  | DDIM (Virgin Islands) Ltd.                                 | Investment                                                                                                                                      | 100.00                  | 100.00 |
|                                                      | 67  | YDC (Virgin Islands) Ltd.                                  | Investment                                                                                                                                      | 100.00                  | 100.00 |
| YDC (Virgin Islands) Ltd.                            | 68  | Speedy (Shanghai) Digital Tech. Co., Ltd.                  | Intelligent control equipment and security monitoring products                                                                                  | 100.00                  | 100.00 |
| DDIM (Virgin Islands) Ltd.                           | 69  | Yuan Ding Integrated Information Service (Shanghai) Inc.   | Internet software development services                                                                                                          | 100.00                  | 100.00 |
| Malaysia Garment Manufactures Pte. Ltd.              | 70  | PT Malaysia Garment Bintan (PTMG)                          | Clothing production                                                                                                                             | 99.00                   | 99.00  |

| Investor                                             | No. | Investee                                                | Nature of Activities                                                          | Proportion of Ownership |        |
|------------------------------------------------------|-----|---------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------|--------|
|                                                      |     |                                                         |                                                                               | December 31             |        |
|                                                      |     |                                                         |                                                                               | 2021                    | 2020   |
| APG Polytech USA Holdings, Inc.                      | 71  | APG Polytech, LLC                                       | Chemical fiber production                                                     | 100.00                  | 100.00 |
|                                                      | 72  | Phoenix Technologies International, LLC (Notes 11)      | Recycled PET production                                                       | 100.00                  | 100.00 |
| FE Oriental Investment Holding (Singapore) Pte. Ltd. | 73  | Oriental Investment Holding (Netherlands) B.V. (Note 3) | Investment                                                                    | 100.00                  | 100.00 |
|                                                      | 74  | FE New Century Industry (Singapore) Pte. Ltd. (Note 9)  | Sale of textile product                                                       | 100.00                  | 100.00 |
| Oriental Investment Holding (Netherlands) B.V.       | 75  | Oriental Martens (Netherlands) B.V. (Note 4)            | Investment                                                                    | 100.00                  | 100.00 |
| Far EasTone Telecommunications Co., Ltd.             | 76  | New Century InfoComm Tech Co., Ltd.                     | Types I and II telecommunications services                                    | 100.00                  | 100.00 |
|                                                      | 77  | ARCOA Communication Co., Ltd.                           | Sale of communications products and office equipment                          | 61.63                   | 61.63  |
|                                                      | 78  | KGEx.com Co., Ltd.                                      | Type II telecommunications services                                           | 99.99                   | 99.99  |
|                                                      | 79  | Yuanshi Digital Technology Co., Ltd. (Note 7)           | Electronic information providing services                                     | 98.20                   | 98.20  |
|                                                      | 80  | Yuan Cing Co., Ltd.                                     | Call center services                                                          | 100.00                  | 100.00 |
|                                                      | 81  | Far Eastern Info Service Holding Ltd. (FEIS)            | Investment                                                                    | 100.00                  | 100.00 |
|                                                      | 82  | Yuanbao Financial Technology Co., Ltd. (Note 16)        | Data processing services and electronic information services                  | -                       | 100.00 |
|                                                      | 83  | Far EasTone Property Insurance Agent Co., Ltd. (Note 6) | Property insurance agent                                                      | 100.00                  | 100.00 |
| ARCOA Communication Co., Ltd.                        | 84  | DataExpress Infotech Co., Ltd. (Note 5)                 | Sale of communications products                                               | 70.00                   | 70.00  |
| New Century InfoComm Tech Co., Ltd.                  | 85  | Information Security Service Digital United Inc.        | Security and monitoring service via Internet                                  | 100.00                  | 100.00 |
|                                                      | 86  | Digital United (Cayman) Ltd.                            | Investment                                                                    | 100.00                  | 100.00 |
|                                                      | 87  | New Diligent Co., Ltd.                                  | Investment                                                                    | 100.00                  | 100.00 |
|                                                      | 88  | Prime EcoPower                                          | Energy technology services                                                    | 100.00                  | 100.00 |
|                                                      | 89  | Nextlink Technology Co., Ltd.                           | Electronic information services                                               | 70.00                   | 70.00  |
| Digital United (Cayman) Ltd.                         | 90  | Digital United Information Technology (Shanghai) Ltd.   | Design and research of computer system                                        | 100.00                  | 100.00 |
| New Diligent Co., Ltd.                               | 91  | Far East New Diligent Company Ltd.                      | Investment                                                                    | 100.00                  | 100.00 |
|                                                      | 92  | Sino Lead Enterprise Limited                            | Telecommunications services                                                   | 100.00                  | 100.00 |
|                                                      | 93  | New Diligent Hong Kong Co., Ltd.                        | Investment                                                                    | 100.00                  | 100.00 |
| Far Eastern New Diligent Company Ltd.                | 94  | Far Eastern Tech-info Ltd. (Shanghai) (Note 8)          | Computer software, data processing and network information providing services | -                       | -      |
| DataExpress Infotech Co., Ltd.                       | 95  | Linkwell Tech. Co., Ltd. (Note 5)                       | Sale of communications products                                               | -                       | -      |
|                                                      | 96  | Home Master Technology Ltd.                             | Sale of communications products                                               | 100.00                  | 100.00 |
| Nextlink Technology Co., Ltd.                        | 97  | Microfusion Technology Co., Ltd.                        | Electronic information service                                                | 100.00                  | 100.00 |
|                                                      | 98  | Nextlink (HK) Technology Co., Ltd.                      | Electronic information service                                                | 100.00                  | 100.00 |
|                                                      | 99  | Microfusion (HK) Technology Co., Ltd. (Note 12)         | Electronic information service                                                | 100.00                  | 100.00 |
| Nextlink (HK) Technology Co., Ltd.                   | 100 | Nextlink (SH) Technology Co., Ltd.                      | Electronic information service                                                | 100.00                  | 100.00 |

(Concluded)

Note 1: Even though the Company and its subsidiaries' consolidated ownership of Far EasTone and Yuan Ding Enterprise (Shanghai) Limited were not over 50%, over half of the board of directors of Far EasTone and Yuan Ding Enterprise (Shanghai) Limited were appointed by the Group. Thus, Far EasTone and Yuan Ding Enterprise (Shanghai) Limited are included in the consolidated financial statements.

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

Note 3: On January 23, 2020, the Group established a 100% holding subsidiary, Oriental Investment Holding (Netherlands) B.V.

Note 4: On February 12, 2020, the Group established a 100% holding subsidiary, Oriental Martens (Netherlands) B.V.

Note 5: In order to cooperate the corporate organizational strategies, reduce management costs and improve operating effectiveness, DataExpress Infotech Co., Ltd.'s board of directors resolved on February 17, 2020 to proceed a merge with its 100% subsidiary, Linkwell Tech Co., Ltd. DataExpress Infotech Co., Ltd became the surviving company and Linkwell Tech Co., Ltd. merged into DataExpress Tech Co., Ltd. The surviving company's name is DataExpress Infotech Co., Ltd after the merger. The merger was set on April 1, 2020.

Note 6: On February 21, 2020, the Group established a new subsidiary.

Note 7: In order to enrich operating capital and speed up business expansion in the mobile ecommerce market, Yuanshi Digital Technology Co., Ltd. a FENC's subsidiary, issued new shares via cash amounting to \$800,000 thousand through the issuance of 80,000 thousand shares at an issue price of NT\$10 per share in May 2020. However, the Group did not subscribe share proportionate and increased in the holding ratio from 93.62% to 98.20%. Please refer the information to Note 31.

Note 8: The subsidiary was dissolved in 2020 which is approved by local government.

Note 9: On June 19, 2020, the Group established a 100% holding subsidiary, FE New Century Industry (Singapore) Pte. Ltd.

Note 10: The Group established a new subsidiary, FETC International (Thailand) Co., Ltd. in August 2020.

Note 11: In August 2020, the Group obtained all non-controlling interest of subsidiary Phoenix Technologies International, LLC by exchanging out all shares of Perform Technologies, LLC (recognized as financial assets at fair value through other comprehensive income) held by the Group and receiving NT\$162 thousand, and then increased its interest from 90% to 100%. Refer to Note 31.

Note 12: The Company was established and registered on September 3, 2020.

Note 13: 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%. In addition, Yuan Hsin Digital Payment Co., Ltd. raised \$1,20,000 thousand through the issuance of 120,000 thousand shares of common stock for cash at an issue price of NT\$10 per share on August 31, 2021. However, the Group did not subscribe share proportionate and decreased in the holding ratio from 74.36% to 71.63%. Please refer the information to Note 31. Refer to Note 31.

Note 14: In 2021, the Group purchased 0.04% ownership of subsidiary Far EasTone Telecommunications Co., Ltd. for NT\$77,239 thousand, and then increased its interest from 38.29% to 38.33%. Refer to Note 31.

Note 15: The Company had completed the cancellation of registration on August 2, 2021.

Note 16: The Company was dissolved due to the merger with subsidiary Far EasTone Telecommunications Co., Ltd. on September 15, 2021.

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

Far EasTone Telecommunications Co., Ltd. and its subsidiaries

| Name of Subsidiary | Profit Allocated to<br>Non-controlling Interests<br>For the Year Ended<br>December 31 |              | Accumulated Non-controlling<br>Interests<br>December 31 |               |
|--------------------|---------------------------------------------------------------------------------------|--------------|---------------------------------------------------------|---------------|
|                    | 2021                                                                                  | 2020         | 2021                                                    | 2020          |
|                    |                                                                                       |              |                                                         |               |
| Far EasTone        | \$ 5,736,730                                                                          | \$ 5,245,826 | \$ 41,134,260                                           | \$ 42,472,796 |

|                                                         | <b>December 31</b>                    |                       |
|---------------------------------------------------------|---------------------------------------|-----------------------|
|                                                         | <b>2021</b>                           | <b>2020</b>           |
| Current assets                                          | \$ 26,174,565                         | \$ 25,152,457         |
| Non-current assets                                      | 149,369,016                           | 148,276,863           |
| Current liabilities                                     | (33,398,206)                          | (22,079,547)          |
| Non-current liabilities                                 | <u>(76,044,595)</u>                   | <u>(83,102,564)</u>   |
| Equity                                                  | <u>\$ 66,100,780</u>                  | <u>\$ 68,247,209</u>  |
| Equity attributable to:                                 |                                       |                       |
| Owners of the Group                                     | \$ 24,966,520                         | \$ 25,774,413         |
| Non-controlling interests of Far EasTone                | 40,169,196                            | 41,539,281            |
| Non-controlling interests of Far EasTone's subsidiaries | <u>965,064</u>                        | <u>933,515</u>        |
|                                                         | <u>\$ 66,100,780</u>                  | <u>\$ 68,247,209</u>  |
|                                                         | <b>For the Year Ended December 31</b> |                       |
|                                                         | <b>2021</b>                           | <b>2020</b>           |
| Revenue                                                 | <u>\$ 85,320,008</u>                  | <u>\$ 79,500,965</u>  |
| Net income for the year                                 | \$ 9,233,881                          | \$ 8,444,622          |
| Other comprehensive income for the year                 | <u>(710,716)</u>                      | <u>(135,736)</u>      |
| Total comprehensive income for the year                 | <u>\$ 8,523,165</u>                   | <u>\$ 8,308,886</u>   |
| Net income attributable to:                             |                                       |                       |
| Owners of the Group                                     | \$ 3,497,151                          | \$ 3,198,796          |
| Non-controlling interests of Far EasTone                | 5,626,644                             | 5,155,332             |
| Non-controlling interests of Far EasTone's subsidiaries | <u>110,086</u>                        | <u>90,494</u>         |
|                                                         | <u>\$ 9,233,881</u>                   | <u>\$ 8,444,622</u>   |
| Total comprehensive income attributable to:             |                                       |                       |
| Owners of the Group                                     | 3,224,739                             | \$ 3,146,904          |
| Non-controlling interests of Far EasTone                | 5,188,355                             | 5,071,702             |
| Non-controlling interests of Far EasTone's subsidiaries | <u>110,071</u>                        | <u>90,280</u>         |
|                                                         | <u>\$ 8,523,165</u>                   | <u>\$ 8,308,886</u>   |
| Net cash inflow from:                                   |                                       |                       |
| Operating activities                                    | \$ 35,315,268                         | \$ 26,026,051         |
| Investing activities                                    | (11,555,281)                          | (52,581,655)          |
| Financing activities                                    | (24,827,125)                          | 24,394,465            |
| Effect of exchange rate changes                         | <u>(1,063)</u>                        | <u>197</u>            |
| Net cash (outflow) inflow                               | <u>\$ (1,068,201)</u>                 | <u>\$ (2,160,942)</u> |
| Dividends paid to non-controlling interests of:         |                                       |                       |
| Far EasTone                                             | <u>\$ 6,530,932</u>                   | <u>\$ 6,535,088</u>   |
| Far EasTone's subsidiaries                              | <u>\$ 78,522</u>                      | <u>\$ 84,449</u>      |

# 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

## Investments in Associates

|                                                               | December 31          |                |                      |                |
|---------------------------------------------------------------|----------------------|----------------|----------------------|----------------|
|                                                               | 2021                 |                | 2020                 |                |
|                                                               | Carrying Value       | % of Ownership | Carrying Value       | % of Ownership |
| Material associate                                            |                      |                |                      |                |
| Listed company                                                |                      |                |                      |                |
| Asia Cement Corporation                                       | \$ 26,227,431        | 26             | \$ 25,689,033        | 27             |
| Associates that are not individually material                 |                      |                |                      |                |
| Listed companies                                              |                      |                |                      |                |
| Far Eastern Department Stores Co., Ltd.                       | 11,566,521           | 35             | 11,197,280           | 34             |
| Far Eastern International Bank                                | 7,567,725            | 16             | 7,296,124            | 16             |
| Oriental Union Chemical Corporation                           | 5,559,428            | 31             | 5,235,932            | 31             |
| Everest Textile Corporation                                   | 1,651,297            | 26             | 840,494              | 26             |
|                                                               | <u>26,344,971</u>    |                | <u>24,569,830</u>    |                |
| Unlisted companies                                            |                      |                |                      |                |
| Oriental Securities Corporation                               | 5,106,782            | 47             | \$ 4,922,703         | 47             |
| Pacific Liu Tong Investment Co., Ltd.                         | 4,669,380            | 40             | 4,592,609            | 40             |
| Yu Yuan Investment Co., Ltd.                                  | 3,168,231            | 44             | 2,972,215            | 44             |
| Far Eastern Union Petrochemical (Yangzhou) Corporation (Note) | 3,081,595            | 44             | 2,815,672            | 44             |
| Da Ju Fiber Co., Ltd.                                         | 2,444,058            | 42             | 2,303,416            | 42             |
| Air Liquide Far Eastern Co., Ltd.                             | 3,002,684            | 35             | 2,432,848            | 35             |
| Far Eastern International Leasing Corporation                 | 1,899,212            | 34             | 1,899,194            | 34             |
| Yu Ding Industry Co., Ltd.                                    | 948,056              | 31             | 899,006              | 31             |
| Freudenberg Far Eastern Spunweb Co., Ltd.                     | 573,449              | 30             | 586,610              | 30             |
| Kowloon Cement Corporation                                    | 446,736              | 49             | 450,602              | 49             |
| Yuan Ding Leasing Corporation                                 | 398,361              | 46             | 398,076              | 46             |
| Drive Catalyst SPC-SP Tranche One                             | 223,380              | 50             | 214,530              | 50             |
| Drive Catalyst SPC-SP Tranche Two                             | 233,748              | 50             | -                    | -              |
| Drive Catalyst SPC-SP Tranche Three                           | 472,780              | 50             | 256,473              | 50             |
| FEDS Asia Pacific Development Ltd.                            | 132,390              | 5              | 131,214              | 5              |
| Yue Ming Trading Corporation                                  | 61,348               | 47             | 64,914               | 47             |
| Juan Long-Age Co., Ltd                                        | 15,861               | 25             | -                    | -              |
| Opas Fund Segregated Portfolio Company                        | 1,544                | 34             | 1,585                | 34             |
| Drive Catalyst SPC                                            | 482                  | 34             | 495                  | 34             |
| Tong Da Air Industry (Yangzhou) Co., Ltd. (Note)              | -                    | -              | -                    | -              |
|                                                               | <u>26,880,077</u>    |                | <u>24,942,162</u>    |                |
|                                                               | <u>\$ 79,452,479</u> |                | <u>\$ 75,201,025</u> |                |

Note: Because of the change of operating dynamic, the consolidation will achieve the cost-saving benefits and tax incentives by reducing operational duplication in environment, energy, and quality perspectives. The associates-Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and the subsidiary of Oriental Union Chemical Corporation, Oriental Petrochemical (YangZhou) Corporation, as for the merger, it is planned to enhance the overall competency for the three companies. Far Eastern Union Petrochemical (Yangzhou) Corporation will be the surviving company, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (YangZhou) Corporation will be the dissolved company. The tentative record date of the merger will be December 31, 2020.

a. Material associates

| Name of Associate       | Nature of Activities | Principal Place of Business | Proportion of Ownership and Voting Rights |      |
|-------------------------|----------------------|-----------------------------|-------------------------------------------|------|
|                         |                      |                             | December 31                               |      |
|                         |                      |                             | 2021                                      | 2020 |
| Asia Cement Corporation | Cement production    | Taiwan                      | 26%                                       | 27%  |

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

| Name of Associate       | December 31          |                      |
|-------------------------|----------------------|----------------------|
|                         | 2021                 | 2020                 |
| Asia Cement Corporation | <u>\$ 40,063,033</u> | <u>\$ 39,008,192</u> |

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                    |                       |
|-------------------------------------------------|--------------------------------|-----------------------|
|                                                 | 2021                           | 2020                  |
| Current assets                                  | \$ 105,955,718                 | \$ 87,023,947         |
| Non-current assets                              | 211,100,351                    | 210,062,908           |
| Current liabilities                             | (71,082,366)                   | (64,027,610)          |
| Non-current liabilities                         | <u>(65,700,817)</u>            | <u>(63,172,293)</u>   |
| Equity                                          | 180,272,886                    | 169,886,952           |
| Non-controlling interests                       | <u>(23,345,963)</u>            | <u>(22,118,393)</u>   |
|                                                 | <u>\$ 156,926,923</u>          | <u>\$ 147,768,559</u> |
| Proportion of the Group's ownership             | 25.50%                         | 26.87%                |
| Equity attributable to the Group                | \$ 40,016,365                  | \$ 39,705,412         |
| Cross shareholdings                             | <u>(13,788,934)</u>            | <u>(14,016,379)</u>   |
| Carrying amount                                 | <u>\$ 26,227,431</u>           | <u>\$ 25,689,033</u>  |
|                                                 | For the Year Ended December 31 |                       |
|                                                 | 2021                           | 2020                  |
| Operating revenue                               | <u>\$ 89,654,713</u>           | <u>\$ 78,240,880</u>  |
| Net income for the year                         | \$ 17,527,770                  | \$ 18,773,807         |
| Other comprehensive income                      | <u>(396,550)</u>               | <u>(1,189,331)</u>    |
| Total comprehensive income for the year         | <u>\$ 17,131,220</u>           | <u>\$ 17,584,476</u>  |
| Dividends received from Asia Cement Corporation | <u>\$ 3,127,141</u>            | <u>\$ 2,705,902</u>   |

The Group holds 26% 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

|                                         | <b>For the Year Ended December 31</b> |                     |
|-----------------------------------------|---------------------------------------|---------------------|
|                                         | <b>2021</b>                           | <b>2020</b>         |
| The Group's share of:                   |                                       |                     |
| Net income for the year                 | \$ 3,647,964                          | \$ 1,913,023        |
| Other comprehensive income              | <u>66,917</u>                         | <u>(323,847)</u>    |
| Total comprehensive income for the year | <u>\$ 3,714,881</u>                   | <u>\$ 1,589,176</u> |

Investments in Far Eastern International Bank (FEIB) and FEDS Asia Pacific Development Corporation were accounted for using the equity method because the Group has significant influence over them even though the Group owned less than 20% of each investee's voting shares.

## 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:

|                                      | <b>December 31</b>                    |                      |
|--------------------------------------|---------------------------------------|----------------------|
|                                      | <b>2021</b>                           | <b>2020</b>          |
| Assets                               |                                       |                      |
| Current assets                       | \$ 145,334                            | \$ 138,190           |
| Non-current assets                   | 11,884,302                            | 11,998,203           |
| Liabilities                          |                                       |                      |
| Current liabilities                  | (162,620)                             | (177,763)            |
| Non-current liabilities              | <u>(99,390)</u>                       | <u>(106,069)</u>     |
|                                      | <u>\$ 11,767,626</u>                  | <u>\$ 11,852,561</u> |
|                                      | <b>For the Year Ended December 31</b> |                      |
|                                      | <b>2021</b>                           | <b>2020</b>          |
| Losses                               | <u>\$ 58,090</u>                      | <u>\$ 100,073</u>    |
| Share of joint operating commitments | 33.33%                                | 33.33%               |



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

|                               | December 31           |                       |
|-------------------------------|-----------------------|-----------------------|
|                               | 2021                  | 2020                  |
| Carrying amount               |                       |                       |
| Property, plant and equipment | \$ 165,089,960        | \$ 162,659,904        |
| Prepayments for equipment     | <u>803,961</u>        | <u>568,398</u>        |
|                               | <u>\$ 165,893,921</u> | <u>\$ 163,228,302</u> |
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The Group expects that there are no future cash flows of the property, plant and equipment. Therefore, the recoverable amount was less than the carrying amount. In 2021 and 2020, the Group recognized the impairment loss amounting to \$764,783 thousand and \$602,555 thousand, respectively. The impairment loss was recognized in the comprehensive income statements under the impairment loss account.

In September 2021, the Group leased its buildings in Pudong New Area, Shanghai (originally recognized as buildings with carrying amount of \$35,943 thousand) under various operating leases. The Group reclassified the leased buildings to investment property at fair value and recognized gain on property revaluation of \$259,444 thousand; refer to Note 18 for more information.

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

The Group reclassified its land and buildings in Guanyin, Taoyuan, originally recognized as 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                                                        | 2-60 years |
| Telecommunications equipment                                     | 3-26 years |
| Computer equipment                                               | 1-15 years |
| Machinery and equipment                                          | 1-20 years |
| Leasehold improvements and operating and miscellaneous equipment | 1-31 years |

The board of directors of NCIC, Far EasTone's subsidiary, resolved on February 25, 2021 that NCIC would sell a part of its properties and equipment located in the Neihu District of Taipei City. In July 2021, NCIC completed the transaction with MediaTek Inc., a non-related party, and derecognized property, plant and equipment and investment property. Please refer to Note 10.

As of December 31, 2021 and 2020, farmland was recognized as property, plant and equipment amounting to \$241,797 thousand and \$241,912 thousand, respectively and recognized as investment properties \$42,182 thousand and \$39,489 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmland belong to the Group or have pledged the land to the Group.

## 17. LEASE ARRANGEMENTS

### a. Right-of-use assets

|                               | <b>December 31</b>   |                      |
|-------------------------------|----------------------|----------------------|
|                               | <b>2021</b>          | <b>2020</b>          |
| <u>Carrying amount</u>        |                      |                      |
| Land                          | \$ 7,471,782         | \$ 8,161,073         |
| Buildings                     | 9,148,286            | 9,793,603            |
| Machinery                     | 15,578               | 13,294               |
| Operating and other equipment | <u>646,814</u>       | <u>742,608</u>       |
|                               | <u>\$ 17,282,460</u> | <u>\$ 18,710,578</u> |

|                                             | <b>For the Year Ended December 31</b> |                     |
|---------------------------------------------|---------------------------------------|---------------------|
|                                             | <b>2021</b>                           | <b>2020</b>         |
| Additions to right-of-use assets            | <u>\$ 3,482,958</u>                   | <u>\$ 4,583,550</u> |
| Depreciation charge for right-of-use assets |                                       |                     |
| Land                                        | \$ 320,345                            | \$ 279,175          |
| Buildings                                   | 3,711,500                             | 3,764,109           |
| Machinery                                   | 6,453                                 | 5,948               |
| Operating and other equipment               | <u>259,298</u>                        | <u>265,417</u>      |
|                                             | <u>\$ 4,297,596</u>                   | <u>\$ 4,314,649</u> |

b. Lease liabilities

|                        | <b>December 31</b>  |                     |
|------------------------|---------------------|---------------------|
|                        | <b>2021</b>         | <b>2020</b>         |
| <u>Carrying amount</u> |                     |                     |
| Current                | <u>\$ 3,218,502</u> | <u>\$ 3,220,558</u> |
| Non-current            | <u>\$ 6,447,007</u> | <u>\$ 7,289,561</u> |

Range of discount rate for lease liabilities was as follows:

|                               | <b>December 31</b> |             |
|-------------------------------|--------------------|-------------|
|                               | <b>2021</b>        | <b>2020</b> |
| Land                          | 0.62%-4.13%        | 0.62%-4.13% |
| Buildings                     | 0.51%-4.75%        | 0.53%-4.35% |
| Machinery                     | 0.76%-1.00%        | 0.76%-1.00% |
| Operating and other equipment | 0.51%-8.00%        | 0.53%-8.00% |

|                                         | <b>For the Year Ended December 31</b> |                   |
|-----------------------------------------|---------------------------------------|-------------------|
|                                         | <b>2021</b>                           | <b>2020</b>       |
| Interest expense from lease liabilities | <u>\$ 110,455</u>                     | <u>\$ 118,633</u> |

c. Material leasing activities and terms

The Group leases certain operating and other equipment for operating uses with lease terms of 1 to 16 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 1 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

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

|                                                                                                   | <b>For the Year Ended December 31</b> |                       |
|---------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------|
|                                                                                                   | <b>2021</b>                           | <b>2020</b>           |
| Expenses relating to short-term leases                                                            | \$ 382,591                            | \$ 322,142            |
| Expenses relating to low-value asset leases                                                       | \$ 3,116                              | \$ 1,637              |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | \$ 35,583                             | \$ 35,053             |
| Total cash outflow for leases                                                                     | <u>\$ (4,522,415)</u>                 | <u>\$ (4,544,756)</u> |

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

## 18. INVESTMENT PROPERTIES

|                              | <b>Completed<br/>Investment<br/>Properties</b> |
|------------------------------|------------------------------------------------|
| Balance at December 31, 2021 | <u>\$ 117,236,910</u>                          |
| Balance at December 31, 2020 | <u>\$ 136,853,033</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:

|                | <b>December 31</b>  |                     |
|----------------|---------------------|---------------------|
|                | <b>2021</b>         | <b>2020</b>         |
| Year 1         | \$ 1,294,336        | \$ 1,225,015        |
| Year 2         | 1,195,936           | 1,112,571           |
| Year 3         | 1,110,106           | 1,040,345           |
| Year 4         | 951,489             | 951,837             |
| Year 5         | 640,125             | 897,320             |
| Year 6 onwards | <u>2,564,091</u>    | <u>2,161,429</u>    |
|                | <u>\$ 7,756,083</u> | <u>\$ 7,388,517</u> |

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

|                                                                                                      | <b>Completed<br/>Investment<br/>Properties</b> |
|------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Balance at January 1, 2021                                                                           | \$ 136,853,033                                 |
| Additions                                                                                            | 21,258                                         |
| Disposals                                                                                            | (197,318)                                      |
| Reclassification                                                                                     | (19,593,512)                                   |
| Recognized in profit (gain arising from the change in fair value of investment property)             | 161,912                                        |
| Recognized in other comprehensive income (exchange differences on translation of foreign operations) | <u>(8,463)</u>                                 |
| Balance at December 31, 2021                                                                         | <u>\$ 117,236,910</u>                          |
| 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>                          |

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. 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's rights of superficies on land located in Shulin District in New Taipei City and in Zhongli, Bade District in Taoyuan City with terms of 30 years and 35 years, respectively, were transferred to other related parties Asia Eastern School Legal Person (originally Oriental Institute of Technology) and Mr. Xu Yuanzhi Memorial Foundation, respectively. In December 2021, the Group deregistered the land use rights in Shulin, New Taipei City.

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 three-quarters of 2015 and recognized as inventories (available-for-sale - buildings and land). For the year ended December 31, 2021, a portion of the floors which had been rented out to others were reclassified from inventories to investment properties at their fair value of \$159,196 thousand, and a gain on the transfers from inventories to investment properties amounting to \$87,908 thousand (recognized as gain on change in fair value of investment properties), was recognized. For the year ended December 31, 2020, were reclassified 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.

In March 2021, the Groups' properties located in the Jiaoxi, Yilan County were developed for self-use. The properties were reclassified to property, plant, and equipment at their fair value of \$2,067,735 thousand.

In April and June 2021, the Groups' properties located in the Banqiao District, New Taipei City were developed for sale. The properties were reclassified to inventory - construction in process at their fair value of \$16,799,302 thousand.

In August 2021, the Groups' properties located in the Guanyin District, Taoyuan City were developed for self-use. The properties were reclassified to property, plant, and equipment at their fair value of \$1,510,647 thousand.

In August and September 2021, the Groups' properties located in the Daan District, Taipei City were developed for self-use. The properties were reclassified to property, plant, and equipment at their fair value of \$72,851 thousand.

In September 2021, the Groups' properties located in the Pudong New Area, Shanghai was leased under various operating leases. The properties were reclassified to investment properties at their fair value of \$295,387 thousand; refer to Note 16.

In December 2021, the Groups' construction-in-progress located in the Pudong New Area, Shanghai were completed and leased partially. The partially leased buildings and the land use rights (recognized as right-of-use assets) of it were reclassified to investment properties at their fair value of \$381,650 thousand, and recognized gain on property revaluation amounting to \$13,008 thousand.

In December 2021, the board of directors of Far Eastern Resources Development Co., Ltd. approved to exchange part of lands in New Taipei City for the lands of Asia Eastern School Legal Person. After the exchange projects are approved by the Ministry of Education, Far Eastern Resources Development Co., Ltd. will resolve transaction details in its board meeting.

In 2020, the Groups' properties located in Xidun District, Taichung City (originally recognized as inventories-construction in progress) were completed and leased to other related party Far Eastern Ai Mai Co., Ltd. The properties were reclassified from inventories to investment properties at their fair value of \$2,744,407 thousand and a gain on transfers from inventories to investment properties and recognized as gain on change in fair value of investment properties amounting to \$1,388,874 thousand.

In 2020, a building of the Group construction project located in the Banqiao district was completed and reclassified from property, plant, and equipment to investment properties at their fair value of \$2,633,918 thousand, please refer to Note 16.

The Group reclassified its land and buildings in Guanyin, Taoyuan, (originally recognized as property, plant and equipment) to investment property amounting to \$1,952,337 thousand. Please refer to Note 16.

The construction project - Taipei Far Eastern Telecom Park, investment property located in Banqiao, was in accordance with the enforcement rules of the Act for Promotion of Private Participation in Infrastructure Projects, and the market rentals were valued according to similar comparable subjects in the area. The Group extrapolated the main market rentals both at between \$0.4 thousand to \$6.8 thousand per ping (i.e. 1 ping = 3.3 square meters).

The fair values of investment properties were as follows:

|                       | <b>December 31</b>    |                       |
|-----------------------|-----------------------|-----------------------|
|                       | <b>2021</b>           | <b>2020</b>           |
| Independent valuation | <u>\$ 117,236,910</u> | <u>\$ 136,853,033</u> |

The fair value of the investment properties as of December 31, 2021 and 2020 were based on the valuations carried out on January 28, 2022 and January 15, 2021, respectively, by independent qualified professional valuers, Mr. Chia-ho Tsai and Ms. Chun-Chun Hu from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

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

|                                   | <b>December 31</b>   |                      |
|-----------------------------------|----------------------|----------------------|
|                                   | <b>2021</b>          | <b>2020</b>          |
| Expected future cash inflows      | \$ 70,989,436        | \$ 70,234,301        |
| Expected future cash outflows     | <u>(3,219,453)</u>   | <u>(3,144,501)</u>   |
| Expected future cash inflows, net | <u>\$ 67,769,983</u> | <u>\$ 67,089,800</u> |
| Discount rate intervals           | 1.595%-2.345%        | 1.595%-2.47%         |

The expected future cash inflows/outflows of investment properties in Banqiao disclosed above was based on parts of different types of investment properties located in Banqiao. Then, 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, 2021 and 2020 was \$1,484,988 thousand and \$1,404,088 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, excluding too-high and too-low values, taking into account the annual rental growth rate. However, when the investment properties had a specific rental period, the rental income was extrapolated on that rental period with no more than 10 years. Loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, and the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment property included expenditures such as land value taxes, house taxes, insurance premium, maintenance costs, replacement allowance and depreciation. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

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

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

|                                         | <b>December 31</b>   |                      |
|-----------------------------------------|----------------------|----------------------|
|                                         | <b>2021</b>          | <b>2020</b>          |
| Estimated total sale price              | <u>\$ 27,846,163</u> | <u>\$ 22,923,400</u> |
| Rate of return                          | 14%-15%              | 15%                  |
| Overall capital interest rate intervals | 2.04%-4.02%          | 2.08%-3.09%          |

The estimated amount 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

|                                     | <b>For the Year Ended December 31</b> |                      |
|-------------------------------------|---------------------------------------|----------------------|
|                                     | <b>2021</b>                           | <b>2020</b>          |
| <u>Cost</u>                         |                                       |                      |
| Balance at January 1                | \$ 12,287,387                         | \$ 12,290,228        |
| Effect of exchange rate differences | <u>(1,516)</u>                        | <u>(2,841)</u>       |
| Balance at December 31              | <u>\$ 12,285,871</u>                  | <u>\$ 12,287,387</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., from which it had obtained a large percentage of companies with which it had merged.

In order to enhance the Group's operating effectiveness and integrate its telecommunications resources, the Group was divided into four identifiable cash-generating units in 2021 and 2020, which are the mobile telecommunications service business, telecommunications equipment business, integrated network business and cloud service business.

As of December 31, 2021 and 2020, the carrying amount of the property, plant and equipment, right-of-use assets, intangible assets and the incremental costs of obtaining a contract used by the Group's telecommunication department was \$136,163,527 thousand and \$139,719,654 thousand, respectively. The Group's management estimated the recoverable amounts of core assets based on their value in use and considered the expected useful lives and thus based the cash flow forecast on the following discount rates as of December 31, 2021 and 2020: Mobile telecommunications service business - 6.87% and 6.72%, respectively; telecommunications equipment business - 6.49% and 7.14%, respectively; integrated network business - 7.60% and 6.92%, respectively; cloud service business - 19.83% and 18.60%, 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 impacts of revenue, cost and expense are taken into account individually.

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. For the years ended December 31, 2021 and 2020, 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

|                                     | <b>Concessions</b>   | <b>Computer Software</b> | <b>Others</b>       | <b>Total</b>         |
|-------------------------------------|----------------------|--------------------------|---------------------|----------------------|
| Balance at January 1, 2021          | \$ 77,002,309        | \$ 3,089,240             | \$ 1,238,230        | \$ 81,329,779        |
| Additions                           | 171,271              | 672,613                  | 12,050              | 855,934              |
| Amortization                        | (5,475,900)          | (1,113,578)              | (327,265)           | (6,916,743)          |
| Disposals                           | (22,864)             | (42,008)                 | -                   | (64,872)             |
| Impairments                         | (23,327)             | -                        | -                   | (23,327)             |
| Reclassifications                   | 150,286              | 45,972                   | (70,657)            | 125,601              |
| Effect of exchange rate differences | -                    | (1,764)                  | (17,537)            | (19,301)             |
| Balance at December 31, 2021        | <u>\$ 71,801,775</u> | <u>\$ 2,650,475</u>      | <u>\$ 834,821</u>   | <u>\$ 75,287,071</u> |
| 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 | -                    | (320)                    | (48,395)            | (48,715)             |
| 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> |

The above intangible assets are amortized on a straight-line basis and the maximum estimated useful lives of the assets are 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 be authorized within 5 years.

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

## 21. BORROWINGS

### a. Short-term borrowings

|                                | <b>December 31</b>   |                      |
|--------------------------------|----------------------|----------------------|
|                                | <b>2021</b>          | <b>2020</b>          |
| Bank credit loans              | \$ 40,567,164        | \$ 32,628,761        |
| Secured and pledged bank loans | <u>556,021</u>       | <u>845,852</u>       |
|                                | <u>\$ 41,123,185</u> | <u>\$ 33,474,613</u> |

The range of interest rates for bank loans were from 0.10% to 3.65% and from 0.23% to 3.40% as of December 31, 2021 and 2020, respectively.

### b. Short-term bills payable

|                                                | <b>December 31</b>  |                     |
|------------------------------------------------|---------------------|---------------------|
|                                                | <b>2021</b>         | <b>2020</b>         |
| Commercial paper                               | \$ 5,910,600        | \$ 6,911,122        |
| Less: Unamortized discount on commercial paper | <u>2,902</u>        | <u>5,807</u>        |
|                                                | <u>\$ 5,907,698</u> | <u>\$ 6,905,315</u> |

The short-term bills payable outstanding were issued at interest rates ranging from 0.81% to 1.70% and 0.33% to 1.59% as of December 31, 2021 and 2020, respectively.

### c. Long-term borrowings

|                                                | <b>December 31</b>   |                       |
|------------------------------------------------|----------------------|-----------------------|
|                                                | <b>2021</b>          | <b>2020</b>           |
| Bank loans                                     | <u>\$ 37,563,279</u> | <u>\$ 81,363,168</u>  |
| Long-term commercial paper                     | 59,518,824           | 28,100,000            |
| Less: Unamortized discount on commercial paper | <u>49,032</u>        | <u>41,829</u>         |
|                                                | <u>59,469,792</u>    | <u>28,058,171</u>     |
|                                                | 97,033,071           | 109,421,339           |
| Less: Current portion                          | <u>1,018,518</u>     | <u>2,327,838</u>      |
|                                                | <u>\$ 96,014,553</u> | <u>\$ 107,093,501</u> |

The foregoing loans are repayable through a lump sum payment on maturity and payments of interest monthly; a lump sum of capital and interest on maturity; a lump sum of capital on maturity and prepaid interest which are in New Taiwan dollars, Japanese yen, RMB. Euros and U.S. dollars, and the repayment of principal and interest is compiled with contracts. 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:

|                              | <b>December 31</b>           |                              |
|------------------------------|------------------------------|------------------------------|
|                              | <b>2021</b>                  | <b>2020</b>                  |
| Maturity                     | January 2022 -<br>April 2031 | January 2021 -<br>April 2031 |
| Bank interest rate intervals | 0.10%-4.18%                  | 0.37%-4.90%                  |

FENC's subsidiary, FECC, entered into a credit agreement with Hua Nan Bank. FECC pledged its land and construction pertaining to the Xin Ben project (Ban Qiao - New Section No. 8) amounting to \$8,880,000 thousand as first mortgage to the creditor banks. Other agreement terms were divided into four lines: Line A, Line B, Line C and Line D. Line A refers to the date when the loan was drawn (April 12, 2011); the 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 from the sixth year and final repayment on maturity. Line B is 5 years after approval of the credit (July 1, 2021); the borrowing interest rate is based on reference interest rate (Note) plus 0.83011% and no revolving credit but partial draw down available before April 1, 2026; credit will be paid every 6 months from April 1, 2026 after each drawdown date. The first 8 installments should repay 5% of the loan, and the last installment should repay 60% of loan. Line C is 5 years after approval of the credit (April 1, 2021); the borrowing interest rate is based on reference interest rate (Note) plus 0.84011% (negotiated by each loan), and revolving credit within the period; no longer than 6 months, interest is paid monthly; lump sum repayment on maturity. Line D is after signing the contract (March 30, 2015); the borrowing interest rate is based on reference interest rate plus 0.804%, and no revolving credit but partial drawdown 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.

Note: Reference interest rate is the Taipei Inter-bank 90 days Offered Rate, TAIBOR.

A FENC's subsidiary, FECC, set credit facilities with First Commercial Bank. FECC pledged its land and construction in Xidun district, Taichung City, amounting to \$2,740,000 thousand as first mortgage to the creditor banks. In addition, annual rent of the collateral should inward at least \$70,000 thousand to payment flow. Other agreement terms were divided into two lines: Line A and Line B. Line A is 36 months after use of the credit (April 7, 2021). Its borrowing interest rate is based on Floating Rate of Time Deposit - 2 Y - Less Than 3Y of Chunghwa Post Co., Ltd. plus above 0.355%, and no revolving credit but partial draw down available before April 7, 2024. Each maturity date of using the credit should be the same with initial maturity date of using the credit; credit will be paid every 6 months from April 7, 2021 after each drawdown date. The first 8 installments should repay 5% of the loan, and the last installment should repay 60% of loan. Line B is 5 years after use of the credit (April 7, 2021). Its borrowing interest rate is based on Floating Rate of Time Deposit - 2Y - Less Than 3Y of Chunghwa Post Co., Ltd. plus above 0.255%, and revolving credit within the period; no longer than 6 months; lump sum repayment on maturity.

In August 2021, FENC's subsidiary, Oriental Petrochemicals (Taiwan) Corporation (OPTC), received a five-year syndicated loan in a total amount of \$20,000,000 thousand from multiple banks and Mega International Commercial Bank as the leading bank. The syndicated loan agreement was first used to repay all outstanding loan of joint loan in 2017; however, as of September 30, 2021, there was no withdrawal from the syndicated loan. 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 on the outstanding amounts until the day before the liability ratio has met the range requirement. The repayment method of this credit is divided into three lines. Line A: The first period is 24 months after the first drawdown date, and every 6 months 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 maturity date. Line B: The loan can be resolved within the credit amount, and the first period for payment is 48 months after the first drawdown date, and every 6 months is a period, the credit will be paid \$500,000 thousand each in the first two periods, and the remaining amount will be repaid on the maturity date. According to the agreement, payment of the existing loan can be repaid by a new loan. Line C: The loan can be resolved within the credit amount, and the first period for payment is 48 months after the first drawdown date, and every 6 months is a period, the credit will be paid US\$300 thousand each in the first two periods, and the remaining amount will be repaid on the maturity date. According to the agreement, payment of the existing loan can be repaid by a new loan.

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 resolve 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.

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 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. The terms of loans 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, 2021 and 2020, the amount of operating assets with pledged rights was \$1,344,783 thousand and \$1,423,438 thousand (refer to Note 35).

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

|                                           | December 31           |                       |
|-------------------------------------------|-----------------------|-----------------------|
|                                           | 2021                  | 2020                  |
| Nonconvertible domestic bonds             | \$ 126,200,000        | \$ 118,000,000        |
| Discount of nonconvertible domestic bonds | (111,690)             | (120,719)             |
|                                           | 126,088,310           | 117,879,281           |
| Less: Current portion                     | 22,195,480            | 13,196,782            |
|                                           | <u>\$ 103,892,830</u> | <u>\$ 104,682,499</u> |

### Bonds

| Period          | Maturity              | Annual Rate (%) | Issued Amount | December 31         |                     | Repayment |
|-----------------|-----------------------|-----------------|---------------|---------------------|---------------------|-----------|
|                 |                       |                 |               | 2021                | 2020                |           |
|                 |                       |                 |               | Outstanding Balance | Outstanding Balance |           |
| <u>Company</u>  |                       |                 |               |                     |                     |           |
| Unsecured bonds |                       |                 |               |                     |                     |           |
| 105-1-A         | 2016.04.29-2021.04.29 | 0.88            | \$ 6,000,000  | \$ -                | \$ 3,000,000        | (Note 1)  |
| 105-1-B         | 2016.04.29-2021.04.29 | -               | 2,000,000     | -                   | 2,000,000           | (Note 4)  |
| 105-2           | 2016.09.20-2021.09.20 | 0.72            | 3,800,000     | -                   | 3,800,000           | (Note 2)  |
| 106-1           | 2017.05.17-2022.05.17 | 1.15            | 5,000,000     | 2,500,000           | 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           | 6,000,000           | (Note 2)  |
| 109-2-A         | 2020.06.10-2025.06.10 | 0.77            | 2,200,000     | 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           | 3,000,000           | (Note 2)  |
| 109-3           | 2020.09.17-2027.09.17 | 0.83            | 5,500,000     | 5,500,000           | 5,500,000           | (Note 2)  |
| 109-4           | 2020.12.21-2025.12.21 | 0.54            | 3,800,000     | 3,800,000           | 3,800,000           | (Note 2)  |
| 110-1           | 2021.04.28-2026.04.28 | 0.67            | 9,500,000     | 9,500,000           | -                   | (Note 2)  |
| 110-2           | 2021.05.24-2026.05.24 | 0.52            | 1,200,000     | 1,200,000           | -                   | (Note 2)  |
| 110-3           | 2021.09.27-2026.09.27 | 0.63            | 6,500,000     | 6,500,000           | -                   | (Note 2)  |
| (Continued)     |                       |                 |               |                     |                     |           |

(Continued)

| Period                                 | Maturity              | Annual Rate (%) | Issued Amount | December 31           |                       | Repayment |
|----------------------------------------|-----------------------|-----------------|---------------|-----------------------|-----------------------|-----------|
|                                        |                       |                 |               | 2021                  | 2020                  |           |
|                                        |                       |                 |               | Outstanding Balance   | Outstanding Balance   |           |
| <u>Subsidiary Yuan Ding Investment</u> |                       |                 |               |                       |                       |           |
| Unsecured bonds                        |                       |                 |               |                       |                       |           |
| 105-1                                  | 2016.05.30-2021.05.30 | 0.90            | \$ 3,800,000  | \$ -                  | \$ 1,900,000          | (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             | 5,000,000             | (Note 2)  |
| 109-2                                  | 2020.11.26-2025.11.26 | 0.67            | 3,000,000     | 3,000,000             | 3,000,000             | (Note 2)  |
| 110-1                                  | 2021.06.29-2026.06.29 | 0.65            | 3,000,000     | 3,000,000             | -                     | (Note 2)  |
| <u>Subsidiary Far EasTone</u>          |                       |                 |               |                       |                       |           |
| Unsecured bonds                        |                       |                 |               |                       |                       |           |
| 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                                  | 2017.09.04-2024.09.04 | 1.17            | 2,000,000     | 2,000,000             | 2,000,000             | (Note 2)  |
| 106-3-A                                | 2017.12.20-2023.06.20 | 0.95            | 1,500,000     | 1,500,000             | 1,500,000             | (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 2)  |
| 108-1-B                                | 2019.06.25-2026.06.25 | 0.81            | 1,800,000     | 1,800,000             | 1,800,000             | (Note 2)  |
| 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             | 1,500,000             | (Note 2)  |
| 109-1-B                                | 2020.03.16-2027.03.16 | 0.70            | 2,500,000     | 2,500,000             | 2,500,000             | (Note 2)  |
| 109-1-C                                | 2020.03.16-2030.03.16 | 0.77            | 1,000,000     | 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             | 1,000,000             | (Note 2)  |
| 110-1                                  | 2021.06.04-2028.06.04 | 0.55            | 1,200,000     | <u>1,200,000</u>      | <u>-</u>              | (Note 2)  |
| Total outstanding balance              |                       |                 |               | <u>\$ 126,200,000</u> | <u>\$ 118,000,000</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         |                     |
|------------------------|--|---------------------|---------------------|
|                        |  | 2021                | 2020                |
| Dismantling obligation |  | \$ 1,535,615        | \$ 1,182,389        |
| Warranties             |  | 121,786             | 99,531              |
| Onerous contract       |  | <u>558</u>          | <u>16,674</u>       |
|                        |  | <u>\$ 1,657,959</u> | <u>\$ 1,298,594</u> |
| Current                |  | \$ 256,684          | \$ 249,424          |
| Non-current            |  | <u>1,401,275</u>    | <u>1,049,170</u>    |
|                        |  | <u>\$ 1,657,959</u> | <u>\$ 1,298,594</u> |

|                                   | Dismantling<br>Obligation | Warranties        | Onerous<br>Contracts | Total               |
|-----------------------------------|---------------------------|-------------------|----------------------|---------------------|
| Balance at January 1, 2021        | \$ 1,182,389              | \$ 99,531         | \$ 16,674            | \$ 1,298,594        |
| Additions                         | 376,477                   | 31,959            | 558                  | 408,994             |
| Reductions                        | (7,689)                   | (9,704)           | (16,674)             | (34,067)            |
| Foreign exchange net gain or loss | <u>(15,562)</u>           | <u>-</u>          | <u>-</u>             | <u>(15,562)</u>     |
| Balance at December 31, 2021      | <u>\$ 1,535,615</u>       | <u>\$ 121,786</u> | <u>\$ 558</u>        | <u>\$ 1,657,959</u> |
| 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> |

## 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 \$856,650 thousand and \$522,491 thousand for the years ended December 31, 2021 and 2020, 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:

|                                             | <b>December 31</b> |                    |
|---------------------------------------------|--------------------|--------------------|
|                                             | <b>2021</b>        | <b>2020</b>        |
| Present value of defined benefit obligation | \$ 7,391,129       | \$ 7,770,346       |
| Fair value of plan assets                   | <u>(7,927,491)</u> | <u>(7,507,948)</u> |
| (Surplus) Deficit                           | (536,362)          | 262,398            |
| Recognized in net defined benefit assets    | <u>1,409,774</u>   | <u>642,298</u>     |
| Net defined benefit liabilities             | <u>\$ 873,412</u>  | <u>\$ 904,696</u>  |

Movements in net defined benefit liabilities were as follows:

|                                                                       | <b>Present Value<br/>of the Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>the Plan Assets</b> | <b>Deficit<br/>(Surplus)</b> |
|-----------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------|------------------------------|
| Balance at January 1, 2021                                            | <u>\$ 7,770,346</u>                                                | <u>\$ (7,507,948)</u>                    | <u>\$ 262,398</u>            |
| Service cost                                                          |                                                                    |                                          |                              |
| Current service cost                                                  | 57,046                                                             | (237)                                    | 56,809                       |
| Past service cost and loss on settlements                             | 1,779                                                              | -                                        | 1,779                        |
| Interest expense (income)                                             | <u>31,041</u>                                                      | <u>(28,078)</u>                          | <u>2,963</u>                 |
| Recognized in profit or loss                                          | <u>89,866</u>                                                      | <u>(28,315)</u>                          | <u>61,551</u>                |
| Remeasurement                                                         |                                                                    |                                          |                              |
| Return on plan assets (excluding amounts<br>included in net interest) | -                                                                  | (426,306)                                | (426,306)                    |
| Actuarial (gain) loss - changes in<br>demographic assumptions         | 136,505                                                            | -                                        | 136,505                      |
| Actuarial (gain) loss - changes in financial<br>assumptions           | (144,822)                                                          | -                                        | (144,822)                    |
| Actuarial (gain) loss - experience<br>adjustments                     | <u>117,225</u>                                                     | <u>-</u>                                 | <u>117,225</u>               |
| Recognized in other comprehensive income                              | <u>108,908</u>                                                     | <u>(426,306)</u>                         | <u>(317,398)</u>             |
| Contributions from the employer                                       | -                                                                  | (379,373)                                | (379,373)                    |
| Benefits paid                                                         | <u>(577,991)</u>                                                   | <u>414,451</u>                           | <u>(163,540)</u>             |
| Balance at December 31, 2021                                          | <u>\$ 7,391,129</u>                                                | <u>\$ (7,927,491)</u>                    | <u>\$ (536,362)</u>          |

(Continued)



|                                                                       | <b>Present Value<br/>of the Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>the Plan Assets</b> | <b>Deficit<br/>(Surplus)</b>     |
|-----------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------|----------------------------------|
| 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<br>included in net interest) | -                                                                  | 86,016                                   | 86,016                           |
| Actuarial (gain) loss - changes in<br>demographic assumptions         | 1,104                                                              | -                                        | 1,104                            |
| Actuarial (gain) loss - changes in financial<br>assumptions           | 233,039                                                            | -                                        | 233,039                          |
| Actuarial (gain) loss - experience<br>adjustments                     | <u>(110,363)</u>                                                   | <u>-</u>                                 | <u>(110,363)</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><br>(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:

|                                     | <b>December 31</b> |             |
|-------------------------------------|--------------------|-------------|
|                                     | <b>2021</b>        | <b>2020</b> |
| Discount rate(s)                    | 0.35%-0.75%        | 0.21%-0.75% |
| Expected rate(s) of salary increase | 1.25%-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:

|                                     | <b>December 31</b>  |                     |
|-------------------------------------|---------------------|---------------------|
|                                     | <b>2021</b>         | <b>2020</b>         |
| Discount rate(s)                    |                     |                     |
| 0.50% increase                      | <u>\$ (227,200)</u> | <u>\$ (285,146)</u> |
| 0.50% decrease                      | <u>\$ 238,952</u>   | <u>\$ 299,460</u>   |
| Expected rate(s) of salary increase |                     |                     |
| 0.50% increase                      | <u>\$ 234,931</u>   | <u>\$ 293,779</u>   |
| 0.50% decrease                      | <u>\$ (225,386)</u> | <u>\$ (281,944)</u> |

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

|                                                          | <b>December 31</b> |                   |
|----------------------------------------------------------|--------------------|-------------------|
|                                                          | <b>2021</b>        | <b>2020</b>       |
| The expected contributions to the plan for the next year | <u>\$ 366,668</u>  | <u>\$ 515,035</u> |
| The average duration of the defined benefit obligation   | 3.1-11 years       | 3.63-14.8 years   |

## 25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The contract-related assets and liabilities from some of the consolidated entities are classified as current or non-current depending on the operating cycle. Amounts expected to be received or paid within one year or over one year were as follows:

|                                                                   | <b>December 31, 2021</b> |                      |              |
|-------------------------------------------------------------------|--------------------------|----------------------|--------------|
|                                                                   | <b>Within One Year</b>   | <b>Over One Year</b> | <b>Total</b> |
| <u>Assets</u>                                                     |                          |                      |              |
| Notes and accounts receivable                                     | \$ 939,290               | \$ -                 | \$ 939,290   |
| Inventories - construction and real estate                        | 2,069,234                | 20,026,560           | 22,095,794   |
| Contract assets - current                                         | 1,569,500                | -                    | 1,569,500    |
| Other financial assets - current                                  | 674,930                  | 917,030              | 1,591,960    |
| Refundable deposits - current                                     | 5,712                    | 3,491                | 9,203        |
| <u>Liabilities</u>                                                |                          |                      |              |
| Notes and accounts payable (including payable to related parties) | 1,335,718                | 53,939               | 1,389,657    |
| Contract liabilities - current                                    | 1,164,737                | 285,836              | 1,450,573    |
| Provisions - current                                              | 32,217                   | 35,217               | 67,434       |

|                                                                   | 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                        | 3,535,154         | 208,384       | 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 (including payable to related parties) | 1,554,963         | 25,093        | 1,580,056    |
| Contract liabilities - current                                    | 811,125           | 783,841       | 1,594,966    |
| Provisions - current                                              | 18,412            | 46,500        | 64,912       |

## 26. EQUITY

### a. Share capital

#### 1) Common stock

|                                                       | December 31          |                      |
|-------------------------------------------------------|----------------------|----------------------|
|                                                       | 2021                 | 2020                 |
| 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

From 1999, 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, there are 10 thousand units outstanding, which were equal to 95 thousand common stock of the Company.

In order to reduce related management costs, the Company has terminated the issuance of global depositary receipts listed on the Luxembourg Stock Exchange and traded on the London Stock Exchange on April 29, 2021, and was delisted from the Luxembourg Stock Exchange

b. Capital surplus

|                                                                                                                                                 | <b>December 31</b>  |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                                                                                 | <b>2021</b>         | <b>2020</b>         |
| <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 | \$ 2,604,860        | \$ 2,654,932        |
| Treasury share transactions                                                                                                                     | 17,690              | 16,638              |
| <u>May be used to offset a deficit only</u>                                                                                                     |                     |                     |
| Arising from changes in percentage of ownership interests in subsidiaries and associates (2)                                                    | 627,118             | 495,232             |
| <u>May not be used for any purpose</u>                                                                                                          |                     |                     |
| Others                                                                                                                                          | <u>153,335</u>      | <u>153,335</u>      |
|                                                                                                                                                 | <u>\$ 3,403,003</u> | <u>\$ 3,320,137</u> |

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary, resulted from equity transactions other than actual disposal or acquisition.

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.

The Company's shareholders' meeting resolved to modify the dividend policy in the Company's Articles on June 30, 2020: where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the net profit after tax plus the items other than the net profit after tax which is included in the current year's retained earnings, 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, please 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 Rules 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 2020 and 2019 earnings were approved in the shareholders' meetings on July 29, 2021 and June 30, 2020, respectively. The appropriations and dividends per share were as follows:

|                 | <b>Appropriation and Earnings</b> |              | <b>Dividend Per Share</b>  |             |
|-----------------|-----------------------------------|--------------|----------------------------|-------------|
|                 | <b>For the Years Ended</b>        |              | <b>(NT\$)</b>              |             |
|                 | <b>December 31</b>                |              | <b>For the Years Ended</b> |             |
|                 | <b>2020</b>                       | <b>2019</b>  | <b>2020</b>                | <b>2019</b> |
| Legal reserve   | \$ 730,754                        | \$ 1,073,267 |                            |             |
| Special reserve | 2,109,237                         | 1,836,486    |                            |             |
| Cash dividends  | 7,226,382                         | 8,029,313    | \$ 1.35                    | \$ 1.50     |

The appropriation of earnings for 2021 were proposed by the Company's board of directors on March 8, 2022. The appropriations and dividends per share were as follows:

|                 | <b>Appropriation<br/>of Earnings</b> | <b>Dividends Per<br/>Share (NT\$)</b> |
|-----------------|--------------------------------------|---------------------------------------|
| Legal reserve   | \$ 1,017,807                         |                                       |
| Special reserve | 779,995                              |                                       |
| Cash dividends  | 8,029,313                            | \$1.50                                |

The appropriation of earnings for 2021 are subject to resolution in the shareholders' meeting to be held on June 30, 2022.

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:

|                              | <b>For the Year Ended December 31</b> |                      |
|------------------------------|---------------------------------------|----------------------|
|                              | <b>2021</b>                           | <b>2020</b>          |
| Beginning and Ending balance | <u>\$ 21,552,496</u>                  | <u>\$ 21,552,496</u> |

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

|                                                               | <b>For the Year Ended December 31</b> |                      |
|---------------------------------------------------------------|---------------------------------------|----------------------|
|                                                               | <b>2021</b>                           | <b>2020</b>          |
| Beginning balance                                             | \$ 92,614,722                         | \$ 90,776,716        |
| Appropriation in respect of:                                  |                                       |                      |
| Application of the fair value method to investment properties | <u>2,108,536</u>                      | <u>1,838,006</u>     |
| Ending balance                                                | <u>\$ 94,723,258</u>                  | <u>\$ 92,614,722</u> |

e. Other equity items

The changes in other equity items were as follows:

|                                                                                          | <b>Exchange Differences on Translation of Foreign Operations</b> | <b>Unrealized Gain (Loss) on Financial Assets at FVTOCI</b> | <b>Gain (Loss) on Hedging Instruments</b> | <b>Gain on Property Revaluation</b> | <b>Total</b>          |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|-------------------------------------|-----------------------|
| Balance at January 1, 2021                                                               | \$ (7,218,941)                                                   | \$ 1,995,447                                                | \$ 19,480                                 | \$ 2,293,619                        | \$ (2,910,395)        |
| Exchange differences arising on translation of foreign operations                        | (1,210,428)                                                      | -                                                           | -                                         | -                                   | (1,210,428)           |
| Unrealized gain (loss) on financial assets at FVTOCI                                     | -                                                                | 229,440                                                     | -                                         | -                                   | 229,440               |
| Gain (loss) on hedging instruments                                                       | -                                                                | -                                                           | 4,146                                     | -                                   | 4,146                 |
| Gain on property revaluation                                                             | -                                                                | -                                                           | -                                         | 249,143                             | 249,143               |
| Disposal of equity instruments measured at fair value through other comprehensive income | -                                                                | (125,315)                                                   | -                                         | -                                   | (125,315)             |
| Share of the other comprehensive gain (loss) of associates                               | (290,156)                                                        | 180,440                                                     | (234)                                     | 33,920                              | (76,030)              |
| Change in ownership interest of associates                                               | -                                                                | (50,869)                                                    | -                                         | (1,731)                             | (52,600)              |
| Associates disposed the investment in equity instruments designated as at FVTOCI         | -                                                                | (33,357)                                                    | -                                         | -                                   | (33,357)              |
| Balance at December 31, 2021                                                             | <u>\$ (8,719,525)</u>                                            | <u>\$ 2,195,786</u>                                         | <u>\$ 23,392</u>                          | <u>\$ 2,574,951</u>                 | <u>\$ (3,925,396)</u> |

|                                                                                 | <b>Exchange Differences on Translation of Foreign Operations</b> | <b>Unrealized Gain (Loss) on Financial Assets at FVTOCI</b> | <b>Gain (Loss) on Hedging Instruments</b> | <b>Gain on Property Revaluation</b> | <b>Total</b>          |
|---------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|-------------------------------------|-----------------------|
| 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 | -                                                                | 24,376                                                      | -                                         | -                                   | 24,376                |
| Balance at December 31, 2020                                                    | <u>\$ (7,218,941)</u>                                            | <u>\$ 1,995,447</u>                                         | <u>\$ 19,480</u>                          | <u>\$ 2,293,619</u>                 | <u>\$ (2,910,395)</u> |

f. Non-controlling interests

|                                                                                         | <b>For the Year Ended December 31</b> |                      |
|-----------------------------------------------------------------------------------------|---------------------------------------|----------------------|
|                                                                                         | <b>2021</b>                           | <b>2020</b>          |
| Beginning balance                                                                       | \$ 65,395,453                         | \$ 66,798,895        |
| Attributable to non-controlling interests:                                              |                                       |                      |
| Net income                                                                              | 5,159,901                             | 4,917,840            |
| Cash dividends distributed by subsidiaries                                              | (4,705,450)                           | (6,682,000)          |
| Cash dividends distributed by subsidiaries from capital surplus                         | (2,041,690)                           | (51,156)             |
| Exchange differences on translation of foreign operations                               | (103,853)                             | 113,987              |
| Unrealized gain on financial assets at FVTOCI                                           | (400,384)                             | (67,568)             |
| Gain on hedging instruments                                                             | 7,879                                 | 14,799               |
| Remeasurement on defined benefit plans                                                  | (13,936)                              | (20,281)             |
| Gain on property revaluation                                                            | 5,854                                 | 249,491              |
| Actual obtain or dispose of partial equity of the subsidiary                            | (27,167)                              | -                    |
| Share of other comprehensive income of associates accounted for using the equity method | 39,746                                | (50,816)             |
| Changes in associates accounted for using the equity method                             | 1,134                                 | (3,859)              |
| Effect on changes in percentage of ownership in subsidiaries                            | <u>48,696</u>                         | <u>131,121</u>       |
| Ending balance                                                                          | <u>\$ 63,366,183</u>                  | <u>\$ 65,395,453</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:

| <b>Name of Subsidiary</b> | <b>Number of<br/>Shares Held<br/>(In Thousands)</b> | <b>Carrying<br/>Amount</b> | <b>Market Price</b> |
|---------------------------|-----------------------------------------------------|----------------------------|---------------------|
| <u>December 31, 2021</u>  |                                                     |                            |                     |
| Yuan Ding                 | 779                                                 | <u>\$ 25,063</u>           | <u>\$ 22,836</u>    |
| <u>December 31, 2020</u>  |                                                     |                            |                     |
| Yuan Ding                 | 779                                                 | <u>\$ 25,063</u>           | <u>\$ 22,563</u>    |

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

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

## 27. REVENUE

|                                       | <b>For the Year Ended December 31</b> |                       |
|---------------------------------------|---------------------------------------|-----------------------|
|                                       | <b>2021</b>                           | <b>2020</b>           |
| Revenue from contracts with customers |                                       |                       |
| Revenue from sale of goods            | \$ 169,280,929                        | \$ 138,939,956        |
| Telecommunications service revenue    | 45,333,985                            | 45,541,683            |
| Construction revenue                  | 7,297,098                             | 7,212,184             |
| Other operating revenue               | <u>16,894,205</u>                     | <u>15,075,458</u>     |
|                                       | <u>\$ 238,806,217</u>                 | <u>\$ 206,769,281</u> |

### a. Description of customer contract

Refer to Note 4 the summary of significant accounting policies.

### b. Contract balances

|                                         | <b>December 31,<br/>2021</b> | <b>December 31,<br/>2020</b> | <b>January 1, 2020</b> |
|-----------------------------------------|------------------------------|------------------------------|------------------------|
| Notes and accounts receivable (Note 11) | <u>\$ 29,336,993</u>         | <u>\$ 26,788,957</u>         | <u>\$ 26,932,881</u>   |
| Long-term receivables                   | <u>\$ 93,134</u>             | <u>\$ 129,598</u>            | <u>\$ 100,125</u>      |
| Contract assets                         |                              |                              |                        |
| Bundle sale of goods                    | \$ 7,570,619                 | \$ 7,274,473                 | \$ 6,655,168           |
| Real estate construction                | 1,106,190                    | 952,972                      | 1,876,768              |
| Retentions receivable                   | 463,310                      | 304,606                      | 335,999                |
| Others                                  | 1,209,396                    | 924,052                      | -                      |
| Less: Allowance for impairment loss     | <u>(148,515)</u>             | <u>(135,925)</u>             | <u>(135,925)</u>       |
|                                         | <u>\$ 10,201,000</u>         | <u>\$ 9,320,178</u>          | <u>\$ 8,732,010</u>    |
| Current                                 | \$ 6,838,329                 | \$ 6,098,262                 | \$ 6,398,973           |
| Non-current                             | <u>3,362,671</u>             | <u>3,221,916</u>             | <u>2,333,037</u>       |
|                                         | <u>\$ 10,201,000</u>         | <u>\$ 9,320,178</u>          | <u>\$ 8,732,010</u>    |
| Contract liabilities                    |                              |                              |                        |
| Sale of goods and services              | \$ 15,053,216                | \$ 4,103,947                 | \$ 3,653,556           |
| Sale of real estate                     | 57                           | 34,663                       | 4,652                  |
| Real estate construction                | 399,301                      | 469,634                      | 74,874                 |
| Retentions payable                      | <u>1,051,215</u>             | <u>1,090,669</u>             | <u>1,013,310</u>       |
|                                         | <u>\$ 16,503,789</u>         | <u>\$ 5,698,913</u>          | <u>\$ 4,746,392</u>    |
| Current                                 | \$ 5,884,426                 | \$ 5,509,591                 | \$ 4,535,792           |
| Non-current                             | <u>10,619,363</u>            | <u>189,322</u>               | <u>210,600</u>         |
|                                         | <u>\$ 16,503,789</u>         | <u>\$ 5,698,913</u>          | <u>\$ 4,746,392</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, contract liability is recognized as revenue until performance obligations are satisfied.

The Group recognizes allowance for contract assets of properties excluded in expected credit provision lifetime. 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

|                                               | <b>For the Year Ended December 31</b> |                     |
|-----------------------------------------------|---------------------------------------|---------------------|
|                                               | <b>2021</b>                           | <b>2020</b>         |
| Expected credit loss rate                     | 0.05%-8.93%                           | 0.06%-9.41%         |
| Gross carrying amount                         | \$ 8,780,015                          | \$ 8,198,525        |
| Allowance for impairment loss (Lifetime ECLs) | <u>(148,515)</u>                      | <u>(135,925)</u>    |
|                                               | <u>\$ 8,631,500</u>                   | <u>\$ 8,062,600</u> |

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

|                                          | <b>For the Year Ended December 31</b> |                   |
|------------------------------------------|---------------------------------------|-------------------|
|                                          | <b>2021</b>                           | <b>2020</b>       |
| Balance at January 1                     | \$ 135,925                            | \$ 135,925        |
| Add: Net remeasurement of loss allowance | <u>12,590</u>                         | <u>-</u>          |
| Balance at December 31                   | <u>\$ 148,515</u>                     | <u>\$ 135,925</u> |

c. Assets related to contract costs

|                                                                  | <b>December 31</b>  |                     |
|------------------------------------------------------------------|---------------------|---------------------|
|                                                                  | <b>2021</b>         | <b>2020</b>         |
| Current                                                          |                     |                     |
| Costs to fulfill a contract (recognized as other current assets) | <u>\$ 8,120</u>     | <u>\$ 10,554</u>    |
| Non-current                                                      |                     |                     |
| Incremental costs of obtaining a contract                        | <u>\$ 3,908,968</u> | <u>\$ 3,490,644</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 2021 and 2020 was \$3,091,447 thousand and \$2,971,893 thousand, respectively.

d. Disaggregation of revenue

Refer to Note 41 for information about disaggregation of revenue.

e. Partially completed contracts

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

|                                     | <b>December 31</b>   |                      |
|-------------------------------------|----------------------|----------------------|
|                                     | <b>2021</b>          | <b>2020</b>          |
| Telecommunication service contracts |                      |                      |
| Fulfillment in 2021                 | \$ -                 | \$ 15,878,531        |
| Fulfillment in 2022                 | 15,536,377           | 8,887,742            |
| Fulfillment in 2023 and beyond      | <u>10,898,107</u>    | <u>2,155,153</u>     |
|                                     | <u>\$ 26,434,484</u> | <u>\$ 26,921,426</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

|                                     | <b>For the Year Ended December 31</b> |             |
|-------------------------------------|---------------------------------------|-------------|
|                                     | <b>2021</b>                           | <b>2020</b> |
| Capitalized interests on properties | \$ 63,831                             | \$ 110,166  |
| Capitalization rates                | 0.10%-3.25%                           | 0.36%-3.70% |

b. Depreciation and amortization

|                                         | <b>For the Year Ended December 31</b> |                      |
|-----------------------------------------|---------------------------------------|----------------------|
|                                         | <b>2021</b>                           | <b>2020</b>          |
| Property, plant and equipment           | \$ 16,336,423                         | \$ 16,006,331        |
| Right-of-use assets                     | 4,297,596                             | 4,314,649            |
| Intangible assets                       | <u>6,916,743</u>                      | <u>5,431,770</u>     |
|                                         | <u>\$ 27,550,762</u>                  | <u>\$ 25,752,750</u> |
| An analysis of depreciation by function |                                       |                      |
| Operating costs                         | \$ 18,546,139                         | \$ 17,838,352        |
| Operating expenses                      | 2,020,225                             | 2,404,923            |
| Other expense                           | <u>67,655</u>                         | <u>77,705</u>        |
|                                         | <u>\$ 20,634,019</u>                  | <u>\$ 20,320,980</u> |
| An analysis of amortization by function |                                       |                      |
| Operating costs                         | \$ 5,496,892                          | \$ 4,454,111         |
| Operating expenses                      | <u>1,419,851</u>                      | <u>977,659</u>       |
|                                         | <u>\$ 6,916,743</u>                   | <u>\$ 5,431,770</u>  |

c. Employee benefits expense

|                                                  | <b>For the Year Ended December 31</b> |                      |
|--------------------------------------------------|---------------------------------------|----------------------|
|                                                  | <b>2021</b>                           | <b>2020</b>          |
| Post-employment benefits                         |                                       |                      |
| Defined contribution plans                       | \$ 856,650                            | \$ 522,491           |
| Defined benefit plans                            | 61,551                                | 68,326               |
| Other employee benefits                          | <u>22,400,268</u>                     | <u>19,199,573</u>    |
| Total employee benefits expense                  | <u>\$ 23,318,469</u>                  | <u>\$ 19,790,390</u> |
| Analysis of employee benefit expense by function |                                       |                      |
| Operating costs                                  | \$ 11,791,134                         | \$ 9,610,727         |
| Operating expenses                               | <u>11,527,335</u>                     | <u>10,179,663</u>    |
|                                                  | <u>\$ 23,318,469</u>                  | <u>\$ 19,790,390</u> |

d. Gain/(loss) on disposal of non-financial assets

|                                                            | <b>For the Year Ended December 31</b> |                     |
|------------------------------------------------------------|---------------------------------------|---------------------|
|                                                            | <b>2021</b>                           | <b>2020</b>         |
| Gain/(losses) on disposal of property, plant and equipment | \$ 1,052,223                          | \$ (900,039)        |
| Loss on disposal of investment properties                  | (4,436)                               | (12,542)            |
| Loss on disposal of intangible assets                      | (22,597)                              | (4)                 |
| Loss on disposal of concessions                            | <u>(21,150)</u>                       | <u>(3,140)</u>      |
|                                                            | <u>\$ 1,004,040</u>                   | <u>\$ (915,725)</u> |

e. 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, 2021 and 2020, which were approved by the Company's board of directors on March 8, 2022 and March 24, 2021, respectively, are as follows:

Accrual rate

|                           | <b>For the Year Ended December 31</b> |             |
|---------------------------|---------------------------------------|-------------|
|                           | <b>2021</b>                           | <b>2020</b> |
| Employees' compensation   | 3.30%                                 | 2.79%       |
| Remuneration of directors | 1.73%                                 | 1.76%       |

Amount

|                           | <b>For the Year Ended December 31</b> |             |
|---------------------------|---------------------------------------|-------------|
|                           | <b>2021</b>                           | <b>2020</b> |
| Employees' compensation   | \$ 345,347                            | \$ 230,231  |
| Remuneration of directors | 180,847                               | 145,673     |

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, 2020 and 2019. 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 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

|                                                 | <b>For the Year Ended December 31</b> |                     |
|-------------------------------------------------|---------------------------------------|---------------------|
|                                                 | <b>2021</b>                           | <b>2020</b>         |
| Current tax                                     |                                       |                     |
| In respect of the current year                  | \$ 3,031,307                          | \$ 2,421,554        |
| Income tax on unappropriated earnings           | 937                                   | 767                 |
| Adjustments for prior years                     | <u>(113,425)</u>                      | <u>(202,042)</u>    |
|                                                 | 2,918,819                             | 2,220,279           |
| Deferred tax                                    | <u>64,001</u>                         | <u>922,666</u>      |
| Income tax expense recognized in profit or loss | <u>\$ 2,982,820</u>                   | <u>\$ 3,142,945</u> |

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

|                                                           | <b>For the Year Ended December 31</b> |                      |
|-----------------------------------------------------------|---------------------------------------|----------------------|
|                                                           | <b>2021</b>                           | <b>2020</b>          |
| Profit before tax from continuing operations              | <u>\$ 17,827,305</u>                  | <u>\$ 16,123,484</u> |
| Income tax expense calculated at the statutory rate (20%) | \$ 3,565,461                          | \$ 3,224,697         |
| Adjustment items effect of income tax                     | (534,154 )                            | (803,143)            |
| Adjustments for prior years' income tax                   | (113,425 )                            | (202,042)            |
| Income tax on unappropriated earnings                     | 937                                   | 767                  |
| Current tax                                               | 2,918,819                             | 2,220,279            |
| Deferred tax                                              | <u>64,001</u>                         | <u>922,666</u>       |
| Income tax expense recognized in profit or loss           | <u>\$ 2,982,820</u>                   | <u>\$ 3,142,945</u>  |

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

|                                                                                             | <b>For the Year Ended December 31</b> |                    |
|---------------------------------------------------------------------------------------------|---------------------------------------|--------------------|
|                                                                                             | <b>2021</b>                           | <b>2020</b>        |
| <u>Deferred tax benefit (expense)</u>                                                       |                                       |                    |
| In respect of the current period                                                            |                                       |                    |
| Unrealized gain (loss) on financial assets at fair value through other comprehensive income | \$ (129)                              | \$ 4,336           |
| Gains on property revaluation                                                               | (17,455)                              | (138,159)          |
| Remeasurement of defined benefit plans                                                      | <u>(61,286)</u>                       | <u>42,027</u>      |
|                                                                                             | <u>\$ (78,870)</u>                    | <u>\$ (91,796)</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, 2021

|                                         | <b>Opening Balance</b> | <b>Recognized in Profit or Loss</b> | <b>Recognized in Other Comprehensive Income</b> | <b>Closing Balance</b> |
|-----------------------------------------|------------------------|-------------------------------------|-------------------------------------------------|------------------------|
| <u>Deferred tax assets</u>              |                        |                                     |                                                 |                        |
| Allowance for doubtful accounts         | \$ 312,339             | \$ 29,284                           | \$ -                                            | \$ 341,623             |
| Loss carryforwards                      | 1,253,471              | (42,778)                            | -                                               | 1,210,693              |
| Impairment loss                         | 476,891                | (83,352)                            | -                                               | 393,539                |
| Others                                  | <u>657,589</u>         | <u>224,878</u>                      | <u>(61,415)</u>                                 | <u>821,052</u>         |
|                                         | <u>\$ 2,700,290</u>    | <u>\$ 128,032</u>                   | <u>\$ (61,415)</u>                              | <u>\$ 2,766,907</u>    |
| <u>Deferred tax liabilities</u>         |                        |                                     |                                                 |                        |
| Share of profit of associates           | \$ 1,342,757           | \$ 318,969                          | \$ -                                            | \$ 1,661,726           |
| Amortization of goodwill                | 2,056,606              | -                                   | -                                               | 2,056,606              |
| Provision of land value incremental tax | 13,930,720             | (483,603)                           | -                                               | 13,447,117             |
| Investment properties                   | 750,296                | 89,768                              | 17,455                                          | 857,519                |
| Others                                  | <u>278,770</u>         | <u>266,899</u>                      | <u>-</u>                                        | <u>545,669</u>         |
|                                         | <u>\$ 18,359,149</u>   | <u>\$ 192,033</u>                   | <u>\$ 17,455</u>                                | <u>\$ 18,568,637</u>   |

For the year ended December 31, 2020

|                                            | <b>Opening<br/>Balance</b> | <b>Recognized in<br/>Profit or Loss</b> | <b>Recognized in<br/>Other<br/>Comprehensive<br/>Income</b> | <b>Closing Balance</b> |
|--------------------------------------------|----------------------------|-----------------------------------------|-------------------------------------------------------------|------------------------|
| <u>Deferred tax assets</u>                 |                            |                                         |                                                             |                        |
| Investment credits                         | \$ 18,671                  | \$ (18,671)                             | \$ -                                                        | \$ -                   |
| Allowance for doubtful accounts            | 272,864                    | 39,475                                  | -                                                           | 312,339                |
| Loss carryforwards                         | 1,654,451                  | (400,980)                               | -                                                           | 1,253,471              |
| Impairment loss                            | 528,843                    | (51,952)                                | -                                                           | 476,891                |
| Others                                     | <u>642,703</u>             | <u>(31,624)</u>                         | <u>46,510</u>                                               | <u>657,589</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<br>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>   |

- 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

|                                  | <b>December 31</b>   |                      |
|----------------------------------|----------------------|----------------------|
|                                  | <b>2021</b>          | <b>2020</b>          |
| Loss carryforwards               | <u>\$ 22,695,077</u> | <u>\$ 19,419,926</u> |
| Expiry year                      | 2022-2031            | 2021-2030            |
| Deductible temporary differences | <u>\$ 8,118,622</u>  | <u>\$ 5,894,124</u>  |

- e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2021 comprised:

| <b>Unused Amount</b> | <b>Expiry Year</b> |
|----------------------|--------------------|
| <u>\$ 28,736,476</u> | 2022-2031          |

f. Income tax assessments

|                                                   | <b><u>Latest Year of Income<br/>Tax Return That Tax<br/>Authorities Had<br/>Examined and Cleared</u></b> |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Far Eastern New Century Corporation               | 2019                                                                                                     |
| Far Eastern Resources Development Co., Ltd.       | 2019                                                                                                     |
| Oriental Petrochemical (Taiwan) Corporation       | 2019                                                                                                     |
| Fu Kwok Knitting & Garment Co., Ltd.              | 2019                                                                                                     |
| Yuan Tong Investment Co., Ltd.                    | 2019                                                                                                     |
| Kai Yuan International Investment Co., Ltd.       | 2019                                                                                                     |
| Ding Yuan International Investment Co., Ltd.      | 2019                                                                                                     |
| An Ho Garment Co., Ltd.                           | 2019                                                                                                     |
| Far Eastern Textile Ltd.                          | 2019                                                                                                     |
| Far Eastern Construction Co., Ltd.                | 2019                                                                                                     |
| Far Eastern General Contractor Inc.               | 2019                                                                                                     |
| Yuan Ding Investment Co., Ltd.                    | 2019                                                                                                     |
| Far Eastern Fibertech Co., Ltd.                   | 2019                                                                                                     |
| Oriental Green Materials Limited                  | 2019                                                                                                     |
| Oriental Resources Development Co., Ltd.          | 2020                                                                                                     |
| Far Eastern Apparel Co., Ltd.                     | 2019                                                                                                     |
| Yuan Faun Co., Ltd.                               | 2019                                                                                                     |
| Yuan Cheng Human Resources Consultant Corporation | 2019                                                                                                     |
| Yuan Ding Co., Ltd.                               | 2019                                                                                                     |
| Far Eastern Technical Consultants Co., Ltd.       | 2019                                                                                                     |
| YDT Technology International Co., Ltd.            | 2019                                                                                                     |
| FET Consulting Engineers Co., Ltd.                | 2019                                                                                                     |
| Ding Ding Integrated Marketing Service Co., Ltd.  | 2019                                                                                                     |
| Ding Ding Hotel Co., Ltd.                         | 2019                                                                                                     |
| Far Eastern Electronic Toll Collection Co., Ltd.  | 2019                                                                                                     |
| FETC International Co., Ltd.                      | 2019                                                                                                     |
| Yuan Hsin Digital Payment Co., Ltd.               | 2019                                                                                                     |
| Far EasTone Telecommunications Co., Ltd           | 2019                                                                                                     |
| ARCOA Communication Co., Ltd.                     | 2019                                                                                                     |
| Information Security Service Digital United Inc.  | 2019                                                                                                     |
| Linkwell Tech. Co., Ltd.                          | 2019                                                                                                     |
| DataExpress Infotech Co., Ltd.                    | 2019                                                                                                     |
| Yuan Cing Co., Ltd.                               | 2020                                                                                                     |
| New Diligent Co., Ltd.                            | 2019                                                                                                     |
| KGEx.com Co., Ltd.                                | 2019                                                                                                     |
| Home Master Technology Ltd.                       | 2019                                                                                                     |
| Yuanshi Digital Technology Co., Ltd.              | 2019                                                                                                     |
| New Century InfoComm Tech Corporation             | 2019                                                                                                     |
| Nextlink Technology Co., Ltd.                     | 2019                                                                                                     |
| Microfusion Technology Co., Ltd.                  | 2019                                                                                                     |
| Prime EcoPower Co., Ltd.                          | 2019                                                                                                     |
| Yuanbao Financial Technology Co., Ltd.            | 2019                                                                                                     |

### 30. EARNINGS PER SHARE

Unit: NT\$ Per Share

|                            | <b>For the Year Ended December 31</b> |                |
|----------------------------|---------------------------------------|----------------|
|                            | <b>2021</b>                           | <b>2020</b>    |
| Basic earnings per share   | <u>\$ 1.94</u>                        | <u>\$ 1.62</u> |
| Diluted earnings per share | <u>\$ 1.94</u>                        | <u>\$ 1.61</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

|                                                                 | <b>For the Year Ended December 31</b> |                     |
|-----------------------------------------------------------------|---------------------------------------|---------------------|
|                                                                 | <b>2021</b>                           | <b>2020</b>         |
| Net income for the period attributable to owners of the Company | <u>\$ 9,684,584</u>                   | <u>\$ 8,062,699</u> |

#### Weighted Average Number of Common Stock Outstanding

Unit: In Thousand Shares

|                                                                                               | <b>For the Year Ended December 31</b> |                  |
|-----------------------------------------------------------------------------------------------|---------------------------------------|------------------|
|                                                                                               | <b>2021</b>                           | <b>2020</b>      |
| Weighted average number of common stock used in the computation of basic earnings per share   | 4,986,743                             | 4,984,665        |
| Effect of potentially dilutive common stock:<br>Employees' compensation                       | <u>13,868</u>                         | <u>14,106</u>    |
| Weighted average number of common stock used in the computation of diluted earnings per share | <u>5,000,611</u>                      | <u>4,998,771</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, 2021 and 2020, the Company's basic EPS were \$1.81 and \$1.51, respectively.



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

#### For the year ended December 31, 2021

In 2021, the Group purchased 0.04% of the shares of subsidiary Far EasTone Telecommunications Co., Ltd. for NT\$77,239 thousand, and then increased its equity from 38.29% to 38.33%.

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

|                                                                                    | <b>Far EasTone<br/>Telecommuni-<br/>cations Co.,<br/>Ltd.</b> |
|------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Cash consideration paid                                                            | \$ (77,239)                                                   |
| The proportionate share of the carrying amount of the net assets of the subsidiary | <u>27,167</u>                                                 |
| Difference recognized from equity transactions                                     | <u>\$ (50,072)</u>                                            |

#### Line items adjusted for equity transactions

|                                                                                                                                                                   |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | <u>\$ (50,072)</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|

In August 2021, 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, decreasing its continuing interest from 74.36% to 71.63%.

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

|                                                                                    | <b>Yuan Hsin<br/>Digital Payment<br/>Co., Ltd.</b> |
|------------------------------------------------------------------------------------|----------------------------------------------------|
| Cash consideration received                                                        | \$ 49,403                                          |
| The proportionate share of the carrying amount of the net assets of the subsidiary | <u>(48,696)</u>                                    |
| Differences recognized from equity transactions                                    | <u>\$ 707</u>                                      |

#### Line items adjusted for equity transactions

|                                                                                                            |               |
|------------------------------------------------------------------------------------------------------------|---------------|
| Capital surplus - arising from changes in percentage of ownership interests in subsidiaries and associates | <u>\$ 707</u> |
|------------------------------------------------------------------------------------------------------------|---------------|

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:

|                                                                                    | <b>Yuanshi Digital<br/>Technology Co.,<br/>Ltd.</b> |
|------------------------------------------------------------------------------------|-----------------------------------------------------|
| Cash consideration paid                                                            | \$ -                                                |
| 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:

|                                                                                             | <b>Phoenix<br/>Technologies<br/>International,<br/>LLC</b> |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 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:

|                                                                                    | <b>Yuan Hsin<br/>Digital Payment<br/>Co., Ltd.</b> |
|------------------------------------------------------------------------------------|----------------------------------------------------|
| Cash consideration paid                                                            | \$ -                                               |
| 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>                                  |

### 32. 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.

### 33. FINANCIAL INSTRUMENTS

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

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

|                                                        | <b>December 31</b>         |                       |                            |                       |
|--------------------------------------------------------|----------------------------|-----------------------|----------------------------|-----------------------|
|                                                        | <b>2021</b>                |                       | <b>2020</b>                |                       |
|                                                        | <b>Carrying<br/>Amount</b> | <b>Fair Value</b>     | <b>Carrying<br/>Amount</b> | <b>Fair Value</b>     |
| <u>Financial liabilities</u>                           |                            |                       |                            |                       |
| Financial liabilities<br>measured at amortized<br>cost |                            |                       |                            |                       |
| Bonds payable                                          | <u>\$ 126,088,310</u>      | <u>\$ 126,661,842</u> | <u>\$ 117,879,281</u>      | <u>\$ 118,549,263</u> |

##### 2) Fair value hierarchy

##### December 31, 2021

|                              | <b>Level 1</b>        | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>          |
|------------------------------|-----------------------|----------------|----------------|-----------------------|
| <u>Financial liabilities</u> |                       |                |                |                       |
| Bonds payable                | <u>\$ 126,661,842</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 126,661,842</u> |

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> |

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

1) Fair value hierarchy

December 31, 2021

|                                                                     | Level 1             | Level 2             | Level 3             | Total               |
|---------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Financial assets at FVTPL                                           |                     |                     |                     |                     |
| Open-end mutual funds - beneficial certificates                     | \$ 3,152,708        | \$ -                | \$ -                | \$ 3,152,708        |
| Foreign mutual funds - benefit certificates                         | -                   | 2,398,859           | -                   | 2,398,859           |
| Domestic listed shares                                              | 394,802             | -                   | -                   | 394,802             |
| Forward exchange contracts                                          | <u>-</u>            | <u>-</u>            | <u>27,429</u>       | <u>27,429</u>       |
|                                                                     | <u>\$ 3,547,510</u> | <u>\$ 2,398,859</u> | <u>\$ 27,429</u>    | <u>\$ 5,973,798</u> |
| Financial assets at FVTOCI                                          |                     |                     |                     |                     |
| Domestic listed shares                                              | \$ 4,971,562        | \$ -                | \$ -                | \$ 4,971,562        |
| Unlisted shares                                                     | -                   | -                   | 1,545,447           | 1,545,447           |
| Real estate investment trust mutual funds - beneficial certificates | 487,029             | -                   | -                   | 487,029             |
| Foreign unlisted shares                                             | <u>-</u>            | <u>-</u>            | <u>587,410</u>      | <u>587,410</u>      |
|                                                                     | <u>\$ 5,458,591</u> | <u>\$ -</u>         | <u>\$ 2,132,857</u> | <u>\$ 7,591,448</u> |
| Financial liabilities at FVTPL                                      |                     |                     |                     |                     |
| Forward exchange contracts                                          | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 3,517</u>     | <u>\$ 3,517</u>     |
| Financial liabilities for hedging                                   |                     |                     |                     |                     |
| Cash flow hedges - interest rate swap contracts                     | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 372</u>       | <u>\$ 372</u>       |

December 31, 2020

|                                                                     | Level 1             | Level 2             | Level 3             | Total               |
|---------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Financial assets at FVTPL                                           |                     |                     |                     |                     |
| 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> |
| 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                                             | -                   | -                   | 576,562             | 576,562             |
|                                                                     | <u>\$ 897,755</u>   | <u>\$ -</u>         | <u>\$ 1,915,033</u> | <u>\$ 2,812,788</u> |
| Financial liabilities at FVTPL                                      |                     |                     |                     |                     |
| Forward exchange contracts                                          | \$ -                | \$ -                | \$ 10,619           | \$ 10,619           |
| Financial liabilities for hedging                                   |                     |                     |                     |                     |
| Cash flow hedges - interest rate swap contracts                     | \$ -                | \$ -                | \$ 8,508            | \$ 8,508            |

There were no transfers between Levels 1 and 2 for the years ended December 31, 2021 and 2020.

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

For the year ended December 31, 2021

|                                                     | Financial Assets<br>at Fair Value<br>Through<br>Profit or Loss | Financial Assets<br>at FVTOCI | Financial<br>Instruments for<br>Hedging | Total               |
|-----------------------------------------------------|----------------------------------------------------------------|-------------------------------|-----------------------------------------|---------------------|
| Balance at January 1, 2021                          | \$ 12,691                                                      | \$ 1,915,033                  | \$ (8,508)                              | \$ 1,919,216        |
| Acquisition                                         | -                                                              | 50,000                        | -                                       | 50,000              |
| Disposal                                            | -                                                              | (97,300)                      | -                                       | (97,300)            |
| Capital reduction and refund                        | -                                                              | (21,450)                      | -                                       | (21,450)            |
| Recognized in profit or loss                        | 121,595                                                        | -                             | (10,505)                                | 111,090             |
| Recognized in other comprehensive income            | -                                                              | 291,843                       | 12,025                                  | 303,868             |
| Settlements and effect of exchange rate differences | (107,229)                                                      | (5,269)                       | 10,505                                  | (101,993)           |
| Balance at December 31, 2021                        | <u>\$ 27,057</u>                                               | <u>\$ 2,132,857</u>           | <u>\$ 3,517</u>                         | <u>\$ 2,163,431</u> |

For the year ended December 31, 2020

|                                                     | Financial Assets<br>at Fair Value<br>Through<br>Profit or Loss | Financial Assets<br>at FVTOCI | Financial<br>Instruments for<br>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> |

- 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

|                                              | <b>December 31</b> |              |
|----------------------------------------------|--------------------|--------------|
|                                              | <b>2021</b>        | <b>2020</b>  |
| <u>Financial assets</u>                      |                    |              |
| Financial assets at FVTPL                    | \$ 5,973,798       | \$ 5,455,230 |
| Financial assets for hedging                 | 3,517              | -            |
| Financial assets at amortized cost (Note 1)  | 78,170,400         | 75,816,720   |
| Financial assets at FVTOCI                   | 7,591,448          | 2,812,788    |
| <u>Financial liabilities</u>                 |                    |              |
| Financial liabilities at FVTPL               | 372                | 10,619       |
| Derivative financial liabilities for hedging | -                  | 8,508        |
| Amortized cost (Note 2)                      | 310,512,837        | 305,790,579  |

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).

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.

|                             | <b>December 31</b>  |                    |
|-----------------------------|---------------------|--------------------|
|                             | <b>2021</b>         | <b>2020</b>        |
| 5% change in profit or loss |                     |                    |
| USD                         | <u>\$ (329,269)</u> | <u>\$ (88,341)</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:

|                               | <b>December 31</b> |               |
|-------------------------------|--------------------|---------------|
|                               | <b>2021</b>        | <b>2020</b>   |
| Fair value interest rate risk |                    |               |
| Financial assets              | \$ 18,598,979      | \$ 14,773,429 |
| Financial liabilities         | 243,538,512        | 239,020,734   |
| Cash flow interest rate risk  |                    |               |
| Financial assets              | 14,578,478         | 16,063,554    |
| Financial liabilities         | 36,279,261         | 39,178,441    |



## 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, 2021 and 2020 would have decreased/increased by NT\$46,381 thousand and NT\$36,841 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decrease by \$36,446 thousand and \$40,159 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, 2021 and 2020 would have decreased/increased by \$607,328 thousand and \$596,062 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased/increased by \$90,698 thousand and \$97,946 thousand, respectively.

## Hedge accounting

### For the year ended December 31, 2021

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, 2021

| 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<br>Interest rate swaps | NT\$3,294,000 thousand | November 2025 | 0%-4.8%                      | 0.60%-4.9%                       | Financial liabilities for hedging | \$ 3,517        | \$ -      | \$ -                                                       |

| 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<br>Interest expense from long-term debt | \$ -                                                       | \$ 3,517                                  | \$ -                                               |

## 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<br>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)                                | \$ -                                               |

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, 2021

| Comprehensive Income                 | Hedging Gains (Losses) Recognized in OCI | Amount of Hedge Ineffectiveness Recognized in Profit or Loss | Line Item in Which Hedge Ineffectiveness Is Included | Amount Reclassified to P/L and the Adjusted Line Item Due to Hedged Item Affecting P/L |
|--------------------------------------|------------------------------------------|--------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------|
| Cash flow hedge                      |                                          |                                                              |                                                      |                                                                                        |
| Interest expense from long-term debt | \$ 12,025                                | \$ -                                                         | \$ -                                                 | \$ 10,505<br>Increase in interest expense                                              |

## 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 |
|--------------------------------------|------------------------------------------|--------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------|
| Cash flow hedge                      |                                          |                                                              |                                                      |                                                                                        |
| Interest expense from long-term debt | \$ 22,579                                | \$ -                                                         | \$ -                                                 | \$ 20,861<br>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, 2021 and 2020 would have decreased by NT\$676,891 thousand and NT\$412,235 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, 2021</u> |                      |                      |                      |                       |
| Long-term borrowings     | \$ 42,501,004        | \$ 28,847,740        | \$ 24,665,809        | \$ 96,014,553         |
| Bonds payable            | <u>21,000,000</u>    | <u>23,700,000</u>    | <u>59,300,000</u>    | <u>104,000,000</u>    |
|                          | <u>\$ 63,501,004</u> | <u>\$ 52,547,740</u> | <u>\$ 83,965,809</u> | <u>\$ 200,014,553</u> |
| <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> |

### 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, 2021</u> |                     |                   |                  |                  |                   |
| Lease liabilities        | <u>\$ 5,967,137</u> | <u>\$ 448,958</u> | <u>\$ 77,954</u> | <u>\$ 74,674</u> | <u>\$ 161,030</u> |
| <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> |

e. Financial asset transfer information

The Group transferred part of the bankers' acceptances receivable with higher credit ratings in mainland China to the banks for discounting. Since most of the risks and rewards of these instruments were transferred, the Group derecognized the transferred bankers' acceptances receivable. However, if these delisted bankers' acceptances are not honored at maturity, banks still have the right to request the Group to settle them, so the Group continues to participate in these notes.

The Group's maximum exposure to loss on its continuing participation in the excluded bankers' acceptances is the denomination of the transferred bankers' acceptances of \$823,779 thousand and \$400,538 thousand as of December 31, 2021 and 2020, respectively, which will mature within 12 months after the balance sheet date. Considering the credit risk of the excluded bankers' acceptances, the Group assessed that the fair value of its continuing participation was not material.

### 34. 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, 2021 and 2020 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 2, 3 and 4.

### 35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

|                                                   | December 31          |                      |
|---------------------------------------------------|----------------------|----------------------|
|                                                   | 2021                 | 2020                 |
| Other financial assets - current                  | \$ 2,231,896         | \$ 1,914,412         |
| Inventories - available-for-construction - land   | -                    | 125,099              |
| Financial assets at amortized cost - non-current  | 500,000              | 500,000              |
| Property, plant and equipment, net                | 26,973,257           | 27,275,118           |
| Investment properties                             | 19,808,784           | 36,749,935           |
| Investments accounted for using the equity method | 3,194,271            | 3,062,317            |
| Concessions                                       | 1,344,783            | 1,423,438            |
| Other financial assets - non-current              | <u>1,850,976</u>     | <u>2,228,575</u>     |
|                                                   | <u>\$ 55,904,067</u> | <u>\$ 73,278,894</u> |

As of December 31, 2021 and 2020, the Group had provided 60,657 thousand shares 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.

### 36. 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, 2021 and 2020 were as follows:

- a. The Group issued but unused letters of credit aggregated at approximately \$963,275 thousand and \$319,597 thousand as of December 31, 2021 and 2020, 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 \$3,946,463 thousand and \$4,379,314 thousand, as of December 31, 2021 and 2020, respectively.

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

|                                                                                          | <b>December 31</b>   |                     |
|------------------------------------------------------------------------------------------|----------------------|---------------------|
|                                                                                          | <b>2021</b>          | <b>2020</b>         |
| Unpaid acquisition of property, plant and equipment and intangible asset under contracts | <u>\$ 17,104,556</u> | <u>\$ 8,635,068</u> |
| Unpaid acquisition of inventories under contract                                         | <u>\$ 5,134,425</u>  | <u>\$ 3,588,647</u> |

- c. There were undelivered cotton contracts which were unable to be cancelled amounting to \$158,429 thousand and \$273,698 thousand as of December 31, 2021 and 2020, respectively.
- d. Project contracts' costs already signed by Far Eastern General Contractor Inc. (FEGC) amounted to \$38,078,799 thousand and \$41,771,494 thousand as of December 31, 2021 and 2020, respectively.
- e. 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 \$4,104,190 thousand and \$4,030,399 thousand as of December 31, 2021 and 2020, respectively.
- f. Endorsements and guarantees provided to related parties are shown in Table 6 (attached).
- g. As of June 30, 2011, the usage rate of electronic toll collection (ETC) services had not reached the requirement as stated in the contract of the Electronic Toll Collection BOT Project ("ETC Project"). Thus, Far Eastern Electronic Toll Collection Co., Ltd. (FETC) filed a lawsuit against Taiwan Area National Freeway Bureau (TANFB), and the Supreme Court remanded this case to the Taipei District Court Civil Division in September 2015. FETC had accrued the related penalties, and on October 19, 2018, the Taipei District Court pronounced the judgment in FETC's favor. The TANFB filed an appeal on November 9, 2018. The High Court overruled the TANFB's appeal on June 11, 2019, and on July 8, 2019, the TANFB filed another appeal to the Supreme Court. On January 21, 2021, the Supreme Court reversed the original judgment made by the High Court on June 11, 2019 and remanded the case to the High Court; the case is currently under trial in the High Court.

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. The case is currently under the review by the High Court.

- h. 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 enter into a business cooperation agreement with APTC, which includes issuing new common stock in exchange for part of APTC's shares held by Hon Hai Precision Industry Co., Ltd. (HHPI) under a share swap arrangement on June 30, 2022 after obtaining an approval from the competent authority,.
- i. 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 2600 D6 spectrum with the 700 A3 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.

### **37. 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.

### **38. SUBSEQUENT EVENTS AFTER REPORTING PERIOD**

- a. On March 8, 2022, the Company's board of directors approved to issue unsecured bonds with term of less than ten years and amount of less than \$8,000,000 thousand (or equivalent value in foreign currency) at a unit face value of \$1,000 thousand (face value in foreign currency will be decided by the board of directors); the bonds will be issued one time or multiple times depending on the market condition.
- b. In order to enhance the competitiveness, expand the business scale and achieve the operating synergy, on February 25, 2022, Far EasTone's board of directors resolved to sign a merger agreement with APTC. Far EasTone will be the surviving company. The tentative record date of the merger is September 30, 2022 and the share exchange ratio is one share of APTC for 0.0934406 share of Far EasTone. Far EasTone expects to issue 356,681 thousand shares to complete the merger. The record date of the merger and the related adjustments, if any, to the agreement will be decided after obtaining approval from the competent authority.

In order to obtain APTC shares held by HHPI, Far EasTone signed a share swap contract with HHPI on September 4, 2020. After Far EasTone and APTC have signed the merger agreement, Far EasTone will suspend the share exchange with HHPI on June 30, 2022 according to the share swap contract. After Far EasTone and APTC have obtained the approval from the competent authority and have completed the merger, the share swap contract with HHPI will be terminated.

- c. In view of the increasing efficiency of new equipment related to production technology and the trend of energy saving and carbon reduction, on March 15, 2022, subsidiary, Far Eastern Ishizuka Green Pet Corporation's board of directors approved to change the estimated useful life of its major equipment from 20 years to 10 to 15 years starting from 2022, with reference to the years of its Japanese counterparts which is acknowledged by the supervisors. The change was announced and reported in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

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

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

#### December 31, 2021

|                         | Foreign<br>Currencies<br>(In Thousands) | Exchange Rate    | Carrying<br>Amount (NT\$) |
|-------------------------|-----------------------------------------|------------------|---------------------------|
| <u>Financial assets</u> |                                         |                  |                           |
| Monetary items          |                                         |                  |                           |
| USD                     | \$ 393,362                              | 27.680 (USD:NTD) | \$ 10,888,260             |
| USD                     | 130,807                                 | 6.372 (USD:RMB)  | 3,620,738                 |

#### Financial liabilities

|                |         |                  |           |
|----------------|---------|------------------|-----------|
| Monetary items |         |                  |           |
| USD            | 242,396 | 27.680 (USD:NTD) | 6,709,521 |
| USD            | 43,862  | 6.372 (USD:RMB)  | 1,214,100 |

#### December 31, 2020

|                         | Foreign<br>Currencies<br>(In Thousands) | Exchange Rate   | Carrying<br>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                 |

#### Financial liabilities

|                |         |                 |           |
|----------------|---------|-----------------|-----------|
| Monetary items |         |                 |           |
| USD            | 249,054 | 28.48 (USD:NTD) | 7,093,058 |
| USD            | 55,129  | 6.648 (USD:RMB) | 1,570,074 |

For the years ended December 31, 2021 and 2020, (realized and unrealized) net foreign exchange gains (losses) were \$(207,822) thousand and \$15,204 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of functional currencies of the Group entities.

#### 40. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and 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: Table 9 (attached)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: Table 10 (attached)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 11 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 12 (attached)
- 9) Trading in derivative instruments: Notes 7 and 33
- 10) Intercompany relationships and significant intercompany transactions: Table 13 (attached)
- 11) Information on investees: Table 14 (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 15 and 15-1 (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, 11, 12 and 13 (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 16 (attached)

#### 41. SEGMENT INFORMATION

##### Industry Information

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

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

##### a. Segments revenue and results

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

|                                           | Segment Revenue                |                   | Segment Profit                 |                |
|-------------------------------------------|--------------------------------|-------------------|--------------------------------|----------------|
|                                           | For the Year Ended December 31 |                   | For the Year Ended December 31 |                |
|                                           | 2021                           | 2020              | 2021                           | 2020           |
| Petrochemical business                    |                                |                   | \$ (2,746,964)                 | \$ (3,350,928) |
| Revenue generated from external customers | \$ 17,280,123                  | \$ 14,105,073     |                                |                |
| Intersegment revenue                      | <u>28,067,644</u>              | <u>19,281,621</u> |                                |                |
|                                           | <u>45,347,767</u>              | <u>33,386,694</u> |                                |                |
| Chemical fiber business                   |                                |                   | 4,785,016                      | 4,071,546      |
| Revenue generated from external customers | 87,693,046                     | 70,853,355        |                                |                |
| Intersegment revenue                      | <u>1,735,330</u>               | <u>1,534,174</u>  |                                |                |
|                                           | <u>89,428,376</u>              | <u>72,387,529</u> |                                |                |
| Textile business                          |                                |                   | 858,205                        | (467,711)      |
| Revenue generated from external customers | 35,799,168                     | 29,083,494        |                                |                |
| Intersegment revenue                      | <u>40,116</u>                  | <u>53,009</u>     |                                |                |
|                                           | <u>35,839,284</u>              | <u>29,136,503</u> |                                |                |
| Telecommunication services business       |                                |                   | 10,361,121                     | 11,037,699     |
| Revenue generated from external customers | 84,980,541                     | 79,244,622        |                                |                |
| Intersegment revenue                      | <u>339,467</u>                 | <u>256,343</u>    |                                |                |
|                                           | <u>85,320,008</u>              | <u>79,500,965</u> |                                |                |
| Real estate development                   |                                |                   | 1,454,780                      | 1,031,659      |
| Revenue generated from external customers | 8,870,152                      | 8,767,006         |                                |                |
| Intersegment revenue                      | <u>770,551</u>                 | <u>775,031</u>    |                                |                |
|                                           | <u>9,640,703</u>               | <u>9,542,037</u>  |                                |                |

(Continued)

|                                           | Segment Revenue                |                       | Segment Profit                 |                      |
|-------------------------------------------|--------------------------------|-----------------------|--------------------------------|----------------------|
|                                           | For the Year Ended December 31 |                       | For the Year Ended December 31 |                      |
|                                           | 2021                           | 2020                  | 2021                           | 2020                 |
| Investment and other                      |                                |                       | \$ 4,269,639                   | 3,694,871            |
| Revenue generated from external customers | \$ 11,870,658                  | \$ 10,279,429         |                                |                      |
| Intersegment revenue                      | <u>354,030</u>                 | <u>439,888</u>        |                                |                      |
|                                           | <u>12,224,688</u>              | <u>10,719,317</u>     |                                |                      |
| Adjustment and elimination                | <u>(31,685,513)</u>            | <u>(22,232,325)</u>   | <u>38,837</u>                  | <u>(343,386)</u>     |
|                                           | <u>\$ 246,115,313</u>          | <u>\$ 212,440,720</u> | 19,020,634                     | 15,673,750           |
| Interest revenue                          |                                |                       | 266,179                        | 299,102              |
| Exchange gain (loss)                      |                                |                       | (207,822)                      | 15,204               |
| Interest expense                          |                                |                       | (2,691,754)                    | (2,939,261)          |
| Other revenue and income                  |                                |                       | <u>1,440,068</u>               | <u>3,074,689</u>     |
| Profit before tax                         |                                |                       | <u>\$ 17,827,305</u>           | <u>\$ 16,123,484</u> |
|                                           |                                |                       |                                | (Concluded)          |

Note: 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 and dividend incomes. For the year ended December 31, 2021, the amounts are \$7,221,766 thousand and \$87,330 thousand, respectively. For the year ended December 31, 2020, the amounts are \$5,524,945 thousand and \$146,494 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           |                       |
|          | 2021                            | 2020                  | 2021                  | 2020                  |
| Taiwan   | \$ 153,081,268                  | \$ 134,400,779        | \$ 321,040,158        | \$ 343,934,184        |
| China    | 40,083,692                      | 32,798,220            | 33,469,831            | 35,055,505            |
| Overseas | <u>45,641,257</u>               | <u>36,570,282</u>     | <u>41,407,843</u>     | <u>40,675,686</u>     |
|          | <u>\$ 238,806,217</u>           | <u>\$ 206,769,281</u> | <u>\$ 395,917,832</u> | <u>\$ 419,665,375</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 2021 and 2020.

### TABLE 1

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP**  
**DECEMBER 31, 2021**

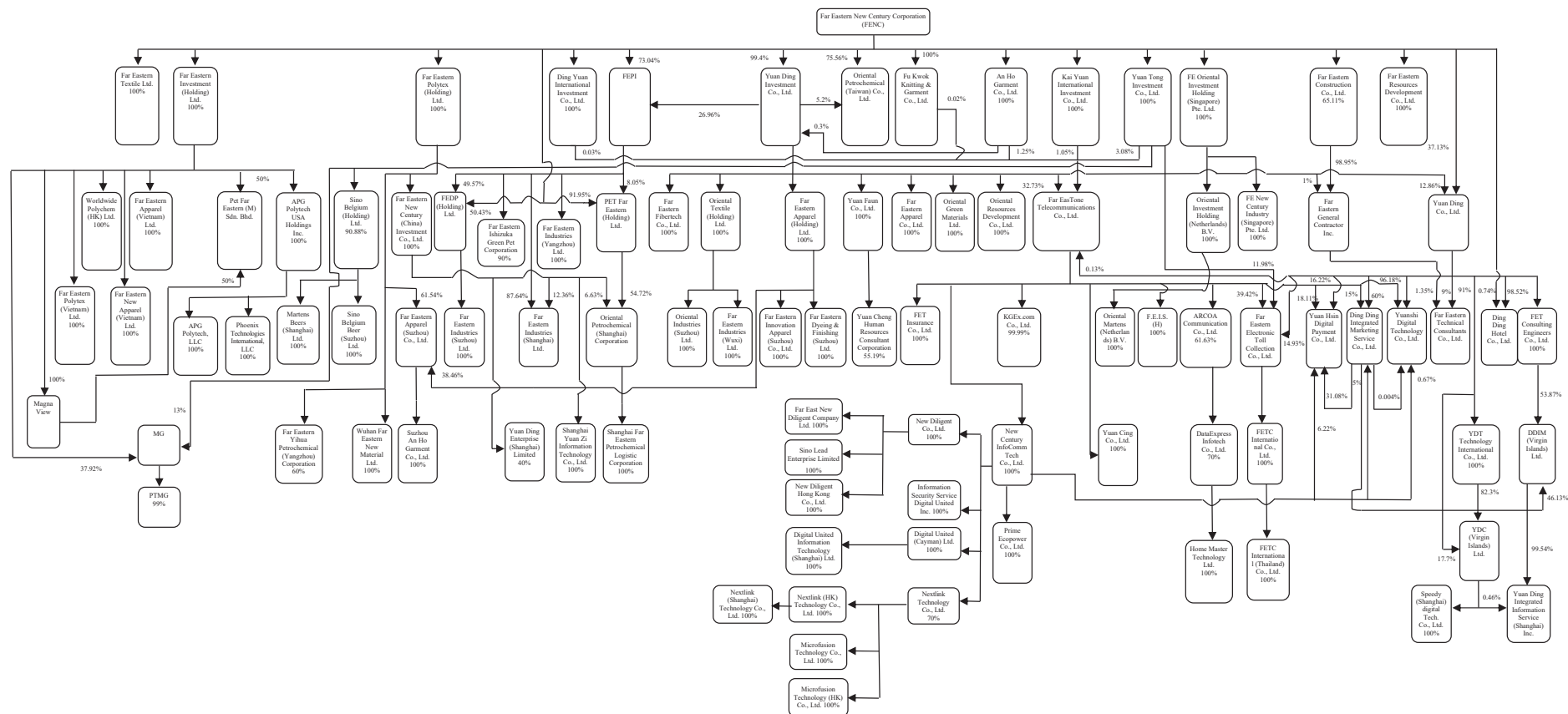


**TABLE 2****FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****RELATED PARTY NAMES AND CATEGORIES  
DECEMBER 31, 2021**

| <b>Related Party Name</b>                                     | <b>Related Party Categories</b>                          |
|---------------------------------------------------------------|----------------------------------------------------------|
| Asia Cement Corporation                                       | Associates                                               |
| Oriental Union Chemical Corporation                           | Associates                                               |
| Far Eastern Department Stores Co., Ltd.                       | Associates                                               |
| Everest Textile Corporation                                   | Associates                                               |
| Far Eastern International Bank                                | Associates                                               |
| Oriental Securities Corporation                               | Associates                                               |
| Kowloon Cement Corporation                                    | Associates                                               |
| Da Ju Fiber Co., Ltd.                                         | Associates                                               |
| Liquid Air Far East Co., Ltd.                                 | Associates                                               |
| Freudenberg Far Eastern Spunweb Co., Ltd.                     | Associates                                               |
| Tong Da Air Industry (Yangzhou) Co., Ltd. (Note)              | Associates                                               |
| Yu Yuan Investment Co., Ltd.                                  | Associates                                               |
| Yue Ming Corporation                                          | Associates                                               |
| Yu Ding Industry Co., Ltd.                                    | Associates                                               |
| Far Eastern Union Petrochemical (Yangzhou) Corporation (Note) | Associates                                               |
| Yuan Ding Leasing Corporation                                 | Associates                                               |
| Far Eastern International Leasing Corporation                 | Associates                                               |
| Pacific Liu Tong Investment Co., Ltd.                         | Associates                                               |
| OPAS Fund Segregated Portfolio Company                        | Associates                                               |
| Arpeggio International Resources Corporation                  | Associates                                               |
| Drive Catalyst SPC-SP Tranche Two                             | Associates                                               |
| Drive Catalyst SPC-SP Tranche Three                           | Associates                                               |
| Everest Textile USA, LLC                                      | Other related party (the subsidiary of FENC's associate) |
| Pacific Petrochemical (Holding) Ltd. (PPL)                    | Other related party (the subsidiary of FENC's associate) |
| Shanghai Pacific Department Store Co., Ltd.                   | Other related party (the subsidiary of FENC's associate) |
| Pacific Dept Stores (Dalian) Co., Ltd.                        | Other related party (the subsidiary of FENC's associate) |
| Pacific SOGO Department Stores Co., Ltd.                      | Other related party (the subsidiary of FENC's associate) |
| Chengdu Quanxing Masion Pacific Department Store Co., Ltd.    | Other related party (the subsidiary of FENC's associate) |
| Bai-Ding Investment Corporation                               | Other related party (the subsidiary of FENC's associate) |
| Shanghai BaiDing Business Management. Consulting Co., Ltd.    | Other related party (the subsidiary of FENC's associate) |
| Chubei New Century Shopping Mall Co., Ltd.                    | Other related party (the subsidiary of FENC's associate) |
| Everest Textile (Shanghai) Ltd.                               | Other related party (the subsidiary of FENC's associate) |
| Shanghai Yali Cement Produce 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) |

(Continued)

| Related Party Name                                                  | Related Party Categories                                                                |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 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)                                |
| Sichuan Lanfeng Cement Co., 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)                                |
| Nanchang Yadong Cement Co., Ltd.                                    | Other related party (the subsidiary of FENC's associate)                                |
| Yangzhou Yadong Cement Co., Ltd.                                    | Other related party (the subsidiary of FENC's associate)                                |
| Hubei Yadong Cement Co., Ltd.                                       | Other related party (the subsidiary of FENC's associate)                                |
| Huanggang Yadong Cement Co., Ltd.                                   | Other related party (the subsidiary of FENC's associate)                                |
| Oriental Petrochemical (YangZhou) Corporation (Note)                | Other related party (the subsidiary of FENC's associate)                                |
| Taizhou Yadong Building Material Co., Ltd.                          | Other related party (the subsidiary of FENC's associate)                                |
| Ya Tung Department Store Ltd.                                       | Other related party (the subsidiary of FENC's associate)                                |
| Ya Tung Ready-mixed Concrete Corporation                            | Other related party (the subsidiary of FENC's associate)                                |
| Oriental Securities Investment Consultant Co., Ltd.                 | Other related party (the subsidiary of FENC's associate)                                |
| Asia Cement (China) Holdings Corporation                            | Other related party (the subsidiary of FENC's associate)                                |
| Asia Cement (Singapore) Private Ltd.                                | Other related party (the subsidiary of FENC's associate)                                |
| Asia Investment Corporation                                         | Other related party (the subsidiary of FENC's associate)                                |
| Ya Sing Ready-Mixed Concrete Corporation                            | Other related party (the subsidiary of FENC's associate)                                |
| Wuhan Yaxin Cement Co., Ltd.                                        | Other related party (the subsidiary of FENC's associate)                                |
| Nan Hwa Cement Corporation                                          | Other related party (the subsidiary of FENC's associate)                                |
| FEDS Development Ltd.                                               | Other related party (the subsidiary of FENC's associate)                                |
| Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd.     | Other related party (the subsidiary of FENC's associate)                                |
| Fu Ming Transport Corporation                                       | Other related party (the subsidiary of FENC's associate)                                |
| Fu-Da Transport Corporation                                         | Other related party (the subsidiary of FENC's associate)                                |
| Chiahui Power Co., Ltd                                              | Other related party (the subsidiary of FENC's associate)                                |
| Far Eastern Ai Mai Co., Ltd                                         | Other related party (the subsidiary of FENC's associate)                                |
| Far Eastern Big City Shopping Malls Co., Ltd                        | Other related party (the subsidiary of FENC's associate)                                |
| 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)                                |
| Der Ching Investment Corporation                                    | Other related party (the subsidiary of FENC's associate)                                |
| Far Eastern City Super Ltd.                                         | Other related party (the subsidiary of FENC's associate)                                |
| Oriental Holdings Co., Ltd.                                         | Other related party (the subsidiary of FENC's associate)                                |
| Pacific (China) Investment Co., Ltd.                                | Other related party (the subsidiary of FENC's associate)                                |
| Feib Financial Leasing Co., Ltd.                                    | Other related party (the subsidiary of FENC's associate)                                |
| Telecommunication & Transportation Foundation                       | Other related party (Far Eastone's donation is over one third of the foundation's fund) |
| Yuan Ze University                                                  | Other related party (the same chairman)                                                 |
| Asia Eastern School Legal Person (oriental Institute of Technology) | Other related party (the same chairman)                                                 |

(Continued)

| Related Party Name                                              | Related Party Categories                         |
|-----------------------------------------------------------------|--------------------------------------------------|
| 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) |
| 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) |
| John Hsu                                                        | Other related party (related party in substance) |
| Ya Li Transportation Corporation                                | Other related party (related party in substance) |
| U-Ming Marine (Hong Kong) Transport Corporation                 | Other related party (related party in substance) |

Note: 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)**

|                                    | <b>For the Year Ended December 31</b> |                     |
|------------------------------------|---------------------------------------|---------------------|
|                                    | <b>2021</b>                           | <b>2020</b>         |
| Operating revenue                  |                                       |                     |
| Associates                         | \$ 1,486,807                          | \$ 1,276,815        |
| Other related parties              | <u>771,683</u>                        | <u>826,769</u>      |
|                                    | <u>\$ 2,258,490</u>                   | <u>\$ 2,103,584</u> |
| Operating costs                    |                                       |                     |
| Associates                         | \$ 1,874,351                          | \$ 1,074,089        |
| Other related parties              | <u>856,770</u>                        | <u>886,459</u>      |
|                                    | <u>\$ 2,731,121</u>                   | <u>\$ 1,960,548</u> |
| Operating expenses                 |                                       |                     |
| Associates                         | \$ 31,827                             | \$ 34,796           |
| Other related parties              | <u>926,014</u>                        | <u>808,678</u>      |
|                                    | <u>\$ 957,841</u>                     | <u>\$ 843,474</u>   |
| Other income                       |                                       |                     |
| Yuan Ze University                 | <u>\$ -</u>                           | <u>\$ 228,085</u>   |
| Other expenses                     |                                       |                     |
| Mr. Xu Yuanzhi Memorial Foundation | \$ 38,230                             | \$ 189,903          |
| Other related parties              | <u>4,295</u>                          | <u>73,797</u>       |
|                                    | <u>\$ 42,525</u>                      | <u>\$ 263,700</u>   |

In 2020, the Group sold back the fund beneficiary certificate to Deutsche Far Eastern Asset Management Co., Ltd. amounting to \$26,384 thousand and its cost is \$26,378 thousand, recognized gain on disposal amounting to \$6 thousand (recognized as gain on financial assets at fair value through profit or loss).

The Group purchased the properties, software equipment and construction contracts from other related parties amounted to \$179,513 thousand in 2021. The Group purchased the software equipment, other equipment and construction contracts from other related parties amounted to \$137,480 thousand in 2020

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, 2021, the Group acquired funds including Opas Fund Segregated Portfolio Tranches “A”, “B”, “C” amounting to \$567,324 thousand. In the year ended December 31, 2020, the Group acquired funds including Opas Fund Segregated Portfolio Tranche “C” amounting to \$8,918 thousand.

(Continued)

In 2021, the Group disposed OPAS Fund Segregated Portfolio Tranche “C” amounted to \$420,477 thousand, and gain on disposal amounted to \$58,550 thousand. (Recognized gain on financial assets at FVTPL.)

In April 2021, the Group invested in associates, Drive Catalyst SPC-SP Tranche Two and Drive Catalyst SPC-SP Tranche Three, amounting to \$456,560 thousand.

In August 2021, the Group participated in issuance of common stock for cash of associate, Everest Textile Corporation amounted to \$660,029 thousand.

In July 2021, the Group had purchased land from other related parties amounted to \$813,984 thousand (recognized as construction inventory - available-for-construction-land). In October 2021, all the payment was paid and completed the land transfer.

Lease arrangements - Group is lessee

|                                      | <b>For the Year Ended December 31</b> |                     |
|--------------------------------------|---------------------------------------|---------------------|
|                                      | <b>2021</b>                           | <b>2020</b>         |
| Acquisitions of right-of-use assets  |                                       |                     |
| Associates                           | <u>\$ 11,726</u>                      | <u>\$ 32,542</u>    |
|                                      | <b>December 31</b>                    |                     |
|                                      | <b>2021</b>                           | <b>2020</b>         |
| Lease liabilities                    |                                       |                     |
| Associates                           | \$ 411,404                            | \$ 590,223          |
| Other related parties                | <u>847,052</u>                        | <u>963,750</u>      |
|                                      | <u>\$ 1,258,456</u>                   | <u>\$ 1,553,973</u> |
|                                      | <b>For the Year Ended December 31</b> |                     |
|                                      | <b>2021</b>                           | <b>2020</b>         |
| Interest expense                     |                                       |                     |
| Associates                           | \$ 5,947                              | \$ 8,103            |
| Other related parties                |                                       |                     |
| Yuan Bo Asset Management Corporation | 11,606                                | 13,063              |
| Other                                | <u>36</u>                             | <u>69</u>           |
|                                      | <u>\$ 17,589</u>                      | <u>\$ 21,235</u>    |
| Lease expense                        |                                       |                     |
| Associates                           | \$ 11,974                             | \$ 9,205            |
| Other related parties                | <u>16,764</u>                         | <u>14,690</u>       |
|                                      | <u>\$ 28,738</u>                      | <u>\$ 23,895</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

|                            | <b>December 31</b>                    |                     |
|----------------------------|---------------------------------------|---------------------|
|                            | <b>2021</b>                           | <b>2020</b>         |
| Operating lease receivable |                                       |                     |
| Associates                 | \$ 75,493                             | \$ 97,225           |
| Other related parties      | <u>22,307</u>                         | <u>45,847</u>       |
|                            | <u>\$ 97,800</u>                      | <u>\$ 143,072</u>   |
| Future lease receivable    |                                       |                     |
| Associates                 | \$ 1,267,457                          | \$ 1,593,512        |
| Other related parties      | <u>3,769,923</u>                      | <u>2,992,942</u>    |
|                            | <u>\$ 5,037,380</u>                   | <u>\$ 4,586,454</u> |
|                            | <b>For the Year Ended December 31</b> |                     |
|                            | <b>2021</b>                           | <b>2020</b>         |
| Lease revenue              |                                       |                     |
| Associates                 | \$ 338,553                            | \$ 330,233          |
| Other related parties      | <u>352,914</u>                        | <u>285,233</u>      |
|                            | <u>\$ 691,467</u>                     | <u>\$ 615,466</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 30 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:

|                          | <b>For the Year Ended December 31</b> |                   |
|--------------------------|---------------------------------------|-------------------|
|                          | <b>2021</b>                           | <b>2020</b>       |
| Short-term benefits      | \$ 460,791                            | \$ 394,926        |
| Post-employment benefits | <u>1,141</u>                          | <u>1,154</u>      |
|                          | <u>\$ 461,932</u>                     | <u>\$ 396,080</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)**

|                                                         | <b>December 31</b>  |                     |
|---------------------------------------------------------|---------------------|---------------------|
|                                                         | <b>2021</b>         | <b>2020</b>         |
| Notes and accounts receivable                           |                     |                     |
| Associates                                              | \$ 542,642          | \$ 770,914          |
| Other related parties                                   | <u>494,760</u>      | <u>484,130</u>      |
|                                                         | <u>\$ 1,037,402</u> | <u>\$ 1,255,044</u> |
| Notes and accounts payable - related parties (Note 1)   |                     |                     |
| Associates                                              | \$ 133,350          | \$ 104,732          |
| Other related parties                                   | <u>194,486</u>      | <u>209,237</u>      |
|                                                         | <u>\$ 327,836</u>   | <u>\$ 313,969</u>   |
| Progress billings (Note 2)                              |                     |                     |
| Other related parties                                   | <u>\$ 953,210</u>   | <u>\$ 654,969</u>   |
| Guarantee deposits received                             |                     |                     |
| Associates                                              | \$ 60,824           | \$ 60,388           |
| Other related parties                                   | <u>84,552</u>       | <u>69,371</u>       |
|                                                         | <u>\$ 145,376</u>   | <u>\$ 129,759</u>   |
| Deferred credit - gains on related parties transactions |                     |                     |
| Associates                                              |                     |                     |
| Oriental Securities Corporation                         | \$ 109,484          | \$ 110,039          |
| Others                                                  | 2,810               | 2,810               |
| Other related parties                                   | <u>9,122</u>        | <u>9,122</u>        |
|                                                         | <u>\$ 121,416</u>   | <u>\$ 121,971</u>   |

Note 1: Including retentions payable of \$35,655 thousand and \$22,949 thousand, which was recognized as contract liabilities on December 31, 2021 and 2020, respectively.

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

(Continued)

Financing to related parties

Loans to related parties (recognized as other receivables):

|                                                        | <b>December 31</b>  |                     |
|--------------------------------------------------------|---------------------|---------------------|
|                                                        | <b>2021</b>         | <b>2020</b>         |
| Associates                                             |                     |                     |
| Far Eastern Union Petrochemical (Yangzhou) Corporation | \$ 1,781,040        | \$ 2,232,270        |
| Da Ju Fiber Co., Ltd.                                  | 530,000             | 477,000             |
| Yu Ding Industry Co., Ltd.                             | <u>300,000</u>      | <u>470,000</u>      |
|                                                        | <u>\$ 2,611,040</u> | <u>\$ 3,179,270</u> |

Interests income from loans to related parties:

|                                                        | <b>For the Year Ended December 31</b> |                  |
|--------------------------------------------------------|---------------------------------------|------------------|
|                                                        | <b>2021</b>                           | <b>2020</b>      |
| Associates                                             |                                       |                  |
| Far Eastern Union Petrochemical (Yangzhou) Corporation | \$ 70,761                             | \$ 56,879        |
| Other                                                  | 8,116                                 | 1,140            |
| Other related parties                                  | <u>-</u>                              | <u>19,369</u>    |
|                                                        | <u>\$ 78,877</u>                      | <u>\$ 77,388</u> |

Interests expense from loans from related parties:

|                                | <b>For the Year Ended December 31</b> |               |
|--------------------------------|---------------------------------------|---------------|
|                                | <b>2021</b>                           | <b>2020</b>   |
| Far Eastern International Bank | <u>\$ 1,127</u>                       | <u>\$ 276</u> |

Bank deposits, time deposits and other financial assets

|                                | <b>December 31</b>   |                      |
|--------------------------------|----------------------|----------------------|
|                                | <b>2021</b>          | <b>2020</b>          |
| Far Eastern International Bank | <u>\$ 10,464,088</u> | <u>\$ 14,353,707</u> |

The Group had bank deposits and time deposits (recognized as cash and cash equivalents, financial assets at amortized cost and other financial assets in Far Eastern International Bank. In addition, the deposits included the proceeds of sale of prepaid cards, sale of international calling cards and highway toll fees which were consigned to Far Eastern International Bank as trust assets (recognized as other financial assets). The interest income was \$35,644 thousand and \$54,622 thousand for the years ended December 31, 2021 and 2020, respectively.

(Continued)

Financial assets (liabilities) at FVTPL - current

|                                | <b>December 31</b> |                   |
|--------------------------------|--------------------|-------------------|
|                                | <b>2021</b>        | <b>2020</b>       |
| Far Eastern International Bank | \$ <u>1,947</u>    | \$ <u>(4,290)</u> |

The Group signed derivative financial instruments contracts which is recognized as financial assets (liabilities) at fair value through profit or loss with Far Eastern International Bank. The gain or (loss) of financial assets (liabilities) at FVTPL was \$41,106 thousand and \$(46,663) thousand for the years ended December 31, 2021 and 2020, respectively.

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

(Concluded)

TABLE 5

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2021

(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                           | \$ -                              | \$ -                    | 0.594             | 2                   | \$ -                         | For revolving fund               | \$ -                          | Promissory note | \$ -  | \$ 10,302,437                     | \$ 103,024,368             | Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note F) |
|     |                                     | Oriental Green Materials Limited             | Receivables from related parties | Yes             | 1,300,000                              | -                                 | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 10,302,437                        | 103,024,368                | Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note F) |
| 1   | Yuan Ding Investment Co., Ltd.      | Yuan Tong Investment Co., Ltd.               | Receivables from related parties | Yes             | 500,000                                | 500,000                           | -                       | 0.9009-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Kai Yuan International Investment Co., Ltd.  | Receivables from related parties | Yes             | 600,000                                | 600,000                           | -                       | 0.9009-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | An Ho Garment Co., Ltd.                      | Receivables from related parties | Yes             | 400,000                                | 400,000                           | 170,000                 | 0.8976-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Ding Yuan International Investment Co., Ltd. | Receivables from related parties | Yes             | 600,000                                | 600,000                           | 145,000                 | 0.8976-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Yu Ding Industry Co., Ltd.                   | Receivables from related parties | Yes             | 810,000                                | 810,000                           | 300,000                 | 0.8976-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Da Ju Fiber Co., Ltd.                        | Receivables from related parties | Yes             | 1,130,000                              | 1,130,000                         | 530,000                 | 0.8976-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Far Eastern Resources Development Co., Ltd.  | Receivables from related parties | Yes             | 1,000,000                              | 800,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Oriental Green Materials Limited             | Receivables from related parties | Yes             | 400,000                                | 400,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Oriental Resources Development Co., Ltd.     | Receivables from related parties | Yes             | 50,000                                 | 50,000                            | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Oriental Petrochemical (Taiwan) Corporation  | Receivables from related parties | Yes             | 1,000,000                              | 250,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
| 2   | Yuan Tong Investment Co., Ltd.      | Far Eastern Apparel Co., Ltd.                | Receivables from related parties | Yes             | 740,000                                | 400,000                           | -                       | 1.0186-1.0494     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 917,729                           | 4,588,644                  | Amounts allowed for ending period (Note C); 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 |                                   |                            |                                                                                             |
| 3   | New Century InfoComm Tech Co., Ltd.          | Far EasTone Telecommunications Co., Ltd.         | Receivables from related parties             | Yes             | \$ 1,800,000                           | \$ 1,800,000                      | \$ 1,800,000            | 0.7337-0.7580     | 1                   | \$ 2,292,544                 | -                                | \$ -                          | -               | \$ -  | \$ 2,298,925                      | \$ 13,463,890              | Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note F) |
|     |                                              | Far EasTone Telecommunications Co., Ltd.         | Receivables from related parties             | Yes             | 9,200,000                              | 9,200,000                         | 9,200,000               | 0.7137-0.7580     | 2                   | -                            | For revolving fund               | -                             | -               | -     | 10,771,112                        | 13,463,890                 | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note F) |
| 4   | Yuan Ding Co., Ltd.                          | Ding Ding Integrated Marketing Service Co., Ltd. | Receivables from related parties             | Yes             | 200,000                                | -                                 | -                       | 0.8046-0.8875     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,556,744                         | 3,891,860                  | Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note F) |
|     |                                              | Ding Ding Hotel Co., Ltd.                        | Receivables from related parties             | Yes             | 800,000                                | 600,000                           | -                       | 0.8219-0.8875     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,556,744                         | 3,891,860                  | Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note F) |
| 5   | Far Eastern Investment (Holding) Ltd.        | Far Eastern New Apparel (Vietnam) Ltd.           | Receivables from affiliates                  | Yes             | 553,000                                | 553,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 14,139,180                        | 42,417,539                 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H) |
|     |                                              | FE New Century Industry (Singapore) Pte. Ltd.    | Receivables from affiliates                  | Yes             | 138,400                                | -                                 | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 14,139,180                        | 42,417,539                 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H) |
|     |                                              | FILSYN Corporation                               | Receivables from affiliates                  | Yes             | 249,120                                | 249,120                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 11,311,344                        | 11,311,344                 | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
|     |                                              | FYN Green PET Corporation                        | Receivables from affiliates                  | Yes             | 83,040                                 | 83,040                            | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 11,311,344                        | 11,311,344                 | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
| 6   | Far Eastern Polytex (Holding) Limited        | Sino Belgium (Holding) Ltd.                      | Receivables from affiliates                  | Yes             | 166,080                                | 166,080                           | 152,240                 | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,747,061                         | 3,747,061                  | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
| 7   | FEDP (Holding) Ltd.                          | Sino Belgium (Holding) Ltd.                      | Receivables from affiliates                  | Yes             | 166,080                                | -                                 | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 603,192                           | 603,192                    | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
| 8   | APG Polytech USA Holdings, Inc.              | Phoenix Technologies International, LLC          | Receivables from affiliates                  | Yes             | 138,400                                | 138,400                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 8,851,052                         | 26,553,157                 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H) |
| 9   | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Oriental Industries (Suzhou) Ltd.                | Other receivables - loans to related parties | Yes             | 2,389,200                              | 2,389,200                         | 2,173,620               | 2.60-2.87         | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,315,797                         | 7,368,437                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
| 10  | Far Eastern Apparel (Suzhou) Ltd.            | Oriental Industries (Suzhou) Ltd.                | Other receivables - loans to related parties | Yes             | 1,429,176                              | 1,298,856                         | 575,358                 | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,371,235                         | 3,047,189                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |

(Continued)

| No. | Lender                                               | Borrower                                               | Financial Statement Account                  | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral      |       | Financing Limit for Each Borrower | Aggregate Financing Limits | Note                                                                                        |
|-----|------------------------------------------------------|--------------------------------------------------------|----------------------------------------------|-----------------|----------------------------------------|-----------------------------------|-------------------------|-------------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-------|-----------------------------------|----------------------------|---------------------------------------------------------------------------------------------|
|     |                                                      |                                                        |                                              |                 |                                        |                                   |                         |                   |                     |                              |                                  |                               | Item            | Value |                                   |                            |                                                                                             |
| 11  | Far Eastern Industries (Suzhou) Ltd.                 | Oriental Industries (Suzhou) Ltd.                      | Other receivables - loans to related parties | Yes             | \$ 1,346,640                           | \$ 551,688                        | \$ 551,289              | 2.60              | 2                   | \$ -                         | For revolving fund               | \$ -                          | Promissory note | \$ -  | \$ 1,421,227                      | \$ 3,158,282               | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Sino Belgium Beer (Suzhou) Ltd.                        | Other receivables - loans to related parties | Yes             | 781,920                                | 781,920                           | 764,544                 | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,421,227                         | 3,158,282                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
| 12  | Oriental Industries (Suzhou) Ltd.                    | Far Eastern Apparel (Suzhou) Ltd.                      | Other receivables - loans to related parties | Yes             | 434,400                                | 217,200                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 5,741,162                         | 12,758,137                 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Far Eastern Industries (Suzhou) Ltd.                   | Other receivables - loans to related parties | Yes             | 1,303,200                              | 43,440                            | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 5,741,162                         | 12,758,137                 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Far Eastern Industries (Wuxi) Ltd.                     | Other receivables - loans to related parties | Yes             | 868,800                                | 217,200                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 5,741,162                         | 12,758,137                 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Far Eastern Dyeing & Finishing (Suzhou) Ltd.           | Other receivables - loans to related parties | Yes             | 434,400                                | 217,200                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 5,741,162                         | 12,758,137                 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Sino Belgium Beer (Suzhou) Ltd.                        | Other receivables - loans to related parties | Yes             | 1,086,000                              | 43,440                            | 5,220                   | 2.81-2.91         | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 5,741,162                         | 12,758,137                 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Far Eastern Union Petrochemical (Yangzhou) Corporation | Other receivables - loans to related parties | Yes             | 390,960                                | 390,960                           | 390,960                 | 3.30-3.47         | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 2,551,627                         | 2,551,627                  | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
| 13  | Far Eastern Industries (Wuxi) Ltd.                   | Oriental Industries (Suzhou) Ltd.                      | Other receivables - loans to related parties | Yes             | 868,800                                | 217,200                           | -                       | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 2,584,616                         | 5,743,591                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
| 14  | Suzhou An Ho Apparel Ltd.                            | Oriental Industries (Suzhou) Ltd.                      | Other receivables - loans to related parties | Yes             | 39,096                                 | 39,096                            | 39,096                  | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 50,862                            | 113,028                    | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
| 15  | Far Eastern Innovation Apparel (Suzhou) Co., Ltd.    | Far Eastern Dyeing & Finishing (Suzhou) Ltd.           | Other receivables - loans to related parties | Yes             | 456,120                                | 173,760                           | 173,760                 | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 977,145                           | 2,171,432                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Oriental Industries (Suzhou) Ltd.                      | Other receivables - loans to related parties | Yes             | 955,680                                | 955,680                           | 886,289                 | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 977,145                           | 2,171,432                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
| 16  | Far Eastern Industries (Shanghai) Ltd.               | Far Eastern Union Petrochemical (Yangzhou) Corporation | Other receivables - loans to related parties | Yes             | 1,737,600                              | 868,800                           | 868,800                 | 3.31-3.43         | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,435,726                         | 3,435,726                  | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
| 17  | Far Eastern New Century (China) Investment Co., Ltd. | Oriental Petrochemical (Shanghai) Corporation          | Other receivables - loans to related parties | Yes             | 86,880                                 | 86,880                            | 86,880                  | 1.21              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,487,356                         | 1,487,356                  | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |

(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 |                                   |                            |                                                                                             |
| 18  | Far Eastern Industries (Yangzhou) Ltd. | Far Eastern Industries (Yangzhou) Ltd.                 | Other receivables - loans to related parties | Yes             | \$ 304,080                             | \$ 304,080                        | \$ 304,080              | 2.50              | 2                   | \$ -                         | For revolving fund               | \$ -                          | Promissory note | \$ -  | \$ 1,242,519                      | \$ 2,761,154               | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                        | Far Eastern Union Petrochemical (Yangzhou) Corporation | Other receivables - loans to related parties | Yes             | 521,280                                | 521,280                           | 521,280                 | 2.50              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 552,231                           | 552,231                    | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |

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, 2021.

C. The limitation is 10% of the net value of the financier based on audited financial statements as of December 31, 2021.

D. The limitation is 20% of the net value of the financier based on audited financial statements as of December 31, 2021.

E. The limitation is 40% of the net value of the financier based on audited financial statements as of December 31, 2021.

F. The limitation is 50% of the net value of the financier based on audited financial statements as of December 31, 2021.

G. The limitation is 90% of the net value of the financier based on audited financial statements as of December 31, 2021.

H. The limitation is 150% of the net value of the financier based on audited financial statements as of December 31, 2021.

I. The limitation is 200% of the net value of the financier based on audited financial statements as of December 31, 2021.

J. The limitation is business transaction amount.

(Concluded)



TABLE 6

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

| No. | Endorser/Guarantor                          | Endorsee/Guaranteee                               |              | 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)     | \$ 22,191,017                                                | \$ 288,000                             | \$ 288,000                                                  | \$ 134,000              | \$ -                                      | 0.65                                                                                           | \$ 44,382,035                          | -                                                                           | -                                                                           | -                                                                                | Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F) |
|     |                                             | APG Polytech, LLC                                 | (Note B)     | 20,604,873                                                   | 6,534,515                              | 1,494,720 (Note M)                                          | 221,440                 | -                                         | 3.37                                                                                           | 20,604,873                             | -                                                                           | -                                                                           | -                                                                                | 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)     | 20,604,873                                                   | 2,111,590                              | 2,048,320 (Note M)                                          | -                       | -                                         | 4.62                                                                                           | 20,604,873                             | -                                                                           | -                                                                           | -                                                                                | Limits on each counterparty's endorsement/ guarantee amounts (Note G); maximum amounts allowed for the period (Note H) |
|     |                                             | Phoenix Technologies International, LLC           | (Note B)     | 20,604,873                                                   | 1,384,000                              | 1,384,000                                                   | 739,056                 | -                                         | 3.12                                                                                           | 20,604,873                             | -                                                                           | -                                                                           | -                                                                                | 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)     | 13,469,400                                                   | 5,158,332                              | 106,448                                                     | -                       | 106,448                                   | 0.05                                                                                           | 26,938,801                             | -                                                                           | 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)     | 3,891,860                                                    | 1,800,000                              | 1,800,000                                                   | 665,000                 | 350,000                                   | 0.87                                                                                           | 7,783,720                              | -                                                                           | -                                                                           | -                                                                                | Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F) |
|     |                                             | Ding Ding Integrated Marketing Services Co., Ltd. | (Note D)     | 3,891,860                                                    | 200,000                                | 200,000                                                     | -                       | -                                         | 0.10                                                                                           | 7,783,720                              | -                                                                           | -                                                                           | -                                                                                | 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, LLC                                 | (Note D)     | 103,024,367                                                  | 1,992,978                              | 1,389,536                                                   | 678,777                 | -                                         | 0.67                                                                                           | 206,048,735                            | -                                                                           | -                                                                           | -                                                                                | Limits on each counterparty's endorsement/ guarantee amounts (Note I); maximum amounts allowed for the period (Note J) |
|     |                                             | APG Polytech USA Holdings, Inc.                   | (Note D)     | 103,024,367                                                  | 6,274,144                              | 5,959,504                                                   | 415,200                 | -                                         | 2.89                                                                                           | 206,048,735                            | -                                                                           | -                                                                           | -                                                                                | Limits on each counterparty's endorsement/ guarantee amounts (Note I); maximum amounts allowed for the period (Note J) |
| 5   | APG Polytech USA Holdings, Inc.             | APG Polytech, LLC                                 | (Note D)     | 103,024,367                                                  | 55,620                                 | 55,360                                                      | 9,235                   | -                                         | 0.03                                                                                           | 206,048,735                            | -                                                                           | -                                                                           | -                                                                                | 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. Endorsement/guarantee in the amount of \$44,000 was provided by Yuan Ding Investment Co., Ltd. and co-used by APG Polytech, LLC, and APG USA Holdings, Inc.

(Concluded)

TABLE 7

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

(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, 2021                                                      |                 |                             |                                          | 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                                                                | \$ 19,942,978   | 21.17                       | \$ 33,247,652                            | 19,900 thousand shares pledged or mortgaged as collateral for loans.<br><br>(Note F) |
|                                     | Far Eastern Department Stores Co., Ltd.              | (Note A)                              | Investments accounted for using the equity method | 241,770                                                                | 5,053,729       | 17.06                       | 5,185,960                                |                                                                                      |
|                                     | Oriental Union Chemical Corporation                  | (Note A)                              | Investments accounted for using the equity method | 81,216                                                                 | 1,190,073       | 9.17                        | 1,819,239                                |                                                                                      |
|                                     | Everest Textile Corporation                          | (Note A)                              | Investments accounted for using the equity method | 108                                                                    | 1,166           | 0.02                        | 1,042                                    |                                                                                      |
|                                     | Oriental Securities Corporation                      | (Note A)                              | Investments accounted for using the equity method | 141,961                                                                | 2,101,272       | 19.65                       | -                                        |                                                                                      |
|                                     | Pacific Liu Tong Investment Co., Ltd.                | (Note A)                              | Investments accounted for using the equity method | 135,000                                                                | 2,042,479       | 16.83                       | -                                        |                                                                                      |
|                                     | Far Eastern International Bank                       | (Note A)                              | Investments accounted for using the equity method | 91,903                                                                 | 1,209,972       | 2.62                        | 987,956                                  |                                                                                      |
|                                     | Yuan Ding Investment Co., Ltd.                       | (Note A)                              | Investments accounted for using the equity method | 1,822,822                                                              | 43,790,144      | 99.40                       | -                                        |                                                                                      |
|                                     | Far Eastern Resources Development Co., Ltd.          | (Note A)                              | Investments accounted for using the equity method | 775,836                                                                | 106,789,756     | 100.00                      | -                                        |                                                                                      |
|                                     | Far Eastern Polytex (Holding) Ltd.                   | (Note A)                              | Investments accounted for using the equity method | 168                                                                    | 9,415,124       | 100.00                      | -                                        |                                                                                      |
|                                     | Far Eastern Polychem Industries Ltd.                 | (Note A)                              | Investments accounted for using the equity method | 830,815                                                                | 7,683,110       | 73.04                       | -                                        |                                                                                      |
|                                     | Yuan Tong Investment Co., Ltd.                       | (Note A)                              | Investments accounted for using the equity method | 742,184                                                                | 8,871,338       | 100.00                      | -                                        |                                                                                      |
|                                     | Kai Yuan International Investment Co., Ltd.          | (Note A)                              | Investments accounted for using the equity method | 369,417                                                                | 5,720,430       | 100.00                      | -                                        |                                                                                      |
|                                     | Far Eastern Investment (Holding) Ltd.                | (Note A)                              | Investments accounted for using the equity method | 5,461                                                                  | 28,278,359      | 100.00                      | -                                        |                                                                                      |
|                                     | PET Far Eastern (Holding) Ltd.                       | (Note A)                              | Investments accounted for using the equity method | 397                                                                    | 4,056,695       | 91.95                       | -                                        |                                                                                      |
|                                     | Oriental Petrochemical (Taiwan) Corporation          | (Note A)                              | Investments accounted for using the equity method | 1,712,218                                                              | 7,683,250       | 75.56                       | -                                        |                                                                                      |
|                                     | Far Eastern Construction Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method | 245,829                                                                | 10,420,022      | 65.11                       | -                                        |                                                                                      |
|                                     | Yuan Ding Co., Ltd.                                  | (Note A)                              | Investments accounted for using the equity method | 186,929                                                                | 3,201,935       | 37.13                       | -                                        |                                                                                      |
|                                     | An Ho Garment Co., Ltd.                              | (Note A)                              | Investments accounted for using the equity method | 76,165                                                                 | 2,182,745       | 100.00                      | -                                        |                                                                                      |
|                                     | Ding Yuan International Investment Co., Ltd.         | (Note A)                              | Investments accounted for using the equity method | 256,906                                                                | 3,285,246       | 100.00                      | -                                        |                                                                                      |
|                                     | FEDP (Holding) Ltd.                                  | (Note A)                              | Investments accounted for using the equity method | 244                                                                    | 760,474         | 50.43                       | -                                        |                                                                                      |
|                                     | Fu Kwok Knitting & Garment Co., Ltd.                 | (Note A)                              | Investments accounted for using the equity method | 4,000                                                                  | 254,514         | 100.00                      | -                                        |                                                                                      |
|                                     | Ding Ding Hotel Co., Ltd.                            | (Note A)                              | Investments accounted for using the equity method | 769                                                                    | 8,984           | 0.74                        | -                                        |                                                                                      |
|                                     | Far Eastern Textile Ltd.                             | (Note A)                              | Investments accounted for using the equity method | 1,300                                                                  | 13,345          | 100.00                      | -                                        |                                                                                      |
|                                     | FE Oriental Investment Holding (Singapore) Pte. Ltd. | (Note A)                              | Investments accounted for using the equity method | 50                                                                     | 161,991         | 100.00                      | -                                        |                                                                                      |
| Yuan Ding Investment Co., Ltd.      | Asia Cement Corporation                              | (Note A)                              | Investments accounted for using the equity method | 54,022                                                                 | 2,302,354       | 1.52                        | 2,393,153                                | 8,807 thousand shares pledged or mortgaged as collateral for loans.                  |
|                                     | Oriental Union Chemical Corporation                  | (Note A)                              | Investments accounted for using the equity method | 70,818                                                                 | 1,213,818       | 8.00                        | 1,586,316                                |                                                                                      |
|                                     | Far Eastern Department Stores Co., Ltd.              | (Note A)                              | Investments accounted for using the equity method | 139,785                                                                | 3,340,833       | 9.87                        | 2,998,388                                |                                                                                      |
|                                     | Everest Textile Corporation                          | (Note A)                              | Investments accounted for using the equity method | 164,614                                                                | 1,484,595       | 23.70                       | 1,585,230                                |                                                                                      |
|                                     | Far EasTone Telecommunications Co., Ltd.             | (Note A)                              | Investments accounted for using the equity method | 1,066,658                                                              | 21,255,149      | 32.73                       | 68,906,082                               |                                                                                      |
|                                     | Far Eastern International Bank                       | (Note A)                              | Investments accounted for using the equity method | 125,030                                                                | 1,645,508       | 3.56                        | 1,344,071                                |                                                                                      |
|                                     | Far Eastern Polychem Industries Ltd.                 | (Note A)                              | Investments accounted for using the equity method | 306,644                                                                | 2,835,935       | 26.96                       | -                                        |                                                                                      |
|                                     | Far Eastern Apparel (Holding) Ltd.                   | (Note A)                              | Investments accounted for using the equity method | 111                                                                    | 4,776,297       | 100.00                      | -                                        |                                                                                      |
|                                     | Da Ju Fiber Co., Ltd.                                | (Note A)                              | Investments accounted for using the equity method | 68,975                                                                 | 2,444,058       | 41.86                       | -                                        |                                                                                      |
|                                     | Far Eastern Apparel Co., Ltd.                        | (Note A)                              | Investments accounted for using the equity method | 44,772                                                                 | 216,395         | 100.00                      | -                                        |                                                                                      |
|                                     | Yuan Faun Co., Ltd.                                  | (Note A)                              | Investments accounted for using the equity method | 6,675                                                                  | 200,249         | 100.00                      | -                                        |                                                                                      |
|                                     | Yue Ming Corporation                                 | (Note A)                              | Investments accounted for using the equity method | 4,745                                                                  | 60,817          | 45.50                       | -                                        |                                                                                      |
|                                     | Yuan Ding Leasing Corporation                        | (Note A)                              | Investments accounted for using the equity method | 36,706                                                                 | 398,361         | 46.20                       | -                                        |                                                                                      |
|                                     | Far Eastern Fibertech Co., Ltd.                      | (Note A)                              | Investments accounted for using the equity method | 91,000                                                                 | 1,477,768       | 100.00                      | -                                        |                                                                                      |
|                                     | Oriental Resources Development Co., Ltd.             | (Note A)                              | Investments accounted for using the equity method | 5,739                                                                  | 136,185         | 100.00                      | -                                        |                                                                                      |
|                                     | Liquid Air Far East Co., Ltd.                        | (Note A)                              | Investments accounted for using the equity method | 86,615                                                                 | 3,002,641       | 35.00                       | -                                        |                                                                                      |
|                                     | Freudenberg Far Eastern Spunweb Co., Ltd.            | (Note A)                              | Investments accounted for using the equity method | 33,003                                                                 | 573,396         | 29.80                       | -                                        |                                                                                      |

(Continued)

| Holding Company Name                  | Type and Name of Marketable Securities                     | Relationship with the Holding Company | Financial Statement Account                                     | December 31, 2021                                                      |                 |                             |                                          | 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. | Oriental Securities Corporation                            | (Note A)                              | Investments accounted for using the equity method               | 187,470                                                                | \$ 2,881,573    | 25.96                       | \$ -                                     | (Note F) |
|                                       | Yuan Ding Co., Ltd.                                        | (Note A)                              | Investments accounted for using the equity method               | 64,759                                                                 | 1,120,252       | 12.86                       | -                                        |          |
|                                       | Far Eastern International Leasing Corporation              | (Note A)                              | Investments accounted for using the equity method               | 75,268                                                                 | 949,137         | 16.87                       | -                                        |          |
|                                       | Oriental Textile (Holding) Ltd.                            | (Note A)                              | Investments accounted for using the equity method               | 110                                                                    | 8,462,639       | 100.00                      | -                                        |          |
|                                       | Pacific Liu Tong Investment Co., Ltd.                      | (Note A)                              | Investments accounted for using the equity method               | 119,653                                                                | 1,724,098       | 14.92                       | -                                        |          |
|                                       | Yu Yuan Investment Co., Ltd.                               | (Note A)                              | Investments accounted for using the equity method               | 98,198                                                                 | 1,043,459       | 18.96                       | -                                        |          |
|                                       | Far Eastern General Contractor Inc.                        | (Note A)                              | Investments accounted for using the equity method               | 1,490                                                                  | 27,456          | 1.00                        | -                                        |          |
|                                       | Oriental Petrochemical (Taiwan) Corporation                | (Note A)                              | Investments accounted for using the equity method               | 117,746                                                                | 546,408         | 5.20                        | -                                        |          |
|                                       | Oriental Green Materials Limited                           | (Note A)                              | Investments accounted for using the equity method               | 59,936                                                                 | 678,459         | 100.00                      | -                                        |          |
|                                       | Chung Nan Textile Co., Ltd.                                | (Note L)                              | Financial asset at FVTOCI - non-current                         | 2,985                                                                  | 123,513         | 5.27                        | 123,513                                  |          |
|                                       | Overseas Investment and Development Co., Ltd.              | -                                     | Financial asset at FVTOCI - non-current                         | 1,000                                                                  | 8,230           | 1.11                        | 8,230                                    |          |
|                                       | Universal Venture Capital Investment Corporation           | -                                     | Financial asset at FVTOCI - non-current                         | 1,400                                                                  | 12,306          | 1.16                        | 12,306                                   |          |
|                                       | China Investment and Development Co., Ltd.                 | (Note L)                              | Financial asset at FVTOCI - non-current                         | 1,287                                                                  | 16,422          | 0.80                        | 16,422                                   |          |
|                                       | Taiwan Stock Exchange Corporation                          | -                                     | Financial asset at FVTOCI - non-current                         | 1,310                                                                  | 82,863          | 0.16                        | 82,863                                   |          |
|                                       | 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                         | 2,311                                                                  | 34,195          | 0.50                        | 34,195                                   |          |
|                                       | U-Ming Marine Transport Corporation                        | (Note B)                              | Financial asset at FVTOCI - non-current                         | 8,869                                                                  | 535,687         | 1.05                        | 535,687                                  |          |
|                                       | Financial assets under asset management contracts (Note E) | -                                     |                                                                 |                                                                        |                 |                             |                                          |          |
|                                       | Yuanta S&P GSCI Gold ER Futures ETF                        | -                                     | Financial assets at fair value through profit or loss - current | 380                                                                    | 9,063           | -                           | 9,063                                    |          |
|                                       | Yuanta FTSE4Good TIP Taiwan ESG ETF                        | -                                     | Financial assets at fair value through profit or loss - current | 550                                                                    | 19,751          | -                           | 19,751                                   |          |
|                                       | Tong Ho Steel Enterprise Corporation                       | -                                     | Financial assets at fair value through profit or loss - current | 60                                                                     | 4,026           | -                           | 4,026                                    |          |
|                                       | Ta Chen International, Inc                                 | -                                     | Financial assets at fair value through profit or loss - current | 180                                                                    | 8,325           | -                           | 8,325                                    |          |
|                                       | Yulon Motor Co., Ltd                                       | -                                     | Financial assets at fair value through profit or loss - current | 200                                                                    | 8,380           | -                           | 8,380                                    |          |
|                                       | United Microelectronics Corporation                        | -                                     | Financial assets at fair value through profit or loss - current | 130                                                                    | 8,450           | -                           | 8,450                                    |          |
|                                       | Taiwan Semiconductor Manufacturing Co., Ltd                | -                                     | Financial assets at fair value through profit or loss - current | 50                                                                     | 30,750          | -                           | 30,750                                   |          |
|                                       | Realtek Semiconductor Corporation                          | -                                     | Financial assets at fair value through profit or loss - current | 20                                                                     | 11,600          | -                           | 11,600                                   |          |
|                                       | Media Tek Inc.                                             | -                                     | Financial assets at fair value through profit or loss - current | 9                                                                      | 10,710          | -                           | 10,710                                   |          |
|                                       | Hwaku Development Co., Ltd                                 | -                                     | Financial assets at fair value through profit or loss - current | 120                                                                    | 10,968          | -                           | 10,968                                   |          |
|                                       | EVA Airways Corporation                                    | -                                     | Financial assets at fair value through profit or loss - current | 70                                                                     | 9,975           | -                           | 9,975                                    |          |
|                                       | China Airlines, Limited                                    | -                                     | Financial assets at fair value through profit or loss - current | 600                                                                    | 16,530          | -                           | 16,530                                   |          |
|                                       | Taishin Financial Holding Co., Ltd.                        | -                                     | Financial assets at fair value through profit or loss - current | 600                                                                    | 11,370          | -                           | 11,370                                   |          |
|                                       | Novatek Microelectronics Corp.                             | -                                     | Financial assets at fair value through profit or loss - current | 15                                                                     | 8,085           | -                           | 8,085                                    |          |
|                                       | Unimicron Technology Corporation                           | -                                     | Financial assets at fair value through profit or loss - current | 30                                                                     | 6,930           | -                           | 6,930                                    |          |
|                                       | Lotes Co., Ltd                                             | -                                     | Financial assets at fair value through profit or loss - current | 12                                                                     | 9,132           | -                           | 9,132                                    |          |
|                                       | Jentech Precision Industrial Co., Ltd                      | -                                     | Financial assets at fair value through profit or loss - current | 21                                                                     | 8,568           | -                           | 8,568                                    |          |
|                                       | ASMedia Technology Inc.                                    | -                                     | Financial assets at fair value through profit or loss - current | 5                                                                      | 9,100           | -                           | 9,100                                    |          |
|                                       | Sino-American Silicon Products Inc.                        | -                                     | Financial assets at fair value through profit or loss - current | 45                                                                     | 10,620          | -                           | 10,620                                   |          |
|                                       | Genesys Logic Inc.                                         | -                                     | Financial assets at fair value through profit or loss - current | 65                                                                     | 13,097          | -                           | 13,097                                   |          |
|                                       | Wafer Works Corporation                                    | -                                     | Financial assets at fair value through profit or loss - current | 70                                                                     | 5,985           | -                           | 5,985                                    |          |
|                                       | 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                       | -                                        |          |
|                                       | PET Far Eastern (M) Sdn. Bhd.                              | (Note A)                              | Investments accounted for using the equity method               | Common stock<br>5,000<br>Preferred stock<br>3,000                      | 149,281         | 50.00                       | -                                        |          |
|                                       | Com2B                                                      | (Note A)                              | Investments accounted for using the equity method               | 9,000                                                                  | -               | 20.00                       | -                                        |          |
|                                       | Far Eastern Apparel (Vietnam) Ltd.                         | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 801,007         | 100.00                      | -                                        |          |
|                                       | Worldwide Polychem (HK) Ltd.                               | (Note A)                              | Investments accounted for using the equity method               | 2,700                                                                  | 141,311         | 100.00                      | -                                        |          |

(Continued)

| Holding Company Name                         | Type and Name of Marketable Securities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Relationship with the Holding Company                                                                                                                                            | Financial Statement Account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)                                     | December 31, 2021                                                                                                                                                     |                                                                                                                             |                                                                                                         | Note                                                                             |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                            | Carrying Amount                                                                                                                                                       | Percentage of Ownership (%)                                                                                                 | Market Value or Net Asset Value (Note H)                                                                |                                                                                  |
|                                              | Opas Fund Segregated Portfolio Company<br>Far Eastern Polytex (Vietnam) Ltd.<br>Far Eastern New Apparel (Vietnam) Ltd.<br>Magna View Sdn. Bhd.<br>Malaysia Garment Manufactures Pte. Ltd.<br>Drive Catalyst SPC<br>APG Polytech USA Holdings, Inc.<br>Drive Catalyst SPC-SP Tranche One<br>Drive Catalyst SPC-SP Tranche Three<br>Drive Catalyst SPC-SP Tranche Two<br>Far Eastern International Garments<br>Cemtex Apparel Inc.<br>Opas Fund Segregated Portfolio Tranche A<br>Opas Fund Segregated Portfolio Tranche B<br>Opas Fund Segregated Portfolio Tranche C | (Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note K)<br>(Note K)<br>(Note K) | Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Other liabilities - other<br>Other liabilities - other<br>Financial assets at fair value through profit or loss - current<br>Financial assets at fair value through profit or loss - current<br>Financial assets at fair value through profit or loss - current | (Note G)<br>(Note G)<br>(Note G)<br>3,000<br>30<br>(Note G)<br>6<br>4<br>8<br>4<br>59<br>90<br>4<br>5<br>5 | \$ 1,544<br>9,554,071<br>414,889<br>149,523<br>437,031<br>482<br>17,702,104<br>111,714<br>236,331<br>116,887<br>(11,402)<br>(10,580)<br>145,828<br>186,198<br>307,347 | 34.00<br>100.00<br>100.00<br>100.00<br>37.92<br>34.00<br>100.00<br>25.00<br>25.00<br>25.00<br>41.00<br>50.00<br>-<br>-<br>- | \$ -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>145,828<br>186,198<br>307,347            |                                                                                  |
| APG Polytech USA Holdings, Inc.              | Corpus Christi Polymers LLC<br>APG Polytech, LLC<br>Phoenix Technologies International, LLC                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (Note N)<br>(Note A)<br>(Note A)                                                                                                                                                 | Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (Note G)<br>(Note G)<br>(Note G)                                                                           | 11,768,125<br>4,114,262<br>257,422                                                                                                                                    | 33.33<br>100.00<br>100.00                                                                                                   | -<br>-<br>-                                                                                             |                                                                                  |
| Magna View Sdn. Bhd.                         | PET Far Eastern (M) Sdn. Bhd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (Note A)                                                                                                                                                                         | Investments accounted for using the equity method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Common stock<br>5,000<br>Preferred stock<br>3,000                                                          | 149,281                                                                                                                                                               | 50.00                                                                                                                       | -                                                                                                       |                                                                                  |
| Ding Yuan International Investment Co., Ltd. | Asia Cement Corporation<br>Far Eastern Department Stores Co., Ltd.<br>Everest Textile Corporation<br>Oriental Union Chemical Corporation<br>Far EasTone Telecommunications Co., Ltd.<br>Pacific Liu Tong Investment Co., Ltd.<br>Yu Ding Industry Co., Ltd.<br>Far Eastern International Bank                                                                                                                                                                                                                                                                        | (Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)                                                                                     | Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method                                                                                                                                                                                                                                                                                                                                                                              | 12,369<br>11,983<br>6,447<br>27,365<br>920<br>18,000<br>16,320<br>92,907                                   | 474,866<br>277,725<br>61,954<br>637,191<br>40,567<br>253,883<br>445,994<br>1,222,002                                                                                  | 0.35<br>0.85<br>0.93<br>3.09<br>0.03<br>2.24<br>13.20<br>2.64                                                               | 547,934<br>257,035<br>62,084<br>612,987<br>59,410<br>-<br>-<br>998,749                                  | (Note F)<br>5,000 thousand shares pledged or mortgaged as collateral for loans.  |
| Kai Yuan International Investment Co., Ltd.  | U-Ming Marine Transport Corporation<br>Asia Cement Corporation<br>Far EasTone Telecommunications Co., Ltd.<br>Everest Textile Corporation<br>Oriental Union Chemical Corporation<br>Far Eastern Department Stores Co., Ltd.<br>Kowloon Cement Corporation<br>Far Eastern International Leasing Corporation<br>Pacific Liu Tong Investment Co., Ltd.<br>Far Eastern International Bank<br>U-Ming Marine Transport Corporation                                                                                                                                         | (Note C)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note C)                                                 | Financial asset at FVTOCI - non-current<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Financial asset at FVTOCI - non-current                                                                                                                                                                                                                                                                                        | 1,684<br>25,312<br>35,558<br>4,211<br>32,474<br>20,672<br>1,127<br>74,970<br>18,000<br>112,793<br>1,375    | 101,714<br>1,021,426<br>1,110,165<br>44,631<br>636,245<br>595,100<br>446,736<br>950,075<br>254,084<br>1,484,241<br>83,050                                             | 0.20<br>0.71<br>1.09<br>0.61<br>3.67<br>1.46<br>49.00<br>16.80<br>2.24<br>3.21<br>0.16                                      | 101,714<br>1,121,343<br>2,297,049<br>40,552<br>727,421<br>443,418<br>-<br>-<br>-<br>1,212,523<br>83,050 | (Note F)<br>13,950 thousand shares pledged or mortgaged as collateral for loans. |
| Far Eastern Polychem Industries Ltd.         | Far Eastern Industries (Shanghai) Ltd.<br>PET Far Eastern (Holding) Ltd.<br>FEDP (Holding) Ltd.<br>Far Eastern Industries (Yangzhou) Ltd.<br>Far Eastern Ishizuka Green Pet Corporation<br>Nippon Parison Co., Ltd                                                                                                                                                                                                                                                                                                                                                   | (Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>(Note A)<br>-                                                                                                                    | Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Financial asset at FVTOCI - non-current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | (Note G)<br>35<br>240<br>(Note G)<br>3,578<br>4                                                            | 7,527,871<br>355,154<br>747,506<br>1,380,577<br>1,307,740<br>134,812                                                                                                  | 87.64<br>8.05<br>49.57<br>100.00<br>90.00<br>10.00                                                                          | -<br>-<br>-<br>-<br>-<br>134,812                                                                        |                                                                                  |
| Far Eastern Construction Co., Ltd.           | Asia Cement Corporation<br>Far Eastern General Contractor Inc.<br>U-Ming Marine Transport Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (Note A)<br>(Note A)<br>(Note C)                                                                                                                                                 | Investments accounted for using the equity method<br>Investments accounted for using the equity method<br>Financial asset at FVTOCI - current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 17,726<br>147,413<br>1,590                                                                                 | 622,021<br>2,524,301<br>96,023                                                                                                                                        | 0.50<br>98.95<br>0.19                                                                                                       | 785,267<br>-<br>96,023                                                                                  |                                                                                  |

(Continued)

| Holding Company Name                    | Type and Name of Marketable Securities                    | Relationship with the Holding Company | Financial Statement Account                                     | December 31, 2021                                                      |                 |                             |                                          | 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 (Holding) Ltd.      | Far Eastern Apparel (Suzhou) Co., Ltd.                    | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | \$ 585,974      | 38.46                       | \$ -                                     |                                                                                      |
|                                         | Far Eastern Dyeing & Finishing (Suzhou) Ltd.              | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 3,684,219       | 100.00                      | -                                        |                                                                                      |
|                                         | Far Eastern Innovation Apparel (Suzhou) Co., Ltd.         | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 1,085,716       | 100.00                      | -                                        |                                                                                      |
|                                         | Opas Fund Segregated Portfolio Tranche C                  | (Note K)                              | Financial assets at fair value through profit or loss - current | 4                                                                      | 145,146         | -                           | 145,146                                  |                                                                                      |
|                                         | Opas Fund Segregated Portfolio Tranche C                  | (Note K)                              | Financial assets at fair value through profit or loss - current | 4                                                                      | 253,081         | -                           | 253,081                                  |                                                                                      |
| Far Eastern Apparel Co., Ltd.           | Asia Cement Corporation                                   | (Note A)                              | Investments accounted for using the equity method               | 469                                                                    | 16,601          | 0.01                        | 20,777                                   |                                                                                      |
|                                         | Far EasTone Telecommunications Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method               | 90                                                                     | 5,964           | -                           | 5,814                                    |                                                                                      |
|                                         | Yu Ding Industry Co., Ltd.                                | (Note A)                              | Investments accounted for using the equity method               | 12                                                                     | 163             | 0.01                        | -                                        |                                                                                      |
| Far Eastern General Contractor Inc.     | Far Eastern Technical Consultants Co., Ltd.               | (Note A)                              | Investments accounted for using the equity method               | 450                                                                    | 7,153           | 9.00                        | -                                        |                                                                                      |
|                                         | U-Ming Marine Transport Corporation                       | (Note C)                              | Financial asset at FVTOCI - current                             | 746                                                                    | 45,088          | 0.09                        | 45,088                                   |                                                                                      |
|                                         | Kaohsiung Rapid Transit Corporation                       | (Note K)                              | Financial asset at FVTOCI - non-current                         | 9,687                                                                  | 48,823          | 3.48                        | 48,823                                   |                                                                                      |
|                                         | Ya-Li Precast Prestressed Concrete Industries Corporation | (Note I)                              | Financial asset at FVTOCI - non-current                         | 3,106                                                                  | 17,839          | 16.03                       | 17,839                                   |                                                                                      |
|                                         | Jih Sun Money Market                                      | -                                     | Financial assets at fair value through profit or loss - current | 1,484                                                                  | 22,241          | -                           | 22,241                                   |                                                                                      |
|                                         | CTBC Hwa-Win Money Market Fund                            | -                                     | Financial assets at fair value through profit or loss - current | 11,878                                                                 | 132,171         | -                           | 132,171                                  |                                                                                      |
|                                         | Capital Money Market Fund                                 | -                                     | Financial assets at fair value through profit or loss - current | 6,998                                                                  | 114,039         | -                           | 114,039                                  |                                                                                      |
|                                         | Hwa Nan Phoenix Money Market Fund                         | -                                     | Financial assets at fair value through profit or loss - current | 9,933                                                                  | 163,098         | -                           | 163,098                                  |                                                                                      |
| Malaysia Garment Manufactures Pte. Ltd. | Filsyn Corporation                                        | (Note A)                              | Investments accounted for using the equity method               | 20,513                                                                 | -               | 9.95                        | -                                        |                                                                                      |
|                                         | Arpeggio International Resources Corporation              | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | -               | 40.00                       | -                                        |                                                                                      |
|                                         | PT Malaysia Garment Bintan                                | (Note A)                              | Other liabilities - other                                       | (Note G)                                                               | (37)            | 99.00                       | -                                        |                                                                                      |
| An Ho Garment Co., Ltd.                 | Far EasTone Telecommunications Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method               | 40,818                                                                 | 991,113         | 1.25                        | 2,636,816                                | 8,200 thousand shares pledged or mortgaged as collateral for loans.<br><br>(Note F)  |
|                                         | Asia Cement Corporation                                   | (Note A)                              | Investments accounted for using the equity method               | 6,094                                                                  | 260,546         | 0.17                        | 269,950                                  |                                                                                      |
|                                         | Oriental Union Chemical Corporation                       | (Note A)                              | Investments accounted for using the equity method               | 11,204                                                                 | 248,877         | 1.26                        | 250,970                                  |                                                                                      |
|                                         | Far Eastern Department Stores Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method               | 370                                                                    | 11,942          | 0.03                        | 7,932                                    |                                                                                      |
|                                         | Oriental Securities Corporation                           | (Note A)                              | Investments accounted for using the equity method               | 8,754                                                                  | 123,937         | 1.21                        | -                                        |                                                                                      |
|                                         | Yu Ding Industry Co., Ltd.                                | (Note A)                              | Investments accounted for using the equity method               | 19,373                                                                 | 430,992         | 15.66                       | -                                        |                                                                                      |
|                                         | Pacific Liu Tong Investment Co., Ltd.                     | (Note A)                              | Investments accounted for using the equity method               | 9,681                                                                  | 141,950         | 1.21                        | -                                        |                                                                                      |
|                                         | Yuan Ding Investment Co., Ltd.                            | (Note A)                              | Investments accounted for using the equity method               | 5,502                                                                  | 175,807         | 0.30                        | -                                        |                                                                                      |
|                                         | Far Eastern International Bank                            | (Note A)                              | Investments accounted for using the equity method               | 23,135                                                                 | 304,597         | 0.66                        | 248,704                                  |                                                                                      |
| Yuan Faun Co., Ltd.                     | Yuan Cheng Human Resources Consultant Corporation         | (Note A)                              | Investments accounted for using the equity method               | 745                                                                    | 12,314          | 55.19                       | -                                        |                                                                                      |
|                                         | Far Eastern International Bank                            | (Note A)                              | Investments accounted for using the equity method               | 4,903                                                                  | 64,577          | 0.14                        | 52,701                                   |                                                                                      |
|                                         | Yi Tong Fiber Co., Ltd.                                   | -                                     | Financial asset at FVTOCI - non-current                         | 3,154                                                                  | 93,638          | 3.56                        | 93,638                                   |                                                                                      |
| Fu Kwok Knitting & Garment Co., Ltd.    | Far EasTone Telecommunications Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method               | 520                                                                    | 18,693          | 0.02                        | 33,592                                   | 29,700 thousand shares pledged or mortgaged as collateral for loans.<br><br>(Note F) |
| Yuan Tong Investment Co., Ltd.          | Far EasTone Telecommunications Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method               | 100,237                                                                | 2,606,635       | 3.08                        | 6,475,312                                |                                                                                      |
|                                         | Far Eastern Department Stores Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method               | 77,735                                                                 | 2,188,476       | 5.49                        | 1,667,406                                |                                                                                      |
|                                         | Everest Textile Corporation                               | (Note A)                              | Investments accounted for using the equity method               | 5,394                                                                  | 58,109          | 0.78                        | 51,948                                   |                                                                                      |
|                                         | Oriental Union Chemical Corporation                       | (Note A)                              | Investments accounted for using the equity method               | 49,905                                                                 | 1,633,224       | 5.63                        | 1,117,881                                |                                                                                      |
|                                         | Asia Cement Corporation                                   | (Note A)                              | Investments accounted for using the equity method               | 32,465                                                                 | 1,367,022       | 0.92                        | 1,438,217                                |                                                                                      |
|                                         | Pacific Liu Tong Investment Co., Ltd.                     | (Note A)                              | Investments accounted for using the equity method               | 18,000                                                                 | 252,886         | 2.24                        | -                                        |                                                                                      |
|                                         | Far Eastern Electronic Toll Collection Co., Ltd.          | (Note A)                              | Investments accounted for using the equity method               | 35,934                                                                 | 550,768         | 11.98                       | -                                        |                                                                                      |
|                                         | Liquid Air Far East Co., Ltd.                             | (Note A)                              | Investments accounted for using the equity method               | 1                                                                      | 43              | -                           | -                                        |                                                                                      |
|                                         | Sino Belgium (Holding) Ltd.                               | (Note A)                              | Other liabilities - other                                       | 36                                                                     | (818,678)       | 90.88                       | -                                        |                                                                                      |
|                                         | Freudenberg Far Eastern Spunweb Co., Ltd.                 | (Note A)                              | Investments accounted for using the equity method               | 3                                                                      | 53              | -                           | -                                        |                                                                                      |
|                                         | Malaysia Garment Manufactures Pte. Ltd.                   | (Note A)                              | Investments accounted for using the equity method               | 10                                                                     | 149,826         | 13.00                       | -                                        |                                                                                      |
|                                         | Far Eastern International Bank                            | (Note A)                              | Investments accounted for using the equity method               | 112,567                                                                | 1,480,777       | 3.20                        | 1,210,096                                |                                                                                      |

(Continued)

| Holding Company Name                                 | Type and Name of Marketable Securities                     | Relationship with the Holding Company | Financial Statement Account                                     | December 31, 2021                                                      |                 |                             |                                          | Note     |
|------------------------------------------------------|------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|-----------------|-----------------------------|------------------------------------------|----------|
|                                                      |                                                            |                                       |                                                                 | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) |          |
|                                                      | Ding Shen Investment Co., Ltd.                             | (Note M)                              | Financial asset at FVTOCI - non-current                         | 40,329                                                                 | \$ 344,406      | 18.00                       | \$ 344,406                               |          |
|                                                      | Bockhold N.V - stock                                       | -                                     | Financial asset at FVTOCI - non-current                         | 1                                                                      | 256,260         | 12.51                       | 256,260                                  |          |
|                                                      | Financial assets under asset management contracts (Note E) | -                                     |                                                                 |                                                                        |                 |                             |                                          |          |
|                                                      | Yuanta Taiwan 50 ETF                                       | -                                     | Financial assets at fair value through profit or loss - current | 81                                                                     | 11,786          | -                           | 11,786                                   |          |
|                                                      | Tong Ho Steel Enterprise Corporation                       | -                                     | Financial assets at fair value through profit or loss - current | 180                                                                    | 12,078          | -                           | 12,078                                   |          |
|                                                      | Ta Chen International, Inc                                 | -                                     | Financial assets at fair value through profit or loss - current | 150                                                                    | 6,938           | -                           | 6,938                                    |          |
|                                                      | Taiwan Semiconductor Manufacturing Co., Ltd                | -                                     | Financial assets at fair value through profit or loss - current | 63                                                                     | 38,745          | -                           | 38,745                                   |          |
|                                                      | Realtek Semiconductor Corporation                          | -                                     | Financial assets at fair value through profit or loss - current | 18                                                                     | 10,440          | -                           | 10,440                                   |          |
|                                                      | Media Tek Inc.                                             | -                                     | Financial assets at fair value through profit or loss - current | 9                                                                      | 10,710          | -                           | 10,710                                   |          |
|                                                      | Hwaku Development Co., Ltd                                 | -                                     | Financial assets at fair value through profit or loss - current | 75                                                                     | 6,855           | -                           | 6,855                                    |          |
|                                                      | China Airlines, Limited                                    | -                                     | Financial assets at fair value through profit or loss - current | 270                                                                    | 7,438           | -                           | 7,438                                    |          |
|                                                      | EVA Airways Corporation                                    | -                                     | Financial assets at fair value through profit or loss - current | 270                                                                    | 7,546           | -                           | 7,546                                    |          |
|                                                      | Taishin Financial Holding Co., Ltd.                        | -                                     | Financial assets at fair value through profit or loss - current | 450                                                                    | 8,527           | -                           | 8,527                                    |          |
|                                                      | First Financial Holdings Co., Ltd                          | -                                     | Financial assets at fair value through profit or loss - current | 540                                                                    | 13,230          | -                           | 13,230                                   |          |
|                                                      | Unimicron Technology Corporation                           | -                                     | Financial assets at fair value through profit or loss - current | 60                                                                     | 13,860          | -                           | 13,860                                   |          |
|                                                      | Lotes Co., Ltd                                             | -                                     | Financial assets at fair value through profit or loss - current | 18                                                                     | 13,698          | -                           | 13,698                                   |          |
|                                                      | Phison Electronics Corp.                                   | -                                     | Financial assets at fair value through profit or loss - current | 3                                                                      | 1,536           | -                           | 1,536                                    |          |
| Far Eastern Apparel (Suzhou) Co., Ltd.               | Suzhou An Ho Apparel Ltd.                                  | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 56,514          | 100.00                      | -                                        |          |
| PET Far Eastern (Holding) Ltd.                       | Oriental Petrochemical (Shanghai) Corporation              | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 1,823,509       | 54.72                       | -                                        |          |
|                                                      | Far Eastern Union Petrochemical (Yangzhou) Corporation     | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 3,081,595       | 44.20                       | -                                        |          |
| Oriental Textile (Holding) Ltd.                      | Far Eastern Industries (Wuxi) Ltd.                         | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 2,871,795       | 100.00                      | -                                        |          |
|                                                      | Oriental Industries (Suzhou) Ltd.                          | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 6,379,069       | 100.00                      | -                                        |          |
|                                                      | Opas Fund Segregated Portfolio Tranche A                   | (Note K)                              | Financial assets at fair value through profit or loss - current | 8                                                                      | 305,572         | -                           | 305,572                                  |          |
|                                                      | Opas Fund Segregated Portfolio Tranche C                   | (Note K)                              | Financial assets at fair value through profit or loss - current | 5                                                                      | 356,513         | -                           | 356,513                                  |          |
| FEDP (Holding) Ltd.                                  | Far Eastern Industries (Suzhou) Ltd.                       | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 1,303,824       | 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                                                                     | 159,811         | 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)                                                               | 941,637         | 100.00                      | -                                        |          |
|                                                      | Far Eastern Apparel (Suzhou) Co., Ltd.                     | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 937,620         | 61.54                       | -                                        |          |
|                                                      | Far Eastern New Century (China) Investment Co., Ltd.       | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 3,718,389       | 100.00                      | -                                        |          |
|                                                      | Far Eastern Yihua Petrochemical (Yangzhou) Corporation     | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 3,815,870       | 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)                                                               | 1,061,667       | 12.36                       | -                                        |          |
|                                                      | Shanghai Yuan Zi Information Technology Co., Ltd.          | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 58,047          | 100.00                      | -                                        |          |
|                                                      | Oriental Petrochemical (Shanghai) Corporation              | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 187,469         | 6.63                        | -                                        |          |
|                                                      | Yuan Ding Enterprise (Shanghai) Limited                    | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 2,712,437       | 40.00                       | -                                        |          |
| Sino Belgium (Holding) Ltd.                          | Sino Belgium Beer (Suzhou) Ltd.                            | (Note A)                              | Other liabilities - other                                       | (Note G)                                                               | (757,695)       | 100.00                      | -                                        |          |
|                                                      | Martens Beers (Shanghai) Ltd.                              | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 6,052           | 100.00                      | -                                        |          |
| Oriental Petrochemical (Shanghai) Corporation        | Shanghai Far Eastern Petrochemical Logistic Corporation    | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 149,896         | 100.00                      | -                                        |          |
| Far Eastern Industries (Yangzhou) Ltd.               | Harvest Money Market A                                     | -                                     | Financial assets at fair value through profit or loss - current | 1,006                                                                  | 4,371           | -                           | 4,371                                    |          |

(Continued)

| Holding Company Name                                   | Type and Name of Marketable Securities                                   | Relationship with the Holding Company | Financial Statement Account                                     | December 31, 2021                                                      |                 |                             |                                          | 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 | 625,412                                                                | \$ 2,716,788    | -                           | \$ 2,716,788                             |                                                                       |
| Yuan Ding Co., Ltd.                                    | YDT Technology International Co., Ltd.                                   | (Note A)                              | Investments accounted for using the equity method               | 13,992                                                                 | 267,642         | 100.00                      | -                                        |                                                                       |
|                                                        | Ding Ding Integrated Marketing Service Co., Ltd.                         | (Note A)                              | Investments accounted for using the equity method               | 21,787                                                                 | 148,459         | 60.00                       | -                                        |                                                                       |
|                                                        | Far Eastern Technical Consultants Co., Ltd.                              | (Note A)                              | Investments accounted for using the equity method               | 4,550                                                                  | 71,113          | 91.00                       | -                                        |                                                                       |
|                                                        | YDC (Virgin Islands) Ltd.                                                | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 10,798          | 17.70                       | -                                        |                                                                       |
|                                                        | Yuanshi Digital Technology Co., Ltd.                                     | (Note A)                              | Other liabilities - other                                       | 1,499                                                                  | (3,932)         | 1.35                        | -                                        |                                                                       |
|                                                        | FET Consulting Engineers Co., Ltd.                                       | (Note A)                              | Investments accounted for using the equity method               | 2,500                                                                  | 46,754          | 100.00                      | -                                        |                                                                       |
|                                                        | Asia Cement Corporation                                                  | (Note A)                              | Investments accounted for using the equity method               | 5,329                                                                  | 217,164         | 0.15                        | 236,059                                  |                                                                       |
|                                                        | Far EasTone Telecommunications Co., Ltd.                                 | (Note A)                              | Investments accounted for using the equity method               | 4,164                                                                  | 105,078         | 0.13                        | 268,962                                  |                                                                       |
|                                                        | Yu Yuan Investment Co., Ltd.                                             | (Note A)                              | Investments accounted for using the equity method               | 129,637                                                                | 2,164,434       | 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                                                                    | 531             | 1.00                        | -                                        |                                                                       |
|                                                        | Yu Ding Industry Co., Ltd.                                               | (Note A)                              | Investments accounted for using the equity method               | 3,206                                                                  | 70,907          | 2.59                        | -                                        |                                                                       |
|                                                        | FEDS Asia Pacific Development Co., Ltd.                                  | (Note A)                              | Investments accounted for using the equity method               | 10,650                                                                 | 132,390         | 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                                                                 | 681,097         | 14.93                       | -                                        |                                                                       |
|                                                        | Far Eastern International Bank                                           | (Note A)                              | Investments accounted for using the equity method               | 8,746                                                                  | 115,239         | 0.25                        | 94,019                                   |                                                                       |
|                                                        | Yuan Hsin Digital Payment Co., Ltd.                                      | (Note A)                              | Investments accounted for using the equity method               | 11,052                                                                 | 84,440          | 16.22                       | -                                        |                                                                       |
|                                                        | Ding Ding Hotel Co., Ltd.                                                | (Note A)                              | Investments accounted for using the equity method               | 102,509                                                                | 253,936         | 98.52                       | -                                        |                                                                       |
|                                                        | Far Eastern New Century Corporation                                      | (Note D)                              | Financial assets at fair value through profit or loss - current | 779                                                                    | 22,836          | -                           | 22,836                                   |                                                                       |
| Ding Ding Integrated Marketing Service Co., Ltd.       | Yuanshi Digital Technology Co., Ltd.                                     | (Note A)                              | Other liabilities - other                                       | 5                                                                      | (13)            | -                           | -                                        |                                                                       |
|                                                        | Yuan Hsin Digital Payment Co., Ltd.                                      | (Note A)                              | Investments accounted for using the equity method               | 21,180                                                                 | 161,801         | 31.08                       | -                                        |                                                                       |
|                                                        | DDIM (Virgin Islands) Ltd.                                               | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 19,967          | 46.13                       | -                                        |                                                                       |
|                                                        | Pacific SOGO Department Stores Co., Ltd.                                 | (Note J)                              | Financial asset at FVTOCI - non-current                         | 1                                                                      | 37              | -                           | 37                                       |                                                                       |
| Far Eastern Technical Consultants Co., Ltd.            | Cosmos Foreign Exchange Intl. Co., Ltd.                                  | -                                     | Financial asset at FVTOCI - non-current                         | 480                                                                    | 9,638           | 4.00                        | 9,638                                    |                                                                       |
| FET Consulting Engineers Co., Ltd.                     | DDIM (Virgin Islands) Ltd.                                               | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 23,317          | 53.87                       | -                                        |                                                                       |
| YDC (Virgin Islands) Ltd.                              | Yuan Ding Integrated Information Service (Shanghai) Inc.                 | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 199             | 0.46                        | -                                        |                                                                       |
|                                                        | Speedy (Shanghai) digital Tech. Co., Ltd.                                | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 59,701          | 100.00                      | -                                        |                                                                       |
| DDIM (Virgin Islands) Ltd.                             | Yuan Ding Integrated Information Service (Shanghai) Inc.                 | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 43,143          | 99.54                       | -                                        |                                                                       |
| YDT Technology International Co., Ltd.                 | Everest Textile Corporation                                              | (Note A)                              | Investments accounted for using the equity method               | 101                                                                    | 842             | 0.01                        | 971                                      |                                                                       |
|                                                        | Far Eastern Department Stores Co., Ltd.                                  | (Note A)                              | Investments accounted for using the equity method               | 2,764                                                                  | 98,716          | 0.20                        | 59,285                                   |                                                                       |
|                                                        | Asia Cement Corporation                                                  | (Note A)                              | Investments accounted for using the equity method               | 61                                                                     | 2,453           | -                           | 2,681                                    |                                                                       |
|                                                        | YDC (Virgin Islands) Ltd.                                                | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 50,205          | 82.30                       | -                                        |                                                                       |
|                                                        | Far Eastern International Bank                                           | (Note A)                              | Investments accounted for using the equity method               | 3,076                                                                  | 40,812          | 0.09                        | 33,062                                   |                                                                       |
|                                                        | 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                                                                 | 79,757          | 100.00                      | -                                        |                                                                       |
|                                                        | Millerful No.1 REIT                                                      | -                                     | Financial asset at FVTOCI - non-current                         | 47,010                                                                 | 487,029         | -                           | 487,029                                  |                                                                       |
|                                                        | 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               | 8,200                                                                  | 58,386          | 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                                                              | 28,436,062      | 100.00                      | -                                        |                                                                       |
|                                                        | ARCOA Communication Co., Ltd.                                            | (Note A)                              | Investments accounted for using the equity method               | 82,762                                                                 | 698,742         | 61.63                       | -                                        |                                                                       |
|                                                        | KGEx.com Co., Ltd.                                                       | (Note A)                              | Investments accounted for using the equity method               | 68,897                                                                 | 902,594         | 99.99                       | -                                        |                                                                       |

(Continued)



| Holding Company Name                | Type and Name of Marketable Securities                | Relationship with the Holding Company | Financial Statement Account                                     | December 31, 2021                                                      |                 |                             |                                          | Note |
|-------------------------------------|-------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|-----------------|-----------------------------|------------------------------------------|------|
|                                     |                                                       |                                       |                                                                 | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) |      |
| ARCOA Communication Co., Ltd.       | Yuanshi Digital Technology Co., Ltd.                  | (Note A)                              | Other liabilities - other                                       | 107,004                                                                | \$ (280,137)    | 96.18                       | \$ -                                     |      |
|                                     | Yuan Cing Co., Ltd.                                   | (Note A)                              | Investments accounted for using the equity method               | 2,000                                                                  | 40,705          | 100.00                      | -                                        |      |
|                                     | Far Eastern Info Service (Holding) Ltd.               | (Note A)                              | Investments accounted for using the equity method               | 1                                                                      | 4,883           | 100.00                      | -                                        |      |
|                                     | Far EasTone Property Insurance Agent Co., Ltd         | (Note A)                              | Investments accounted for using the equity method               | 500                                                                    | 83,443          | 100.00                      | -                                        |      |
|                                     | Far Eastern Electronic Toll Collection Co., Ltd.      | (Note A)                              | Investments accounted for using the equity method               | 118,251                                                                | 1,403,595       | 39.42                       | -                                        |      |
|                                     | Ding Ding Integrated Marketing Service Co., Ltd.      | (Note A)                              | Investments accounted for using the equity method               | 5,447                                                                  | 36,924          | 15.00                       | -                                        |      |
|                                     | Yuan Hsin Digital Payment Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method               | 12,342                                                                 | 94,628          | 18.11                       | -                                        |      |
|                                     | App Works Fund II Co., Ltd.                           | (Note L)                              | Financial asset at FVTOCI - non-current                         | 5,355                                                                  | 138,461         | 11.11                       | 138,461                                  |      |
|                                     | CDIB Capital Innovation Accelerator Co., Ltd.         | (Note L)                              | Financial asset at FVTOCI - non-current                         | 9,000                                                                  | 105,191         | 10.71                       | 105,191                                  |      |
|                                     | LINE Bank Taiwan Limited                              | -                                     | Financial asset at FVTOCI - non-current                         | 50,000                                                                 | 396,910         | 5.00                        | 396,910                                  |      |
|                                     | LI TV (Taiwan) Inc                                    | -                                     | Financial asset at FVTOCI - non-current                         | 1,250                                                                  | 50,000          | 2.50                        | 50,000                                   |      |
| New Century InfoComm Tech Co., Ltd. | Asia Pacific Telecom Co., Ltd                         | -                                     | Financial asset at FVTOCI - non-current                         | 500,000                                                                | 4,110,000       | 11.58                       | 4,110,000                                |      |
|                                     | DataExpress Infotech Co., Ltd.                        | (Note A)                              | Investments accounted for using the equity method               | 15,285                                                                 | 278,594         | 70.00                       | -                                        |      |
|                                     | THI consultants                                       | (Note L)                              | Financial asset at FVTOCI - non-current                         | 1,214                                                                  | 12,190          | 18.32                       | 12,190                                   |      |
| New Diligent Co., Ltd.              | Web Point Co., Ltd.                                   | -                                     | Financial asset at FVTOCI - non-current                         | 161                                                                    | 1,618           | 0.63                        | 1,618                                    |      |
|                                     | New Diligent Co., Ltd.                                | (Note A)                              | Investments accounted for using the equity method               | 54,000                                                                 | 81,531          | 100.00                      | -                                        |      |
|                                     | Information Security Service Digital United Inc.      | (Note A)                              | Investments accounted for using the equity method               | 11,195                                                                 | 138,226         | 100.00                      | -                                        |      |
|                                     | Digital United (Cayman) Ltd.                          | (Note A)                              | Investments accounted for using the equity method               | 10,320                                                                 | 334,376         | 100.00                      | -                                        |      |
|                                     | Yuanshi Digital Technology Co., Ltd.                  | (Note A)                              | Other liabilities - other                                       | 750                                                                    | (1,963)         | 0.67                        | -                                        |      |
|                                     | Ding Ding Integrated Marketing Service Co., Ltd.      | (Note A)                              | Investments accounted for using the equity method               | 1,816                                                                  | 12,308          | 5.00                        | -                                        |      |
|                                     | Prime EcoPower Co., Ltd.                              | (Note A)                              | Investments accounted for using the equity method               | 16,000                                                                 | 125,451         | 100.00                      | -                                        |      |
|                                     | Drive Catalyst SPC-SP Tranche One                     | (Note A)                              | Investments accounted for using the equity method               | 4                                                                      | 111,666         | 25.00                       | -                                        |      |
|                                     | Drive Catalyst SPC-SP Tranche Two                     | (Note A)                              | Investments accounted for using the equity method               | 4                                                                      | 116,861         | 25.00                       | -                                        |      |
|                                     | Drive Catalyst SPC-SP Tranche Three                   | (Note A)                              | Investments accounted for using the equity method               | 8                                                                      | 236,449         | 25.00                       | -                                        |      |
|                                     | Nextlink Technology Co., Ltd.                         | (Note A)                              | Investments accounted for using the equity method               | 3,430                                                                  | 455,473         | 70.00                       | -                                        |      |
|                                     | Ju An Long-Age Co., Ltd                               | (Note A)                              | Investments accounted for using the equity method               | 1,000                                                                  | 15,861          | 25.00                       | -                                        |      |
|                                     | Yuan Hsin Digital Payment Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method               | 4,236                                                                  | 32,476          | 6.22                        | -                                        |      |
|                                     | Kaohsiung Rapid Transit Corporation                   | (Note K)                              | Financial asset at FVTOCI - non-current                         | 8,858                                                                  | 44,645          | 3.18                        | 44,645                                   |      |
|                                     | Bank Pro E-service Technology Co., Ltd.               | -                                     | Financial asset at FVTOCI - non-current                         | 600                                                                    | 4,500           | 3.33                        | 4,500                                    |      |
|                                     | Changing.ai Inc.                                      | -                                     | Financial asset at FVTOCI - non-current                         | 500                                                                    | 8,944           | 2.50                        | 8,944                                    |      |
|                                     | Opas Fund Segregated Portfolio Tranche A              | (Note K)                              | Financial assets at fair value through profit or loss - current | 13                                                                     | 505,428         | -                           | 505,428                                  |      |
|                                     | Opas Fund Segregated Portfolio Tranche B              | (Note K)                              | Financial assets at fair value through profit or loss - current | 5                                                                      | 193,746         | -                           | 193,746                                  |      |
| DataExpress Infotech Co., Ltd.      | Sino Lead Enterprise Limited                          | (Note A)                              | Investments accounted for using the equity method               | 30                                                                     | 321             | 100.00                      | -                                        |      |
|                                     | Far East New Diligent Company Ltd.                    | (Note A)                              | Investments accounted for using the equity method               | -                                                                      | 19,593          | 100.00                      | -                                        |      |
|                                     | New Diligent Hong Kong Co., Ltd.                      | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 2,106           | 100.00                      | -                                        |      |
| Nextlink Technology Co., Ltd.       | Home Master Technology Ltd.                           | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 42,860          | 100.00                      | -                                        |      |
| Digital United (Cayman) Ltd.        | Microfusion Technology Co., Ltd.                      | (Note A)                              | Investments accounted for using the equity method               | 2,900                                                                  | 47,314          | 100.00                      | -                                        |      |
|                                     | Nextlink (HK) Technology Co., Ltd.                    | (Note A)                              | Investments accounted for using the equity method               | -                                                                      | 36,568          | 100.00                      | -                                        |      |
|                                     | Microfusion (HK) Technology Co., Ltd.                 | (Note A)                              | Investments accounted for using the equity method               | -                                                                      | 2,825           | 100.00                      | -                                        |      |
| Nextlink (HK) Technology Co., Ltd.  | Digital United Information Technology (Shanghai) Ltd. | (Note A)                              | Other liabilities - other                                       | (Note G)                                                               | 11,311          | 100.00                      | -                                        |      |
|                                     | TBCASoft, Inc.                                        | -                                     | Financial asset at FVTOCI - non-current                         | 727                                                                    | 187,394         | 4.87                        | 187,394                                  |      |
|                                     | Nextlink (Shanghai) Technology Co., Ltd.              | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 1,987           | 70.00                       | -                                        |      |

(Continued)

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.

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, 2021, 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, 202, the relevant investment funds have not been remitted.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2021

(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.'s common stock                    | Investments accounted for using the equity method                              | Cash capital increase | (Note A)     | 5,072                              | \$ 25,734,569 | 389                                | \$ 1,955,422 | -                                  | \$ -    | \$ -       | \$ -          | \$ 588,368                                | 5,461                              | \$ 28,278,359 |
| Yuan Ding Investment Co., Ltd.                   | Everest Textile Corporation's common stock                              | Investments accounted for using the equity method                              | Cash capital increase | (Note B)     | 128,618                            | 831,947       | 65,055                             | 650,551      | 29,059                             | -       | -          | -             | 2,097                                     | 164,614                            | 1,484,595     |
| Far Eastern Investment (Holding) Ltd.            | Far Eastern Polytex (Vietnam) Ltd.                                      | Investments accounted for using the equity method                              | Cash capital increase | (Note A)     | (Note C)                           | US\$ 262,696  | (Note C)                           | US\$ 68,700  | -                                  | -       | -          | -             | US\$ 13,766                               | (Note C)                           | US\$ 345,162  |
|                                                  | Far Eastern New Apparel (Vietnam) Ltd.                                  | Investments accounted for using the equity method                              | Cash capital increase | (Note A)     | (Note C)                           | US\$ 5,257    | (Note C)                           | US\$ 15,000  | -                                  | -       | -          | -             | US\$ (5,268)                              | (Note C)                           | US\$ 14,989   |
|                                                  | APG Polytech USA Holdings, Inc.'s common stock                          | Investments accounted for using the equity method                              | Cash capital increase | (Note A)     | 5                                  | US\$ 500,212  | 1                                  | US\$ 100,000 | -                                  | -       | -          | -             | US\$ 39,315                               | 6                                  | US\$ 639,527  |
| APG Polytech USA Holdings, Inc.                  | Corpus Christi Polymers LLC                                             | Investments accounted for using the equity method                              | Cash capital increase | (Note D)     | (Note C)                           | US\$ 416,190  | (Note C)                           | US\$ 11,033  | -                                  | -       | -          | -             | US\$ (2,074)                              | (Note C)                           | US\$ 425,149  |
| Far Eastern General Contractor Inc.              | CTBC Hwa-Win Money Market Fund                                          | Financial assets at fair value through profit or loss - current                | -                     | -            | 20,707                             | 230,002       | 29,419                             | 327,000      | 38,248                             | 425,124 | 424,940    | 184           | 109 (Note E)                              | 11,878                             | 132,171       |
| Yuan Tong Investment Co., Ltd.                   | Far Eastern Department Stores Co., Ltd.'s common stock                  | Investments accounted for using the equity method                              | -                     | (Note B)     | 59,073                             | 1,776,669     | 18,662                             | 421,963      | -                                  | -       | -          | -             | (10,156)                                  | 77,735                             | 2,188,476     |
| Yuan Ding Co., Ltd.                              | Ding Ding Hotel Co., Ltd.'s common stock                                | Investments accounted for using the equity method                              | Cash capital increase | (Note A)     | 102,509                            | 81,826        | 98,522                             | 985,217      | 98,522                             | -       | -          | -             | (813,107)                                 | 102,509                            | 253,936       |
| Far Eastern Electronic Toll Collection Co., Ltd. | Asia Pacific Telecom Co., Ltd.'s common stock through private placement | Financial assets at fair value through other comprehensive income - noncurrent | Cash capital increase | -            | -                                  | -             | 500,000                            | 5,000,000    | -                                  | -       | -          | -             | (890,000) (Note F)                        | 500,000                            | 4,110,000     |

Notes: A. Subsidiary.

B. Associates.

C. Company limited.

D. Joint operation entity

E. Gain or loss on financial asset at FVTPL.

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

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

| Buyer                             | Property                            | Event Date   | Transaction Amount | Payment Status | Counterparty | Relationship          | Information on Previous Title Transfer If Counterparty Is A Related Party |                                                                    |                  |         | Pricing Reference | Purpose of Acquisition | Other Terms |
|-----------------------------------|-------------------------------------|--------------|--------------------|----------------|--------------|-----------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------|------------------|---------|-------------------|------------------------|-------------|
|                                   |                                     |              |                    |                |              |                       | Property Owner                                                            | Relationship                                                       | Transaction Date | Amount  |                   |                        |             |
| Far Eastern Construction Co., Ltd | Land in Xinyi District, Taipei City | October 2021 | \$ 813,984         | Paid in full   | John Hsu     | Other related parties | S.L. Hsu-Chu                                                              | First Class Relatives of directors of the consolidated corporation | October 2013     | Inherit | Valuation report  | Development and use    | None        |

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

| Seller                              | Property                                                             | Event Date | Original Acquisition Date | Carrying Amount | Transaction Amount | Collection   | Gain (Loss) on Disposal | Counterparty   | Relationship | Purpose of Disposal | Price Reference  | Other Terms |
|-------------------------------------|----------------------------------------------------------------------|------------|---------------------------|-----------------|--------------------|--------------|-------------------------|----------------|--------------|---------------------|------------------|-------------|
| New Century Infocomm Tech Co., Ltd. | Part of the real estate and equipment in Neihu District, Taipei City | July 2021  | June 2001                 | \$ 1,857,022    | \$ 3,242,924       | All received | \$ 1,281,483 (Note 1)   | Media Tek Inc. | None         | Activate assets     | Valuation report | None        |

Note: Related expenses were deducted from the gain or loss on disposal.

TABLE 11

## 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, 2021  
(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           | Worldwide Polychem (HK) Limited                           | (Note A)               | Sale                 | \$ (3,863,170) | (8)        | Based on contract | -                     | -             | \$ -                        | -          | \$ 1,731,885                   | 23         |      |
|                                               | Far Eastern Industries (Shanghai) Ltd.                    | (Note A)               | Sale                 | (1,540,727)    | (3)        | Based on contract | -                     | -             | -                           | -          | 255,639                        | 3          |      |
|                                               | Far Eastern Polytex (Vietnam) Ltd.                        | (Note A)               | Sale                 | (648,435)      | (1)        | Based on contract | -                     | -             | -                           | -          | 165,100                        | 2          |      |
|                                               | Far Eastern Ishizuka Green Pet Corporation                | (Note A)               | Sale                 | (381,855)      | (1)        | Based on contract | -                     | -             | -                           | -          | 26,157                         | -          |      |
|                                               | Far Eastern Ishizuka Green Pet Corporation                | (Note A)               | Purchase             | 497,682        | 1          | Based on contract | -                     | -             | -                           | -          | (67,506)                       | (2)        |      |
|                                               | Far Eastern Apparel (Vietnam) Ltd.                        | (Note A)               | Sale                 | (154,492)      | -          | Based on contract | -                     | -             | -                           | -          | 41,832                         | 1          |      |
|                                               | Freudenberg Far Eastern Spunweb Co., Ltd.                 | (Note D)               | Sale                 | (508,692)      | (1)        | Based on contract | -                     | -             | -                           | -          | 69,053                         | 1          |      |
|                                               | Everest Textile Corporation                               | (Note D)               | Sale                 | (254,754)      | (1)        | Based on contract | -                     | -             | -                           | -          | 30,548                         | -          |      |
|                                               | Oriental Petrochemical (Taiwan) Corporation               | (Note A)               | Purchase             | 13,844,409     | 36         | Based on contract | -                     | -             | -                           | -          | (876,872)                      | (29)       |      |
|                                               | Oriental Green Materials Limited                          | (Note A)               | Purchase             | 1,320,106      | 3          | Based on contract | -                     | -             | -                           | -          | (135,540)                      | (5)        |      |
|                                               | Oriental Industries (Suzhou) Ltd.                         | (Note A)               | Purchase             | 115,584        | -          | Based on contract | -                     | -             | -                           | -          | (32,968)                       | (1)        |      |
|                                               | Oriental Union Chemical Corporation                       | (Note D)               | Purchase             | 1,562,845      | 4          | Based on contract | -                     | -             | -                           | -          | (103,155)                      | (3)        |      |
| Oriental Petrochemical (Taiwan) Corporation   | Far Eastern New Century Corporation                       | (Note B)               | Sale                 | (13,844,409)   | (42)       | Based on contract | -                     | -             | -                           | -          | 876,872                        | 24         |      |
|                                               | Far Eastern Polytex (Vietnam) Ltd.                        | (Note C)               | Sale                 | (5,738,676)    | (18)       | Based on contract | -                     | -             | -                           | -          | 1,177,238                      | 32         |      |
|                                               | Far Eastern Industries (Shanghai) Ltd.                    | (Note C)               | Sale                 | (493,676)      | (2)        | Based on contract | -                     | -             | -                           | -          | 291,474                        | 8          |      |
|                                               | Liquid Air Far East Co., Ltd.                             | (Note D)               | Purchase             | 102,903        | -          | Based on contract | -                     | -             | -                           | -          | (25,711)                       | (1)        |      |
| Oriental Green Materials Limited              | Far Eastern New Century Corporation                       | (Note B)               | Sale                 | (1,320,106)    | (96)       | Based on contract | -                     | -             | -                           | -          | 135,540                        | 99         |      |
| Far Eastern General Contractor Inc.           | Far Eastern Construction Co., Ltd.                        | (Note C)               | Construction revenue | (550,397)      | (7)        | Based on contract | -                     | -             | -                           | -          | 124,057                        | 18         |      |
|                                               | Far Eastern Resources Development Co., Ltd.               | (Note C)               | Construction revenue | (420,005)      | (5)        | Based on contract | -                     | -             | -                           | -          | -                              | -          |      |
|                                               | Chubei New Century Shopping Mall Co., Ltd.                | (Note E)               | Construction revenue | (105,723)      | (1)        | Based on contract | -                     | -             | -                           | -          | -                              | -          |      |
|                                               | Asia Eastern School Legal Person                          | (Note I)               | Construction revenue | (130,034)      | (2)        | Based on contract | -                     | -             | -                           | -          | 12,015                         | 2          |      |
|                                               | Ya Tung Ready-mixed Concrete Corporation                  | (Note E)               | Purchase             | 334,650        | 5          | Based on contract | -                     | -             | (30,689)                    | (5)        | (30,264)                       | (2)        |      |
|                                               | Ya-Li Precast Prestressed Concrete Industries Corporation | (Note E)               | Purchase             | 115,116        | 2          | Based on contract | -                     | -             | (5,265)                     | (1)        | (13,564)                       | (1)        |      |
| Far Eastern Construction Co., Ltd.            | Far Eastern General Contractor Inc.                       | (Note C)               | Purchase             | 575,788        | 43         | Based on contract | -                     | -             | -                           | -          | (124,057)                      | (42)       |      |
| Far Eastern Fibertech Ltd.                    | Far Eastern Industries (Shanghai) Ltd.                    | (Note C)               | Sale                 | (398,901)      | (15)       | Based on contract | -                     | -             | -                           | -          | 64,999                         | 27         |      |
|                                               | Everest Textile Corporation                               | (Note D)               | Sale                 | (326,715)      | (12)       | Based on contract | -                     | -             | -                           | -          | 34,395                         | 14         |      |
| FETC International Co., Ltd.                  | Far Eastern Electronic Toll Collection Co., Ltd.          | (Note C)               | Sale                 | (273,023)      | (74)       | Based on contract | -                     | -             | -                           | -          | 92,240                         | 71         |      |
| Oriental Petrochemical (Shanghai) Corporation | Far Eastern Industries (Shanghai) Ltd.                    | (Note C)               | Sale                 | (7,914,085)    | (63)       | Based on contract | -                     | -             | 104,429                     | 23         | 187,620                        | 100        |      |
|                                               | Shanghai Far Eastern Petrochemical Logistic Corporation   | (Note C)               | Purchase             | 101,467        | 1          | Based on contract | -                     | -             | -                           | -          | (50,426)                       | (3)        |      |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd.  | FE New Century Industrial (Singapore) Pte. Ltd.           | (Note C)               | Sale                 | (3,457,660)    | (61)       | Based on contract | -                     | -             | -                           | -          | 530,317                        | 52         |      |
|                                               | Far Eastern Apparel (Suzhou) Ltd.                         | (Note C)               | Sale                 | (507,260)      | (9)        | Based on contract | -                     | -             | -                           | -          | 95,736                         | 9          |      |
|                                               | Far Eastern Industries (Shanghai) Ltd.                    | (Note C)               | Purchase             | 752,205        | 15         | Based on contract | -                     | -             | -                           | -          | (152,146)                      | (17)       |      |
| Far Eastern Apparel (Suzhou) Ltd.             | Far Eastern Dyeing & Finishing (Suzhou) Ltd.              | (Note C)               | Purchase             | 507,260        | 23         | Based on contract | -                     | -             | -                           | -          | (95,736)                       | (25)       |      |
|                                               | FE New Century Industrial (Singapore) Pte. Ltd.           | (Note C)               | Sale                 | (637,815)      | (27)       | Based on contract | -                     | -             | -                           | -          | 110,888                        | 30         |      |

(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 Industries (Shanghai) Ltd.                  | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Sale                | \$ (1,815,196) | (8)        | Based on contract | -                     | -             | \$ -                        | -          | \$ 546,286                     | 22         |      |
|                                                         | Wuhan Far Eastern New Material Ltd.                           | (Note C)               | Sale                | (792,033)      | (4)        | Based on contract | -                     | -             | -                           | -          | 139,219                        | 5          |      |
|                                                         | Wuhan Far Eastern New Material Ltd.                           | (Note C)               | Purchase            | 490,123        | 2          | Based on contract | -                     | -             | -                           | -          | (117,141)                      | (7)        |      |
|                                                         | Far Eastern Dyeing & Finishing (Suzhou) Ltd.                  | (Note C)               | Sale                | (752,205)      | (3)        | Based on contract | -                     | -             | -                           | -          | 152,146                        | 6          |      |
|                                                         | Oriental Industries (Suzhou) Ltd.                             | (Note C)               | Sale                | (467,346)      | (2)        | Based on contract | -                     | -             | -                           | -          | 21,083                         | 1          |      |
|                                                         | Far Eastern Polytex (Vietnam) Ltd.                            | (Note B)               | Sale                | (197,251)      | (1)        | Based on contract | -                     | -             | -                           | -          | 64,608                         | 3          |      |
|                                                         | Far Eastern New Century Corporation                           | (Note C)               | Purchase            | 1,540,727      | 7          | Based on contract | -                     | -             | -                           | -          | (255,639)                      | (16)       |      |
|                                                         | Oriental Petrochemical (Taiwan) Corporation                   | (Note C)               | Purchase            | 493,676        | 2          | Based on contract | -                     | -             | -                           | -          | (291,474)                      | (18)       |      |
|                                                         | Far Eastern Fibertech Ltd.                                    | (Note C)               | Purchase            | 398,901        | 2          | Based on contract | -                     | -             | -                           | -          | (64,999)                       | (4)        |      |
|                                                         | Oriental Petrochemical (Shanghai) Corporation                 | (Note C)               | Purchase            | 7,914,085      | 38         | Based on contract | -                     | -             | (104,429)                   | (9)        | (187,620)                      | (12)       |      |
|                                                         | Far Eastern Union Petrochemical (Yangzhou) Corporation (Note) | (Note D)               | Purchase            | 173,373        | 1          | Based on contract | -                     | -             | -                           | -          | -                              | -          |      |
| Wuhan Far Eastern New Material Ltd.                     | Far Eastern Industries (Shanghai) Ltd.                        | (Note C)               | Sale                | (490,123)      | (38)       | Based on contract | -                     | -             | -                           | -          | 117,141                        | 48         |      |
|                                                         | Far Eastern Industries (Shanghai) Ltd.                        | (Note C)               | Purchase            | 792,033        | 68         | Based on contract | -                     | -             | -                           | -          | (139,219)                      | (90)       |      |
|                                                         | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Sale                | (111,905)      | (9)        | Based on contract | -                     | -             | -                           | -          | 39,134                         | 16         |      |
| Oriental Industries (Suzhou) Ltd.                       | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Sale                | (201,651)      | (2)        | Based on contract | -                     | -             | -                           | -          | 101,642                        | 6          |      |
|                                                         | Far Eastern New Century Corporation                           | (Note B)               | Sale                | (115,584)      | (1)        | Based on contract | -                     | -             | -                           | -          | 32,968                         | 2          |      |
|                                                         | Far Eastern Industries (Shanghai) Ltd.                        | (Note C)               | Purchase            | 467,346        | 6          | Based on contract | -                     | -             | -                           | -          | (21,083)                       | (4)        |      |
| Shanghai Far Eastern Petrochemical Logistic Corporation | Oriental Petrochemical (Shanghai) Corporation                 | (Note C)               | Sale                | (101,467)      | (81)       | Based on contract | -                     | -             | -                           | -          | 50,426                         | 90         |      |
| Far Eastern Polytex (Vietnam) Ltd.                      | Worldwide Polychem (HK) Limited                               | (Note C)               | Sale                | (2,400,101)    | (14)       | Based on contract | -                     | -             | -                           | -          | 1,244,497                      | 39         |      |
|                                                         | APG Polytech, LLC                                             | (Note C)               | Sale                | (267,356)      | (2)        | Based on contract | -                     | -             | -                           | -          | 264,217                        | 8          |      |
|                                                         | Far Eastern Apparel (Vietnam) Ltd.                            | (Note C)               | Sale                | (239,050)      | (1)        | Based on contract | -                     | -             | -                           | -          | 43,164                         | 1          |      |
|                                                         | Far Eastern New Apparel (Vietnam) Ltd.                        | (Note C)               | Sale                | (203,378)      | (1)        | Based on contract | -                     | -             | -                           | -          | 18,670                         | 1          |      |
|                                                         | Far Eastern New Century Corporation                           | (Note B)               | Purchase            | 648,435        | 4          | Based on contract | -                     | -             | -                           | -          | (165,100)                      | (7)        |      |
|                                                         | Oriental Petrochemical (Shanghai) Corporation                 | (Note C)               | Purchase            | 5,738,676      | 37         | Based on contract | -                     | -             | -                           | -          | (1,177,238)                    | (51)       |      |
|                                                         | Far Eastern Industries (Shanghai) Ltd.                        | (Note C)               | Purchase            | 197,251        | 1          | Based on contract | -                     | -             | -                           | -          | (64,608)                       | (3)        |      |
| Far Eastern Apparel (Vietnam) Ltd.                      | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Sale                | (1,766,328)    | (67)       | Based on contract | -                     | -             | -                           | -          | 364,747                        | 69         |      |
|                                                         | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Purchase            | 732,830        | 28         | Based on contract | -                     | -             | -                           | -          | (287,266)                      | (68)       |      |
|                                                         | Far Eastern New Century Corporation                           | (Note B)               | Purchase            | 154,492        | 6          | Based on contract | -                     | -             | -                           | -          | (41,832)                       | (10)       |      |
|                                                         | Far Eastern Polytex (Vietnam) Ltd.                            | (Note C)               | Purchase            | 239,050        | 9          | Based on contract | -                     | -             | -                           | -          | (43,164)                       | (10)       |      |
| Far Eastern New Apparel (Vietnam) Ltd.                  | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Sale                | (1,394,660)    | (92)       | Based on contract | -                     | -             | -                           | -          | 209,773                        | 79         |      |
|                                                         | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Purchase            | 165,932        | 11         | Based on contract | -                     | -             | -                           | -          | (18,225)                       | (45)       |      |
|                                                         | Far Eastern Polytex (Vietnam) Ltd.                            | (Note C)               | Purchase            | 203,378        | 13         | Based on contract | -                     | -             | -                           | -          | (18,670)                       | (46)       |      |
| FE New Century Industrial (Singapore) Pte. Ltd.         | Pet Far Eastern (M) Sdn. Bhd.                                 | (Note C)               | Sale                | (770,319)      | (8)        | Based on contract | -                     | -             | -                           | -          | 169,128                        | 12         |      |
|                                                         | Far Eastern Apparel (Vietnam) Ltd.                            | (Note C)               | Sale                | (732,830)      | (8)        | Based on contract | -                     | -             | -                           | -          | 287,266                        | 21         |      |
|                                                         | Far Eastern Apparel (Vietnam) Ltd.                            | (Note C)               | Purchase            | 1,766,328      | 19         | Based on contract | -                     | -             | -                           | -          | (364,747)                      | (19)       |      |
|                                                         | Far Eastern New Apparel (Vietnam) Ltd.                        | (Note C)               | Sale                | (165,932)      | (2)        | Based on contract | -                     | -             | -                           | -          | 18,225                         | 1          |      |
|                                                         | Far Eastern New Apparel (Vietnam) Ltd.                        | (Note C)               | Purchase            | 1,394,660      | 15         | Based on contract | -                     | -             | -                           | -          | (209,773)                      | (11)       |      |
|                                                         | Far Eastern Dyeing & Finishing (Suzhou) Ltd.                  | (Note C)               | Purchase            | 3,457,660      | 37         | Based on contract | -                     | -             | -                           | -          | (530,317)                      | (38)       |      |
|                                                         | Far Eastern Industries (Shanghai) Ltd.                        | (Note C)               | Purchase            | 1,815,196      | 19         | Based on contract | -                     | -             | -                           | -          | (546,286)                      | (29)       |      |
|                                                         | Far Eastern Apparel (Suzhou) Ltd.                             | (Note C)               | Purchase            | 637,815        | 7          | Based on contract | -                     | -             | -                           | -          | (110,888)                      | (8)        |      |
|                                                         | Wuhan Far Eastern New Material Ltd.                           | (Note C)               | Purchase            | 111,905        | 1          | Based on contract | -                     | -             | -                           | -          | (39,134)                       | (2)        |      |
|                                                         | Oriental Industries (Suzhou) Ltd.                             | (Note C)               | Purchase            | 201,651        | 2          | Based on contract | -                     | -             | -                           | -          | (101,642)                      | (7)        |      |

(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 Ishizuka Green Pet Corporation     | Far Eastern New Century Corporation             | (Note B)               | Sale                                 | \$ (497,682) | (15)       | Based on contract | -                     | -             | \$ -                        | -          | \$ 67,506                      | 19         |          |
|                                                |                                                 | (Note B)               | Purchase                             | 381,855      | 15         | Based on contract | -                     | -             | -                           | -          | (26,157)                       | (11)       |          |
| Worldwide Polychem (HK) Limited                | Phoenix Technologies International, LLC         | (Note C)               | Sale                                 | (289,145)    | (5)        | Based on contract | -                     | -             | -                           | -          | 18,089                         | 2          |          |
|                                                |                                                 | (Note B)               | Purchase                             | 3,863,170    | 62         | Based on contract | -                     | -             | -                           | -          | (1,731,885)                    | (58)       |          |
|                                                |                                                 | (Note C)               | Purchase                             | 2,400,101    | 38         | Based on contract | -                     | -             | -                           | -          | (1,244,497)                    | (42)       |          |
| Phoenix Technologies International, LLC        | APG Polytech, LLC                               | (Note C)               | Sale                                 | (114,923)    | (12)       | Based on contract | -                     | -             | -                           | -          | 13,425                         | 12         |          |
|                                                |                                                 | (Note C)               | Purchase                             | 289,145      | 27         | Based on contract | -                     | -             | -                           | -          | (18,089)                       | (24)       |          |
| APG Polytech, LLC                              | Far Eastern Polytex (Vietnam) Ltd.              | (Note C)               | Purchase                             | 267,356      | 3          | Based on contract | -                     | -             | -                           | -          | (264,217)                      | (23)       |          |
|                                                |                                                 | (Note C)               | Purchase                             | 114,923      | 1          | Based on contract | -                     | -             | -                           | -          | (13,425)                       | (1)        |          |
| Pet Far Eastern (M) Sdn. Bhd.                  | FE New Century Industrial (Singapore) Pte. Ltd. | (Note C)               | Purchase                             | 770,319      | 87         | Based on contract | -                     | -             | -                           | -          | (169,128)                      | (100)      |          |
| Far EasTone Telecommunications Co., Ltd.       | ARCOA Communication Co., Ltd.                   | (Note C)               | Cost of sales and marketing expenses | 6,773,686    | 13         | Based on contract | -                     | -             | -                           | -          | (558,920)                      | (3)        |          |
|                                                | ARCOA Communication Co., Ltd.                   | (Note C)               | Operating revenue                    | (981,828)    | (2)        | Based on contract | -                     | -             | -                           | -          | 245,441                        | 4          |          |
|                                                | New Century InfoComm Tech Co., Ltd.             | (Note C)               | Cost of sales                        | 2,139,527    | 5          | Based on contract | -                     | -             | -                           | -          | (504,895)                      | (2)        |          |
|                                                | New Century InfoComm Tech Co., Ltd.             | (Note C)               | Operating revenue                    | (159,398)    | -          | Based on contract | -                     | -             | -                           | -          | 12,530                         | -          |          |
|                                                | DataExpress Infotech Co., Ltd.                  | (Note C)               | Cost of sales and marketing expenses | 224,881      | -          | Based on contract | -                     | -             | -                           | -          | (50,098)                       | -          |          |
|                                                | Yuanshi Digital Technology Co., Ltd.            | (Note C)               | Operating revenue                    | (804,332)    | (1)        | Based on contract | -                     | -             | -                           | -          | 27,627                         | -          |          |
|                                                | Far EasTone Property Insurance Agent Co., Ltd.  | (Note C)               | Operating revenue                    | (325,773)    | (1)        | Based on contract | -                     | -             | -                           | -          | 95,397                         | 1          |          |
|                                                |                                                 |                        |                                      |              |            |                   |                       |               |                             |            |                                |            |          |
| New Century InfoComm Tech Co., Ltd.            | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Operating revenue                    | (2,139,527)  | (22)       | Based on contract | -                     | -             | -                           | -          | 504,895                        | 30         | (Note G) |
|                                                | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Cost of sales                        | 159,398      | 3          | Based on contract | -                     | -             | -                           | -          | (12,530)                       | (2)        |          |
|                                                | KGEx.com Co., Ltd.                              | (Note C)               | Cost of sales and rent expenses      | 135,262      | 2          | Based on contract | -                     | -             | -                           | -          | (25,775)                       | (2)        |          |
|                                                |                                                 |                        |                                      |              |            |                   |                       |               |                             |            |                                |            |          |
| ARCOA Communication Co., Ltd.                  | Far Eastern International Bank                  | (Note D)               | Operating revenue                    | (104,788)    | 1)         | Based on contract | -                     | -             | -                           | -          | 25,988                         | 2          |          |
|                                                | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Operating revenue                    | (6,773,686)  | (64)       | Based on contract | -                     | -             | -                           | -          | 558,920                        | 53         |          |
|                                                | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Cost of sales                        | 981,828      | 10         | Based on contract | -                     | -             | -                           | -          | (245,441)                      | (20)       |          |
|                                                | Yuanshi Digital Technology Co., Ltd.            | (Note C)               | Operating revenue                    | (137,169)    | (1)        | Based on contract | -                     | -             | -                           | -          | 173,031                        | 16         |          |
| KGEx.com Co., Ltd.                             | Home Master Technology Ltd.                     | (Note C)               | Operating revenue                    | (996,371)    | (9)        | Based on contract | -                     | -             | -                           | -          | 113,073                        | 11         |          |
|                                                |                                                 |                        |                                      |              |            |                   |                       |               |                             |            |                                |            |          |
| DataExpress Infotech Co., Ltd.                 | New Century InfoComm Tech Co., Ltd.             | (Note C)               | Operating revenue                    | (135,262)    | (26)       | Based on contract | -                     | -             | -                           | -          | 25,775                         | 49         |          |
|                                                | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Operating revenue                    | (224,881)    | (4)        | Based on contract | -                     | -             | -                           | -          | 50,098                         | 10         |          |
|                                                | Yuanshi Digital Technology Co., Ltd.            | (Note C)               | Operating revenue                    | (101,262)    | (2)        | Based on contract | -                     | -             | -                           | -          | -                              | -          |          |
| Yuanshi Digital Technology Co., Ltd.           | Home Master Technology Ltd.                     | (Note C)               | Operating revenue                    | (103,632)    | (2)        | Based on contract | -                     | -             | -                           | -          | 22,760                         | 5          | (Note H) |
|                                                | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Cost of sales                        | 804,332      | 31         | Based on contract | -                     | -             | -                           | -          | (27,627)                       | (7)        |          |
|                                                | ARCOA Communication Co., Ltd.                   | (Note C)               | Cost of sales                        | 137,169      | 5          | Based on contract | -                     | -             | -                           | -          | (173,031)                      | (46)       |          |
|                                                | DataExpress Infotech Co., Ltd.                  | (Note C)               | Cost of sales                        | 101,262      | 4          | Based on contract | -                     | -             | -                           | -          | -                              | -          |          |
| Home Master Technology Ltd.                    | ARCOA Communication Co., Ltd.                   | (Note C)               | Cost of sales                        | 996,371      | 63         | Based on contract | -                     | -             | -                           | -          | (113,073)                      | (72)       |          |
|                                                | DataExpress Infotech Co., Ltd.                  | (Note C)               | Cost of sales                        | 103,632      | 7          | Based on contract | -                     | -             | -                           | -          | (22,760)                       | (15)       |          |
| Far EasTone Property Insurance Agent Co., Ltd. | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Cost of sales                        | 325,773      | 83         | Based on contract | -                     | -             | -                           | -          | (95,397)                       | (90)       |          |
| Microfusion Technology                         | Nextlink (HK) Technology                        | (Note C)               | Operating revenue                    | (103,126)    | (13)       | Based on contract | -                     | -             | -                           | -          | 23,658                         | 13         |          |
| Nextlink (HK) Technology                       | Microfusion Technology                          | (Note C)               | Cost of sales                        | 103,126      | 5          | Based on contract | -                     | -             | -                           | -          | (23,658)                       | (5)        |          |

(Continued)



Notes: A. Subsidiary.

B. Parent company.

C. Between subsidiaries

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

E. The subsidiaries 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.

H. Part of the revenue from Yuanshi Digital Technology Co., Ltd. is collected by ARCOA Communication Co., Ltd. on behalf of Far EasTone Telecommunications Co., Ltd. and DataExpress Infotech Co., Ltd.

I. Related party in substance.

(Concluded)

TABLE 12

**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, 2021**

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

| Company Name                                    | Related Party                                   | Relationship | Ending Balance | Turnover Rate | Overdue |               | Amounts<br>Received in<br>Subsequent<br>Period | Allowance for<br>Bad Debts |
|-------------------------------------------------|-------------------------------------------------|--------------|----------------|---------------|---------|---------------|------------------------------------------------|----------------------------|
|                                                 |                                                 |              |                |               | Amount  | Actions Taken |                                                |                            |
| Far Eastern New Century Corporation             | Worldwide Polychem (HK) Ltd.                    | (Note B)     | \$ 1,731,885   | 3.04          | \$ -    | -             | \$ 605,193                                     | \$ -                       |
|                                                 | Far Eastern Industries (Shanghai) Ltd.          | (Note B)     | 255,639        | 5.10          | -       | -             | 189,510                                        | -                          |
|                                                 | Far Eastern Polytex (Vietnam) Ltd.              | (Note B)     | 165,100        | 6.48          | -       | -             | 97,727                                         | -                          |
| Oriental Petrochemical (Taiwan) Co., Ltd.       | Far Eastern Polytex (Vietnam) Ltd.              | (Note D)     | 1,177,238      | 6.23          | -       | -             | 1,084,950                                      | -                          |
|                                                 | Far Eastern New Century Corporation             | (Note C)     | 876,872        | 20.22         | -       | -             | 876,872                                        | -                          |
|                                                 | Far Eastern Industries (Shanghai) Ltd.          | (Note D)     | 291,474        | 2.90          | -       | -             | 184,709                                        | -                          |
| Oriental Green Material Ltd.                    | Far Eastern New Century Corporation             | (Note C)     | 135,540        | 11.95         | -       | -             | 135,540                                        | -                          |
| Far Eastern General Contractor Inc.             | Far Eastern Construction Co., Ltd.              | (Note D)     | 124,057        | (Note F)      | -       | -             | 124,057                                        | -                          |
| Far Eastern Industries (Shanghai) Ltd.          | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 546,286        | 2.89          | -       | -             | 299,361                                        | -                          |
|                                                 | Far Eastern Dyeing & Finishing (Suzhou) Ltd.    | (Note D)     | 152,146        | 5.20          | -       | -             | 69,500                                         | -                          |
|                                                 | Wuhan Far Eastern New Material Ltd.             | (Note D)     | 139,219        | 4.99          | -       | -             | 100,123                                        | -                          |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd.    | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 530,317        | 7.87          | -       | -             | 187,224                                        | -                          |
| Oriental Petrochemical (Shanghai) Corporation   | Far Eastern Industries (Shanghai) Ltd.          | (Note D)     | 292,049        | 20.54         | -       | -             | 187,620                                        | -                          |
| Wuhan Far Eastern New Material Ltd.             | Far Eastern Industries (Shanghai) Ltd.          | (Note D)     | 117,141        | 4.22          | -       | -             | 124                                            | -                          |
| Far Eastern Apparel (Suzhou) Ltd.               | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 110,888        | 11.05         | -       | -             | 110,888                                        | -                          |
| Oriental Industries (Suzhou) Ltd.               | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 101,642        | 2.32          | -       | -             | 52,055                                         | -                          |
| Far Eastern Polytex (Vietnam) Ltd.              | Worldwide Polychem (HK) Ltd.                    | (Note D)     | 1,244,497      | 2.32          | -       | -             | 330,582                                        | -                          |
|                                                 | APG Polytech, LLC                               | (Note D)     | 264,217        | 8.10          | -       | -             | 264,217                                        | -                          |
| Far Eastern Apparel (Vietnam) Ltd.              | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 364,747        | 4.51          | -       | -             | 170,029                                        | -                          |
| Far Eastern New Apparel (Vietnam) Ltd.          | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 209,773        | 12.43         | -       | -             | 196,497                                        | -                          |
| FE New Century Industrial (Singapore) Pte. Ltd. | Far Eastern Apparel (Vietnam) Ltd.              | (Note D)     | 287,266        | 4.40          | -       | -             | 130,008                                        | -                          |
|                                                 | Pet Far Eastern (M) Sdn. Bhd.                   | (Note D)     | 169,128        | 5.13          | -       | -             | 74,098                                         | -                          |

(Continued)

| Company Name                                      | Related Party                            | Relationship | Ending Balance | Turnover Rate | Overdue |               | Amounts Received in Subsequent Period | Allowance for Bad Debts |
|---------------------------------------------------|------------------------------------------|--------------|----------------|---------------|---------|---------------|---------------------------------------|-------------------------|
|                                                   |                                          |              |                |               | Amount  | Actions Taken |                                       |                         |
| Ding Ding Integrated Marketing Services Co., Ltd. | Pacific SOGO Department Stores Co., Ltd. | (Note E)     | \$ 115,731     | (Note G)      | \$ -    | -             | \$ 13,865                             | \$ -                    |
| Far EasTone Telecommunications Co., Ltd.          | ARCOA Communication Co., Ltd.            | (Note D)     | 247,941        | 7.91          | -       | -             | 180,840                               | -                       |
| New Century InfoComm Tech Co., Ltd.               | Far EasTone Telecommunications Co., Ltd. | (Note D)     | 569,416        | (Note H)      | -       | -             | 467,748                               | -                       |
| ARCOA Communication Co., Ltd.                     | Far EasTone Telecommunications Co., Ltd. | (Note D)     | 558,920        | 9.45          | -       | -             | 558,920                               | -                       |
|                                                   | Yuanshi Digital Technology Co., Ltd.     | (Note D)     | 173,031        | 6.41          | -       | -             | 172,877                               | -                       |
|                                                   | Home Master Technology Ltd.              | (Note D)     | 113,150        | 4.50          | -       | -             | 28,794                                | -                       |

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

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

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

F. 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.

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, and the turnover rate was unavailable.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)

| No.<br>(Note A) | Investee Company                              | Related Party                                    | Relationship<br>(Note B) | Transaction Details           |              |                   |                                                  |
|-----------------|-----------------------------------------------|--------------------------------------------------|--------------------------|-------------------------------|--------------|-------------------|--------------------------------------------------|
|                 |                                               |                                                  |                          | Financial Statement Account   | Amount       | Payment Terms     | % of Consolidated<br>Sales or Assets<br>(Note C) |
| 0               | Far Eastern New Century Corporation           | Worldwide Polychem (HK) Limited                  | 1                        | Sales                         | \$ 3,863,170 | Based on contract | 2                                                |
|                 |                                               | Worldwide Polychem (HK) Limited                  | 1                        | Accounts receivable           | 1,731,885    | Based on contract | -                                                |
|                 |                                               | Far Eastern Industries (Shanghai) Ltd.           | 1                        | Sales                         | 1,540,727    | Based on contract | 1                                                |
|                 |                                               | Far Eastern Industries (Shanghai) Ltd.           | 1                        | Accounts receivable           | 255,639      | Based on contract | -                                                |
|                 |                                               | Far Eastern Polytex (Vietnam) Ltd.               | 1                        | Sales                         | 648,435      | Based on contract | -                                                |
|                 |                                               | Far Eastern Polytex (Vietnam) Ltd.               | 1                        | Accounts receivable           | 165,100      | Based on contract | -                                                |
|                 |                                               | Far Eastern Ishizuka Green Pet Corporation       | 1                        | Sales                         | 381,855      | Based on contract | -                                                |
|                 |                                               | Far Eastern Apparel (Vietnam) Ltd.               | 1                        | Sales                         | 154,492      | Based on contract | -                                                |
| 1               | Oriental Petrochemical (Taiwan) Co., Ltd.     | Far Eastern New Century Corporation              | 2                        | Sales                         | 13,844,409   | Based on contract | 6                                                |
|                 |                                               | Far Eastern New Century Corporation              | 2                        | Accounts receivable           | 876,872      | Based on contract | -                                                |
|                 |                                               | Far Eastern Polytex (Vietnam) Ltd.               | 3                        | Sales                         | 5,738,676    | Based on contract | 2                                                |
|                 |                                               | Far Eastern Polytex (Vietnam) Ltd.               | 3                        | Accounts receivable           | 1,177,238    | Based on contract | -                                                |
|                 |                                               | Far Eastern Industries (Shanghai) Ltd.           | 3                        | Sales                         | 493,676      | Based on contract | -                                                |
|                 |                                               | Far Eastern Industries (Shanghai) Ltd.           | 3                        | Accounts receivable           | 291,474      | Based on contract | -                                                |
| 2               | Oriental Green Materials Limited              | Far Eastern New Century Corporation              | 2                        | Sales                         | 1,320,106    | Based on contract | 1                                                |
|                 |                                               | Far Eastern New Century Corporation              | 2                        | Accounts receivable           | 135,540      | Based on contract | -                                                |
| 3               | Far Eastern General Contractor Inc.           | Far Eastern Construction Co., Ltd.               | 3                        | Construction revenue          | 550,397      | Based on contract | -                                                |
|                 |                                               | Far Eastern Construction Co., Ltd.               | 3                        | Accounts receivable           | 124,057      | Based on contract | -                                                |
|                 |                                               | Far Eastern Resources Development Co., Ltd       | 3                        | Construction revenue          | 420,005      | Based on contract | -                                                |
| 4               | Far Eastern Fibertech Ltd.                    | Far Eastern Industries (Shanghai) Ltd.           | 3                        | Sales                         | 398,901      | Based on contract | -                                                |
| 5               | FETC International Co., Ltd                   | Far Eastern Electronic Toll Collection Co., Ltd. | 3                        | Sales                         | 273,023      | Based on contract | -                                                |
| 6               | Yuan Ding Investment Co., Ltd.                | An Ho Garment Co., Ltd.                          | 3                        | Other receivables - financing | 170,000      | Based on contract | -                                                |
|                 |                                               | Ding Yuan International Investment Co., Ltd.     | 3                        | Other receivables - financing | 145,000      | Based on contract | -                                                |
| 7               | Oriental Petrochemical (Shanghai) Corporation | Far Eastern Industries (Shanghai) Ltd.           | 3                        | Sales                         | 7,914,085    | Based on contract | 3                                                |
|                 |                                               | Far Eastern Industries (Shanghai) Ltd.           | 3                        | Accounts receivable           | 292,049      | Based on contract | -                                                |
| 8               | Far Eastern Dyeing & Finishing (Suzhou) Ltd.  | FE New Century Industrial (Singapore) Pte. Ltd.  | 3                        | Sales                         | 3,457,660    | Based on contract | 1                                                |
|                 |                                               | FE New Century Industrial (Singapore) Pte. Ltd.  | 3                        | Accounts receivable           | 530,317      | Based on contract | -                                                |
|                 |                                               | Far Eastern Apparel (Suzhou) Co., Ltd.           | 3                        | Sales                         | 507,260      | Based on contract | -                                                |
|                 |                                               | Oriental Industries (Suzhou) Ltd.                | 3                        | Other receivables - financing | 2,173,620    | Based on contract | -                                                |

(Continued)

| No.<br>(Note A) | Investee Company                                        | Related Party                                   | Relationship<br>(Note B) | Transaction Details           |            |                   |                                                  |
|-----------------|---------------------------------------------------------|-------------------------------------------------|--------------------------|-------------------------------|------------|-------------------|--------------------------------------------------|
|                 |                                                         |                                                 |                          | Financial Statement Account   | Amount     | Payment Terms     | % of Consolidated<br>Sales or Assets<br>(Note C) |
| 9               | Far Eastern Apparel (Suzhou) Co., Ltd.                  | FE New Century Industrial (Singapore) Pte. Ltd. | 3                        | Sales                         | \$ 637,815 | Based on contract | -                                                |
|                 |                                                         | FE New Century Industrial (Singapore) Pte. Ltd. | 3                        | Accounts receivable           | 110,888    | Based on contract | -                                                |
|                 |                                                         | Oriental Industries (Suzhou) Ltd.               | 3                        | Other receivables - financing | 575,358    | Based on contract | -                                                |
| 10              | Far Eastern Industries (Shanghai) Ltd.                  | FE New Century Industrial (Singapore) Pte. Ltd. | 3                        | Sales                         | 1,815,196  | Based on contract | 1                                                |
|                 |                                                         | FE New Century Industrial (Singapore) Pte. Ltd. | 3                        | Accounts receivable           | 546,286    | Based on contract | -                                                |
|                 |                                                         | Wuhan Far Eastern New Material Ltd.             | 3                        | Sales                         | 792,033    | Based on contract | -                                                |
|                 |                                                         | Wuhan Far Eastern New Material Ltd.             | 3                        | Accounts receivable           | 139,219    | Based on contract | -                                                |
|                 |                                                         | Far Eastern Dyeing & Finishing (Suzhou) Ltd.    | 3                        | Sales                         | 752,205    | Based on contract | -                                                |
|                 |                                                         | Far Eastern Dyeing & Finishing (Suzhou) Ltd.    | 3                        | Accounts receivable           | 152,146    | Based on contract | -                                                |
|                 |                                                         | Far Eastern Industries (Suzhou) Ltd.            | 3                        | Sales                         | 467,346    | Based on contract | -                                                |
|                 |                                                         | Far Eastern Polytex (Vietnam) Ltd.              | 3                        | Sales                         | 197,251    | Based on contract | -                                                |
|                 |                                                         |                                                 |                          |                               |            |                   |                                                  |
| 11              | Wuhan Far Eastern New Material Ltd.                     | Far Eastern Industries (Shanghai) Ltd.          | 3                        | Sales                         | 490,123    | Based on contract | -                                                |
|                 |                                                         | Far Eastern Industries (Shanghai) Ltd.          | 3                        | Accounts receivable           | 117,141    | Based on contract | -                                                |
|                 |                                                         | FE New Century Industrial (Singapore) Pte. Ltd. | 3                        | Sales                         | 111,905    | Based on contract | -                                                |
| 12              | Oriental Industries (Suzhou) Ltd.                       | FE New Century Industrial (Singapore) Pte. Ltd. | 3                        | Sales                         | 201,651    | Based on contract | -                                                |
|                 |                                                         | FE New Century Industrial (Singapore) Pte. Ltd. | 3                        | Accounts receivable           | 101,642    | Based on contract | -                                                |
|                 |                                                         | Far Eastern New Century Corporation             | 2                        | Sales                         | 115,584    | Based on contract | -                                                |
|                 |                                                         | Sino Belgium Beer (Suzhou) Ltd.                 | 2                        | Other receivables - financing | 5,220      | Based on contract | -                                                |
| 13              | Shanghai Far Eastern Petrochemical Logistic Corporation | Oriental Petrochemical (Shanghai) Corporation   | 3                        | Sales                         | 101,467    | Based on contract | -                                                |
| 14              | Far Eastern Industries (Suzhou) Ltd.                    | Oriental Industries (Suzhou) Ltd.               | 3                        | Other receivables - financing | 511,289    | Based on contract | -                                                |
|                 |                                                         | Sino Belgium Beer (Suzhou) Ltd.                 | 3                        | Other receivables - financing | 764,544    | Based on contract | -                                                |
| 15              | Suzhou An Ho Apparel Ltd.                               | Oriental Industries (Suzhou) Ltd.               | 3                        | Other receivables - financing | 39,096     | Based on contract | -                                                |
| 16              | Far Eastern Innovation Apparel (Suzhou) Co., Ltd.       | Far Eastern Dyeing & Finishing (Suzhou) Ltd.    | 3                        | Other receivables - financing | 173,760    | Based on contract | -                                                |
|                 |                                                         | Oriental Industries (Suzhou) Ltd.               | 3                        | Other receivables - financing | 886,289    | Based on contract | -                                                |
| 17              | Far Eastern New Century (China) Investment Co., Ltd.    | Oriental Petrochemical (Shanghai) Corporation   | 3                        | Other receivables - financing | 86,880     | Based on contract | -                                                |
| 18              | Far Eastern Industries (Yangzhou) Ltd.                  | Oriental Industries (Suzhou) Ltd.               | 3                        | Other receivables - financing | 304,080    | Based on contract | -                                                |
| 19              | Far Eastern Polytex (Vietnam) Ltd.                      | Worldwide Polychem (HK) Limited                 | 3                        | Sales                         | 2,400,101  | Based on contract | 1                                                |
|                 |                                                         | Worldwide Polychem (HK) Limited                 | 3                        | Accounts receivable           | 1,244,497  | Based on contract | -                                                |
|                 |                                                         | APG Polytech, LLC                               | 3                        | Sales                         | 267,356    | Based on contract | -                                                |
|                 |                                                         | APG Polytech, LLC                               | 3                        | Accounts receivable           | 264,217    | Based on contract | -                                                |
|                 |                                                         | Far Eastern Apparel (Vietnam) Ltd.              | 3                        | Sales                         | 239,050    | Based on contract | -                                                |
|                 |                                                         | Far Eastern New Apparel (Vietnam) Ltd.          | 3                        | Sales                         | 203,378    | Based on contract | -                                                |
|                 |                                                         | Sino Belgium (Holding) Ltd.                     | 3                        | Other receivables - financing | 152,240    | Based on contract | -                                                |

(Continued)

| No.<br>(Note A) | Investee Company                                                                 | Related Party                                                                                      | Relationship<br>(Note B) | Transaction Details           |              |                   |                                                  |
|-----------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------|-------------------------------|--------------|-------------------|--------------------------------------------------|
|                 |                                                                                  |                                                                                                    |                          | Financial Statement Account   | Amount       | Payment Terms     | % of Consolidated<br>Sales or Assets<br>(Note C) |
| 20              | Far Eastern Apparel (Vietnam) Ltd.                                               | FE New Century Industrial (Singapore) Pte. Ltd.<br>FE New Century Industrial (Singapore) Pte. Ltd. | 3<br>3                   | Sales                         | \$ 1,766,328 | Based on contract | 1                                                |
|                 |                                                                                  |                                                                                                    |                          | Accounts receivable           | 364,747      | Based on contract | -                                                |
| 21              | Far Eastern New Apparel (Vietnam) Ltd.<br>Far Eastern New Apparel (Vietnam) Ltd. | FE New Century Industrial (Singapore) Pte. Ltd.<br>FE New Century Industrial (Singapore) Pte. Ltd. | 3<br>3                   | Sales                         | 1,394,660    | Based on contract | 1                                                |
|                 |                                                                                  |                                                                                                    |                          | Accounts receivable           | 209,773      | Based on contract | -                                                |
| 22              | FE New Century Industrial (Singapore) Pte. Ltd.                                  | Pet Far Eastern (M) Sdn. Bhd.                                                                      | 3                        | Sales                         | 770,319      | Based on contract | -                                                |
|                 |                                                                                  | Pet Far Eastern (M) Sdn. Bhd.                                                                      | 3                        | Accounts receivable           | 169,128      | Based on contract | -                                                |
|                 |                                                                                  | Far Eastern Apparel (Vietnam) Ltd.                                                                 | 3                        | Sales                         | 732,830      | Based on contract | -                                                |
|                 |                                                                                  | Far Eastern Apparel (Vietnam) Ltd.                                                                 | 3                        | Accounts receivable           | 287,266      | Based on contract | -                                                |
|                 |                                                                                  | Far Eastern New Apparel (Vietnam) Ltd.                                                             | 3                        | Sales                         | 165,932      | Based on contract | -                                                |
| 23              | Far Eastern Ishizuka Green Pet Corporation                                       | Far Eastern New Century Corporation                                                                | 2                        | Sales                         | 497,682      | Based on contract | -                                                |
| 24              | Worldwide Polychem (HK) Limited                                                  | Phoenix Technologies International, LLC                                                            | 3                        | Sales                         | 289,145      | Based on contract | -                                                |
| 25              | Phoenix Technologies International, LLC                                          | APG Polytech, LLC                                                                                  | 3                        | Sales                         | 114,923      | Based on contract | -                                                |
| 26              | Far EasTone Telecommunications Co., Ltd.                                         | New Century InfoComm Tech Co., Ltd.                                                                | 3                        | Operating revenue             | 159,398      | Based on contract | -                                                |
|                 |                                                                                  | ARCOA Communication Co., Ltd.                                                                      | 3                        | Accounts receivable           | 247,941      | Based on contract | -                                                |
|                 |                                                                                  | ARCOA Communication Co., Ltd.                                                                      | 3                        | Operating revenue             | 981,828      | Based on contract | -                                                |
|                 |                                                                                  | Yuanshi Digital Technology Co., Ltd.                                                               | 3                        | Operating revenue             | 804,332      | Based on contract | -                                                |
|                 |                                                                                  | Far EasTone Property Insurance Agent Co., Ltd.                                                     | 3                        | Operating revenue             | 325,773      | Based on contract | -                                                |
| 27              | New Century InfoComm Tech Co., Ltd.                                              | Far EasTone Telecommunications Co., Ltd.                                                           | 3                        | Other receivables - financing | 11,000,000   | Based on contract | 2                                                |
|                 |                                                                                  | Far EasTone Telecommunications Co., Ltd.                                                           | 3                        | Accounts receivable           | 569,416      | Based on contract | -                                                |
|                 |                                                                                  | Far EasTone Telecommunications Co., Ltd.                                                           | 3                        | Operating revenue             | 2,139,527    | Based on contract | 1                                                |
| 28              | ARCOA Communication Co., Ltd.                                                    | Far EasTone Telecommunications Co., Ltd.                                                           | 3                        | Accounts receivable           | 558,920      | Based on contract | -                                                |
|                 |                                                                                  | Far EasTone Telecommunications Co., Ltd.                                                           | 3                        | Operating revenue             | 6,798,535    | Based on contract | 3                                                |
|                 |                                                                                  | Yuanshi Digital Technology Co., Ltd.                                                               | 3                        | Accounts receivable           | 173,031      | Based on contract | -                                                |
|                 |                                                                                  | Yuanshi Digital Technology Co., Ltd.                                                               | 3                        | Operating revenue             | 137,169      | Based on contract | -                                                |
|                 |                                                                                  | Home Master Technology Ltd.                                                                        | 3                        | Accounts receivable           | 113,073      | Based on contract | -                                                |
|                 |                                                                                  | Home Master Technology Ltd.                                                                        | 3                        | Operating revenue             | 996,371      | Based on contract | -                                                |
| 29              | DataExpress Infotech Co., Ltd.                                                   | Far EasTone Telecommunications Co., Ltd.                                                           | 3                        | Operating revenue             | 212,305      | Based on contract | -                                                |
|                 |                                                                                  | Home Master Technology Ltd.                                                                        | 3                        | Operating revenue             | 103,632      | Based on contract | -                                                |
|                 |                                                                                  | Yuanshi Digital Technology Co., Ltd.                                                               | 3                        | Operating revenue             | 101,262      | Based on contract | -                                                |
| 30              | Microfusion Technology Co., Ltd.                                                 | Nextlink (HK) Technology Co., Ltd.                                                                 | 3                        | Operating revenue             | 103,126      | 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)

TABLE 14

## 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, 2021

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

| Investor                            | Investee                                             | Location  | Main Businesses and Products                     | Investment Amount    |                      | Balance as of December 31, 2021 |                   |                    | Net Income<br>(Loss) of the<br>Investee | Share of Profit<br>(Loss) | Notes                                                                                                                                                                                |
|-------------------------------------|------------------------------------------------------|-----------|--------------------------------------------------|----------------------|----------------------|---------------------------------|-------------------|--------------------|-----------------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     |                                                      |           |                                                  | December 31,<br>2021 | December 31,<br>2020 | Shares<br>(Thousands)           | % of<br>Ownership | Carrying<br>Amount |                                         |                           |                                                                                                                                                                                      |
| Far Eastern New Century Corporation | Asia Cement Corporation                              | Taiwan    | Cement production                                | \$ 2,652,282         | \$ 2,652,282         | 750,511                         | 21.17             | \$ 19,942,978      | \$ 15,068,221                           | \$ 2,970,459              | 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             | 5,053,729          | 1,208,100                               | 206,102                   | (Note A)                                                                                                                                                                             |
|                                     | Oriental Union Chemical Corporation                  | Taiwan    | Petrochemical materials production               | 1,176,211            | 1,176,211            | 81,216                          | 9.17              | 1,190,073          | 1,266,274                               | 116,117                   | (Note A)                                                                                                                                                                             |
|                                     | Everest Textile Corporation                          | Taiwan    | Chemical fiber production                        | 1,689                | 1,689                | 108                             | 0.02              | 1,166              | 181,871                                 | 36                        | (Note A)                                                                                                                                                                             |
|                                     | Oriental Securities Corporation                      | Taiwan    | Brokering                                        | 159,823              | 159,823              | 141,961                         | 19.65             | 2,101,272          | 294,527                                 | 57,875                    | (Note A)                                                                                                                                                                             |
|                                     | Pacific Liu Tong Investment Co., Ltd.                | Taiwan    | Investment                                       | 810,000              | 810,000              | 135,000                         | 16.83             | 2,042,479          | 904,270                                 | 152,189                   | (Notes A and E)                                                                                                                                                                      |
|                                     | Far Eastern International Bank                       | Taiwan    | Deposit, loan and guarantee services             | 805,598              | 805,598              | 91,903                          | 2.62              | 1,209,972          | 2,939,122                               | 95,332                    | Including the adjustments of the difference between cost and net worth obtained \$18,327 (Note A)                                                                                    |
|                                     | Yuan Ding Investment Co., Ltd.                       | Taiwan    | Investment                                       | 100,052              | 100,052              | 1,822,822                       | 99.40             | 43,790,144         | 6,212,593                               | 6,176,379                 | Including the adjustments of the difference of investment properties between parent-company-only and consolidated and the transactions between subsidiaries \$1,062 (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            | 106,789,756        | 441,659                                 | 455,963                   | Including the adjustments of the transactions between subsidiaries \$14,304 (Note B)                                                                                                 |
|                                     | Far Eastern Polytex (Holding) Ltd.                   | Bermuda   | Investment                                       | 10,382,911           | 10,382,911           | 168                             | 100.00            | 9,415,124          | (163,337)                               | (163,337)                 | (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             | 7,683,110          | 127,467                                 | 93,102                    | (Note B)                                                                                                                                                                             |
|                                     | Yuan Tong Investment Co., Ltd.                       | Taiwan    | Investment                                       | 5,850,000            | 5,850,000            | 742,184                         | 100.00            | 8,871,338          | 674,324                                 | 684,230                   | Including the adjustments of the transactions between subsidiaries \$9,906 (Note B)                                                                                                  |
|                                     | Kai Yuan International Investment Co., Ltd.          | Taiwan    | Investment                                       | 999,993              | 999,993              | 369,417                         | 100.00            | 5,720,430          | 419,226                                 | 419,226                   | (Note B)                                                                                                                                                                             |
|                                     | Far Eastern Investment (Holding) Ltd.                | Bermuda   | Investment and sale of petrochemicals            | 26,303,433           | 24,348,011           | 5,461                           | 100.00            | 28,278,359         | 1,135,954                               | 1,135,954                 | (Note B)                                                                                                                                                                             |
|                                     | PET Far Eastern (Holding) Ltd.                       | Bermuda   | Investment                                       | 6,626,110            | 6,626,110            | 397                             | 91.95             | 4,056,695          | (446,215)                               | (406,242)                 | Including discounted amortization \$4,053 (Note B)                                                                                                                                   |
|                                     | Oriental Petrochemical (Taiwan) Corporation          | Taiwan    | PTA production and sales                         | 16,209,038           | 16,209,038           | 1,712,218                       | 75.56             | 7,683,250          | (1,866,804)                             | (1,375,834)               | Including the adjustments of the difference of investment properties between parent-company-only and consolidated and the transactions between subsidiaries \$34,723 (Notes B and H) |
|                                     | Far Eastern Construction Co., Ltd.                   | Taiwan    | Real estate construction and sales               | 143,450              | 143,450              | 245,829                         | 65.11             | 10,420,022         | 1,024,831                               | 657,877                   | Including the adjustments of the transactions between subsidiaries \$(9,390) (Note B)                                                                                                |
|                                     | Yuan Ding Co., Ltd.                                  | Taiwan    | Real estate leasing and hotel                    | 857,511              | 857,511              | 186,929                         | 37.13             | 3,201,935          | (223,500)                               | (76,107)                  | (Notes B and I)                                                                                                                                                                      |
|                                     | An Ho Garment Co., Ltd.                              | Taiwan    | Garment production and Investment                | 1,023                | 1,023                | 76,165                          | 100.00            | 2,182,745          | 240,119                                 | 240,221                   | Including the adjustments of the transactions between subsidiaries \$102 (Note B)                                                                                                    |
|                                     | Ding Yuan International Investment Co., Ltd.         | Taiwan    | Investment                                       | 2,000,062            | 2,000,062            | 256,906                         | 100.00            | 3,285,246          | 238,731                                 | 238,810                   | Including the adjustments of the transactions between subsidiaries \$79 (Note B)                                                                                                     |
| Yuan Ding Investment Co., Ltd.      | FEDP (Holding) Ltd.                                  | Bermuda   | Investment                                       | 676,315              | 676,315              | 244                             | 50.43             | 760,474            | (290,824)                               | (146,663)                 | (Note B)                                                                                                                                                                             |
|                                     | Fu Kwok Knitting & Garment Co., Ltd.                 | Taiwan    | Garment production                               | 9,205                | 9,205                | 4,000                           | 100.00            | 254,514            | 52,141                                  | 52,141                    | (Note B)                                                                                                                                                                             |
|                                     | Ding Ding Hotel Co., Ltd.                            | Taiwan    | Hotel                                            | 408,433              | 401,042              | 769                             | 0.74              | 8,984              | (831,406)                               | (6,152)                   | (Note B)                                                                                                                                                                             |
|                                     | Far Eastern Textile Ltd.                             | Taiwan    | Textile production                               | 13,000               | 1,000                | 1,300                           | 100.00            | 13,345             | (375)                                   | (375)                     | (Note B)                                                                                                                                                                             |
|                                     | FE Oriental Investment Holding (Singapore) Pte. Ltd. | Singapore | Investment                                       | 147,400              | 147,400              | 50                              | 100.00            | 161,991            | 1,582                                   | 1,582                     | (Note B)                                                                                                                                                                             |
|                                     | Asia Cement Corporation                              | Taiwan    | Cement production                                | 2,108,810            | 2,051,009            | 54,022                          | 1.52              | 2,302,354          | 15,068,221                              | -                         | (Note A)                                                                                                                                                                             |
|                                     | Oriental Union Chemical Corporation                  | Taiwan    | Petrochemical materials production               | 1,085,488            | 1,085,488            | 70,818                          | 8.00              | 1,213,818          | 1,266,274                               | -                         | (Note A)                                                                                                                                                                             |
|                                     | Far Eastern Department Stores Co., Ltd.              | Taiwan    | Department store operations                      | 3,288,166            | 3,288,166            | 139,785                         | 9.87              | 3,340,833          | 1,208,100                               | -                         | (Note A)                                                                                                                                                                             |
|                                     | Everest Textile Corporation                          | Taiwan    | Chemical fiber production                        | 1,120,654            | 470,103              | 164,614                         | 23.70             | 1,484,595          | 181,871                                 | -                         | (Note A)                                                                                                                                                                             |
|                                     | Far EasTone Telecommunications Co., Ltd.             | Taiwan    | Telecommunications                               | 2,723,598            | 2,723,598            | 1,066,658                       | 32.73             | 21,255,149         | 9,123,795                               | -                         | (Note B)                                                                                                                                                                             |
| Yuan Ding Investment Co., Ltd.      | Far Eastern International Bank                       | Taiwan    | Deposit, loan and guarantee services             | 1,095,981            | 1,095,981            | 125,030                         | 3.56              | 1,645,508          | 2,939,122                               | -                         | (Note A)                                                                                                                                                                             |
|                                     | Far Eastern Polychem Industries Ltd.                 | Bermuda   | Investment and sale of chemical fiber production | 1,392,692            | 1,392,692            | 306,644                         | 26.96             | 2,835,935          | 127,467                                 | -                         | (Note B)                                                                                                                                                                             |

(Continued)



| Investor                                     | Investee                                      | Location       | Main Businesses and Products                                                                         | Investment Amount |                   | Balance as of December 31, 2021 |                |                 | Net Income (Loss) of the Investee | Share of Profit (Loss) | Notes           |
|----------------------------------------------|-----------------------------------------------|----------------|------------------------------------------------------------------------------------------------------|-------------------|-------------------|---------------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|
|                                              |                                               |                |                                                                                                      | December 31, 2021 | December 31, 2020 | Shares (Thousands)              | % of Ownership | Carrying Amount |                                   |                        |                 |
| Far Eastern Investment (Holding) Ltd.        | Far Eastern Apparel (Holding) Ltd.            | Bermuda        | Investment and sale of textile                                                                       | \$ 2,179,442      | \$ 2,179,442      | 111                             | 100.00         | \$ 4,776,297    | \$ 481,379                        | \$ -                   | (Note B)        |
|                                              | Da Ju Fiber Co., Ltd.                         | Taiwan         | Sale of polychemical products                                                                        | 263,790           | 263,790           | 68,975                          | 41.86          | 2,444,058       | 368,146                           | -                      | (Note A)        |
|                                              | Far Eastern Apparel Co., Ltd.                 | Taiwan         | Sale of textiles, garments, and clothing                                                             | 587,984           | 387,984           | 44,772                          | 100.00         | 216,395         | (55,010)                          | -                      | (Note B)        |
|                                              | Yuan Fam Co., Ltd.                            | Taiwan         | Production management consulting                                                                     | 63,671            | 51,671            | 6,676                           | 100.00         | 200,249         | 6,732                             | -                      | (Note B)        |
|                                              | Yue Ming Corporation                          | Taiwan         | Trading                                                                                              | 97,852            | 97,852            | 4,745                           | 45.50          | 60,817          | 4,496                             | -                      | (Note A)        |
|                                              | Yuan Ding Leasing Corporation                 | Taiwan         | Real estate construction and sales                                                                   | 319,380           | 319,380           | 36,706                          | 46.20          | 398,361         | 20,500                            | -                      | (Note A)        |
|                                              | Far Eastern Fibertech Co., Ltd.               | Taiwan         | Nylon production                                                                                     | 585,000           | 585,000           | 91,000                          | 100.00         | 1,477,768       | 392,803                           | -                      | (Note B)        |
|                                              | Oriental Resources Development Co., Ltd.      | Taiwan         | Medical materials manufacturing                                                                      | 13,475            | 13,475            | 5,739                           | 100.00         | 136,185         | 67,544                            | -                      | (Note B)        |
|                                              | Liquid Air Far East Co., Ltd.                 | Taiwan         | Industrial gas production and sales                                                                  | 504,806           | 504,806           | 86,615                          | 35.00          | 3,002,641       | 2,430,760                         | -                      | (Note A)        |
|                                              | Freudenberg Far Eastern Spunweb Co., Ltd.     | Taiwan         | Production of nonwoven industrial fabrics                                                            | 144,786           | 144,786           | 33,003                          | 29.80          | 573,396         | 381,194                           | -                      | (Note A)        |
|                                              | Oriental Securities Corporation               | Taiwan         | Brokering                                                                                            | 255,424           | 255,424           | 187,470                         | 25.96          | 2,881,573       | 294,527                           | -                      | (Note A)        |
|                                              | Yuan Ding Co., Ltd.                           | Taiwan         | Real estate leasing and hotel                                                                        | 188,846           | 188,846           | 64,759                          | 12.86          | 1,120,252       | (223,500)                         | -                      | (Note B)        |
|                                              | Far Eastern International Leasing Corporation | Taiwan         | Leasing                                                                                              | 1,012,057         | 1,012,057         | 75,268                          | 16.87          | 949,137         | 155,262                           | -                      | (Note A)        |
|                                              | Oriental Textile (Holding) Ltd.               | Bermuda        | Investment and sale of textile                                                                       | 7,142,602         | 7,142,602         | 110                             | 100.00         | 8,462,639       | 554,482                           | -                      | (Note B)        |
|                                              | Pacific Liu Tong Investment Co., Ltd.         | Taiwan         | Investment                                                                                           | 796,491           | 796,491           | 119,653                         | 14.92          | 1,724,098       | 904,270                           | -                      | (Notes A and E) |
|                                              | Yu Yuan Investment Co., Ltd.                  | Taiwan         | Investment                                                                                           | 673,704           | 673,704           | 98,198                          | 18.96          | 1,043,459       | 761,867                           | -                      | (Note A)        |
|                                              | Far Eastern General Contractor Inc.           | Taiwan         | Real estate construction                                                                             | 14,682            | 14,682            | 1,490                           | 1.00           | 27,456          | 544,654                           | -                      | (Note B)        |
|                                              | Oriental Petrochemical (Taiwan) Corporation   | Taiwan         | PTA production and sales                                                                             | 779,399           | 779,399           | 117,746                         | 5.20           | 546,408         | (1,866,804)                       | -                      | (Note B)        |
|                                              | Oriental Green Materials Limited              | Taiwan         | waste recycling and processing                                                                       | 647,083           | 647,083           | 59,936                          | 100.00         | 678,459         | 72,347                            | -                      | (Note B)        |
|                                              | Filsyn Corporation                            | Philippines    | Polychemical products                                                                                | PESO 225,324      | PESO 225,324      | 45,066                          | 21.85          | -               | -                                 | -                      | (Note A)        |
|                                              | PET Far Eastern (M) Sdn. Bhd.                 | Malaysia       | Bottle production                                                                                    | MYR 8,000         | MYR 8,000         | (Note C)                        | 50.00          | 149,281         | 29,298                            | -                      | (Note B)        |
|                                              | Com2B                                         | Cayman Islands | E-business                                                                                           | US\$ 3,375        | US\$ 3,375        | 9,000                           | 20.00          | -               | -                                 | -                      | (Note A)        |
|                                              | Far Eastern Apparel (Vietnam) Ltd.            | Vietnam        | Clothing production                                                                                  | US\$ 9,000        | US\$ 9,000        | (Note D)                        | 100.00         | 801,007         | (113,895)                         | -                      | (Note B)        |
|                                              | Worldwide Polychem (HK) Ltd.                  | Hong Kong      | Foreign trade                                                                                        | US\$ 3,500        | US\$ 3,500        | 2,700                           | 100.00         | 141,311         | 35,134                            | -                      | (Note B)        |
|                                              | Opas Fund Segregated Portfolio Company        | Cayman Islands | Investment                                                                                           | US\$ 51           | US\$ 51           | (Note D)                        | 34.00          | 1,544           | 10                                | -                      | (Note A)        |
|                                              | Far Eastern Polytex (Vietnam) Ltd.            | Vietnam        | Chemical fiber and Textile production                                                                | US\$ 308,700      | US\$ 240,000      | (Note D)                        | 100.00         | 9,554,071       | 385,570                           | -                      | (Note B)        |
|                                              | Far Eastern New Apparel (Vietnam) Ltd.        | Vietnam        | Garment production                                                                                   | US\$ 33,000       | US\$ 18,000       | (Note D)                        | 100.00         | 414,889         | (147,557)                         | -                      | (Note B)        |
|                                              | Magna View Sdn. Bhd.                          | Malaysia       | Investment                                                                                           | US\$ 3,465        | US\$ 3,465        | 3,000                           | 100.00         | 149,523         | 14,548                            | -                      | (Note B)        |
|                                              | Malaysia Garment Manufactures Pte. Ltd.       | Singapore      | Garment production and Investment                                                                    | US\$ 15,849       | US\$ 15,849       | 30                              | 37.92          | 437,031         | (311)                             | -                      | (Note B)        |
|                                              | Drive Catalyst SPC                            | Cayman Islands | Investment                                                                                           | US\$ 17           | US\$ 17           | (Note D)                        | 34.00          | 482             | 4                                 | -                      | (Note A)        |
|                                              | APG Polytech USA Holdings, Inc.               | America        | Investment                                                                                           | US\$ 606,467      | US\$ 506,467      | 6                               | 100.00         | 17,702,104      | 1,101,175                         | -                      | (Note B)        |
|                                              | Drive Catalyst SPC-SP Tranche One             | Cayman Islands | Investment                                                                                           | US\$ 4,000        | US\$ 4,000        | 4                               | 25.00          | 111,714         | (332)                             | -                      | (Note A)        |
|                                              | Drive Catalyst SPC-SP Tranche Two             | Cayman Islands | Investment                                                                                           | US\$ 4,000        | -                 | 4                               | 25.00          | 116,887         | 25,833                            | -                      | (Note A)        |
|                                              | Drive Catalyst SPC-SP Tranche Three           | Cayman Islands | Investment                                                                                           | US\$ 8,000        | US\$ 4,000        | 8                               | 25.00          | 236,331         | 425                               | -                      | (Note A)        |
|                                              | Far Eastern International Garments            | Philippines    | Garment production                                                                                   | US\$ 1            | US\$ 1            | 59                              | 41.00          | (11,402)        | -                                 | -                      | (Note A)        |
|                                              | Cemtex Apparel Inc.                           | Philippines    | Clothing O.E.M.                                                                                      | US\$ 1            | US\$ 1            | 90                              | 50.00          | (10,580)        | -                                 | -                      | (Note A)        |
| APG Polytech USA Holdings, Inc.              | Corpus Christi Polymers LLC                   | America        | Petrochemical materials production and polychemical products production                              | US\$ 433,833      | US\$ 422,800      | (Note D)                        | 33.33          | 11,768,125      | (174,243)                         | -                      | (Note K)        |
|                                              | APG Polytech, LLC                             | America        | Petrochemical products production                                                                    | US\$ 90,000       | US\$ 90,000       | (Note D)                        | 100.00         | 4,114,262       | 1,345,066                         | -                      | (Note B)        |
|                                              | Phoenix Technologies International, LLC       | America        | Production and sale of recycled plastic resins and their waste and general industrial waste handling | US\$ 21,500       | US\$ 16,500       | (Note D)                        | 100.00         | 257,422         | (112,996)                         | -                      | (Note B)        |
| Magna View Sdn. Bhd.                         | PET Far Eastern (M) Sdn. Bhd.                 | Malaysia       | Bottle production                                                                                    | MYR 8,000         | MYR 8,000         | (Note C)                        | 50.00          | 149,281         | 29,298                            | -                      | (Note B)        |
| Ding Yuan International Investment Co., Ltd. | Asia Cement Corporation                       | Taiwan         | Cement production                                                                                    | 342,758           | 339,088           | 12,369                          | 0.35           | 474,866         | 15,068,221                        | -                      | (Note A)        |
|                                              | Far Eastern Department Stores Co., Ltd.       | Taiwan         | Department store operations                                                                          | 258,946           | 258,946           | 11,983                          | 0.85           | 277,725         | 1,208,100                         | -                      | (Note A)        |
|                                              | Everest Textile Corporation                   | Taiwan         | Chemical fiber production                                                                            | 92,860            | 34,561            | 6,447                           | 0.93           | 61,954          | 181,871                           | -                      | (Note A)        |
|                                              | Oriental Union Chemical Corporation           | Taiwan         | Petrochemical materials production                                                                   | 677,665           | 677,665           | 27,365                          | 3.09           | 637,191         | 1,266,274                         | -                      | (Note A)        |
|                                              | Far EasTone Telecommunications Co., Ltd.      | Taiwan         | Telecommunications                                                                                   | 38,457            | 38,457            | 920                             | 0.03           | 40,567          | 9,123,795                         | -                      | (Note B)        |
|                                              | Pacific Liu Tong Investment Co., Ltd.         | Taiwan         | Investment                                                                                           | 90,000            | 90,000            | 18,000                          | 2.24           | 253,883         | 904,270                           | -                      | (Notes A and E) |
|                                              | Yu Ding Industry Co., Ltd.                    | Taiwan         | Department store operations                                                                          | 95,624            | 95,624            | 16,320                          | 13.20          | 445,994         | 216,906                           | -                      | (Note A)        |
|                                              | Far Eastern International Bank                | Taiwan         | Deposit, loan and guarantee services                                                                 | 814,399           | 814,399           | 92,907                          | 2.64           | 1,222,002       | 2,939,122                         | -                      | (Note A)        |
| Kai Yuan International Investment Co., Ltd.  | Asia Cement Corporation                       | Taiwan         | Cement production                                                                                    | 732,627           | 732,627           | 25,312                          | 0.71           | 1,021,426       | 15,068,221                        | -                      | (Note A)        |
|                                              | Far EasTone Telecommunications Co., Ltd.      | Taiwan         | Telecommunications                                                                                   | 880,911           | 803,672           | 35,558                          | 1.09           | 1,110,165       | 9,123,795                         | -                      | (Note B)        |
|                                              | Everest Textile Corporation                   | Taiwan         | Chemical fiber production                                                                            | 45,376            | -                 | 4,211                           | 0.61           | 44,631          | 181,871                           | -                      | (Note A)        |
|                                              | Oriental Union Chemical Corporation           | Taiwan         | Petrochemical materials production                                                                   | 742,702           | 742,702           | 32,474                          | 3.67           | 636,245         | 1,266,274                         | -                      | (Note A)        |
|                                              | Far Eastern Department Stores Co., Ltd.       | Taiwan         | Department store operations                                                                          | 519,473           | 519,473           | 20,672                          | 1.46           | 595,100         | 1,208,100                         | -                      | (Note A)        |
|                                              | Kowloon Cement Corporation                    | Hong Kong      | Cement production                                                                                    | 226,896           | 226,896           | 1,127                           | 49.00          | 446,736         | 23,510                            | -                      | (Note A)        |
|                                              | Far Eastern International Leasing Corporation | Taiwan         | Leasing                                                                                              | 1,026,489         | 1,026,489         | 74,970                          | 16.80          | 950,075         | 155,262                           | -                      | (Note A)        |
|                                              | Pacific Liu Tong Investment Co., Ltd.         | Taiwan         | Investment                                                                                           | 90,000            | 90,000            | 18,000                          | 2.24           | 254,084         | 904,270                           | -                      | (Notes A and E) |
|                                              | Far Eastern International Bank                | Taiwan         | Deposit, loan and guarantee services                                                                 | 988,714           | 988,714           | 112,793                         | 3.21           | 1,484,241       | 2,939,122                         | -                      | (Note A)        |

(Continued)

| Investor                                             | Investee                                          | Location               | Main Businesses and Products                                                                                                      | Investment Amount |                   | Balance as of December 31, 2021 |                |                 | Net Income (Loss) of the Investee | Share of Profit (Loss) | Notes           |
|------------------------------------------------------|---------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|---------------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|
|                                                      |                                                   |                        |                                                                                                                                   | December 31, 2021 | December 31, 2020 | Shares (Thousands)              | % of Ownership | Carrying Amount |                                   |                        |                 |
| Far Eastern Polychem Industries Ltd.                 | PET Far Eastern (Holding) Ltd.                    | Bermuda                | Investment                                                                                                                        | US\$ 17,622       | US\$ 17,622       | 35                              | 8.05           | \$ 355,154      | \$ (446,215)                      | \$ -                   | (Note B)        |
|                                                      | FEDP (Holding) Ltd.                               | Bermuda                | Investment                                                                                                                        | US\$ 29,240       | US\$ 29,240       | 240                             | 49.57          | 747,506         | (290,824)                         | -                      | (Note B)        |
|                                                      | Far Eastern Ishizuka Green Pet Corporation        | Japan                  | Production and sale of recycled plastic resins and their waste and general industrial waste handling                              | JPY 2,991,678     | JPY 2,991,678     | 3,578                           | 90.00          | 1,307,740       | 369,565                           | -                      | (Note B)        |
| Far Eastern Construction Co., Ltd.                   | Asia Cement Corporation                           | Taiwan                 | Cement production                                                                                                                 | 216,959           | 216,959           | 17,726                          | 0.50           | 622,021         | 15,068,221                        | -                      | (Note A)        |
|                                                      | Far Eastern General Contractor Inc.               | Taiwan                 | Real estate construction                                                                                                          | 271,587           | 271,587           | 147,413                         | 98.95          | 2,524,301       | 544,654                           | -                      | (Note B)        |
| Far Eastern Apparel Co., Ltd.                        | Asia Cement Corporation                           | Taiwan                 | Cement production                                                                                                                 | 16,246            | 16,246            | 469                             | 0.01           | 16,601          | 15,068,221                        | -                      | (Note A)        |
|                                                      | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications                                                                                                                | 6,353             | 6,353             | 90                              | -              | 5,964           | 9,123,795                         | -                      | (Note B)        |
|                                                      | Yu Ding Industry Co., Ltd.                        | Taiwan                 | Department store operations                                                                                                       | 29                | 29                | 12                              | 0.01           | 163             | 216,906                           | -                      | (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           | 7,153           | 11,428                            | -                      | (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          | (37)            | -                                 | -                      | (Note B)        |
| An Ho Garment Co., Ltd.                              | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications                                                                                                                | 748,158           | 748,158           | 40,818                          | 1.25           | 991,113         | 9,123,795                         | -                      | (Note B)        |
|                                                      | Asia Cement Corporation                           | Taiwan                 | Cement production                                                                                                                 | 206,551           | 206,551           | 6,094                           | 0.17           | 260,546         | 15,068,221                        | -                      | (Note A)        |
|                                                      | Oriental Union Chemical Corporation               | Taiwan                 | Petrochemical materials production                                                                                                | 287,121           | 287,121           | 11,204                          | 1.26           | 248,877         | 1,266,274                         | -                      | (Note A)        |
|                                                      | Far Eastern Department Stores Co., Ltd.           | Taiwan                 | Department store operations                                                                                                       | 10,483            | 10,483            | 370                             | 0.03           | 11,942          | 1,208,100                         | -                      | (Note A)        |
|                                                      | Oriental Securities Corporation                   | Taiwan                 | Brokerage                                                                                                                         | 122,732           | 122,420           | 8,754                           | 1.21           | 123,937         | 294,527                           | -                      | (Note A)        |
|                                                      | Yu Ding Industry Co., Ltd.                        | Taiwan                 | Department store operations                                                                                                       | 111,997           | 111,997           | 19,373                          | 15.66          | 430,992         | 216,906                           | -                      | (Note A)        |
|                                                      | Pacific Liu Tong Investment Co., Ltd.             | Taiwan                 | Investment                                                                                                                        | 67,285            | 67,285            | 9,681                           | 1.21           | 141,950         | 904,270                           | -                      | (Notes A and E) |
|                                                      | Yuan Ding Investment Co., Ltd.                    | Taiwan                 | Investment                                                                                                                        | 148,994           | 148,994           | 5,502                           | 0.30           | 175,807         | 6,212,593                         | -                      | (Note B)        |
|                                                      | Far Eastern International Bank                    | Taiwan                 | Deposit, loan and guarantee services                                                                                              | 202,798           | 202,798           | 23,135                          | 0.66           | 304,597         | 2,939,122                         | -                      | (Note A)        |
|                                                      | Yuan Cheng Human Resources Consultant Corporation | Taiwan                 | Personnel recruitment                                                                                                             | 7,214             | 7,214             | 745                             | 55.19          | 12,314          | 1,483                             | -                      | (Note B)        |
| Yuan Faun Co., Ltd.                                  | Far Eastern International Bank                    | Taiwan                 | Deposit, loan and guarantee services                                                                                              | 42,973            | 42,973            | 4,903                           | 0.14           | 64,577          | 2,939,122                         | -                      | (Note A)        |
| Fu Kwok Knitting & Garment Co., Ltd.                 | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications                                                                                                                | 19,663            | 19,663            | 520                             | 0.02           | 18,693          | 9,123,795                         | -                      | (Note B)        |
| Yuan Tong Investment Co., Ltd.                       | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications                                                                                                                | 2,246,035         | 2,246,035         | 100,237                         | 3.08           | 2,606,635       | 9,123,795                         | -                      | (Note B)        |
|                                                      | Far Eastern Department Stores Co., Ltd.           | Taiwan                 | Department store operations                                                                                                       | 2,054,200         | 1,632,237         | 77,735                          | 5.49           | 2,188,476       | 1,208,100                         | -                      | (Note A)        |
|                                                      | Everest Textile Corporation                       | Taiwan                 | Chemical fiber production                                                                                                         | 59,045            | -                 | 5,394                           | 0.78           | 58,109          | 181,871                           | -                      | (Note A)        |
|                                                      | Oriental Union Chemical Corporation               | Taiwan                 | Petrochemical materials production                                                                                                | 1,759,501         | 1,755,017         | 49,905                          | 5.63           | 1,633,224       | 1,266,274                         | -                      | (Note A)        |
|                                                      | Asia Cement Corporation                           | Taiwan                 | Cement production                                                                                                                 | 1,067,775         | 1,067,775         | 32,465                          | 0.92           | 1,367,022       | 15,068,221                        | -                      | (Note A)        |
|                                                      | Pacific Liu Tong Investment Co., Ltd.             | Taiwan                 | Investment                                                                                                                        | 90,000            | 90,000            | 18,000                          | 2.24           | 252,886         | 904,270                           | -                      | (Notes A and E) |
|                                                      | Far Eastern Electronic Toll Collection Co., Ltd.  | Taiwan                 | Electronic toll collection services                                                                                               | 787,104           | 787,104           | 35,934                          | 11.98          | 550,768         | 293,364                           | -                      | (Note B)        |
|                                                      | Liquid Air Far East Co., Ltd.                     | Taiwan                 | Industrial gas production and sales                                                                                               | 20                | 20                | 1                               | 43             | 2,430,760       | (Note A)                          | -                      | (Note A)        |
|                                                      | Sino Belgium (Holding) Ltd.                       | Bermuda                | Investment                                                                                                                        | 2,255,510         | 2,255,510         | 36                              | 90.88          | (818,678)       | (87,715)                          | -                      | (Note B)        |
|                                                      | Freudenberg Far Eastern Spunweb Co., Ltd.         | Taiwan                 | Production of nonwoven industrial fabrics                                                                                         | 34                | 34                | 3                               | 53             | 381,194         | (Note A)                          | -                      | (Note A)        |
|                                                      | Malaysia Garment Manufactures Pte. Ltd.           | Singapore              | Garment production and Investment                                                                                                 | SGD 7,354         | SGD 7,354         | 10                              | 13.00          | 149,826         | (311)                             | -                      | (Note B)        |
|                                                      | Far Eastern International Bank                    | Taiwan                 | Deposit, loan and guarantee services                                                                                              | 986,735           | 986,735           | 112,567                         | 3.20           | 1,480,777       | 2,939,122                         | -                      | (Note A)        |
| FE Oriental Investment Holding (Singapore) Pte. Ltd. | FE New Century Industrial (Singapore) Pte. Ltd.   | Singapore              | Textile product sales                                                                                                             | US\$ 4,900        | US\$ 4,900        | 49                              | 100.00         | 159,811         | 2,029                             | -                      | (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         | 267,642         | 11,893                            | -                      | (Note B)        |
|                                                      | Ding Ding Integrated Marketing Service Co., Ltd.  | Taiwan                 | Marketing                                                                                                                         | 558,000           | 558,000           | 21,787                          | 60.00          | 148,459         | (16,349)                          | -                      | (Note B)        |
|                                                      | Far Eastern Technical Consultants Co., Ltd.       | Taiwan                 | Real estate development business consulting and management                                                                        | 45,182            | 45,182            | 4,550                           | 91.00          | 71,113          | 11,428                            | -                      | (Note B)        |
|                                                      | YDC (Virgin Islands) Ltd.                         | British Virgin Islands | Investment                                                                                                                        | US\$ 200          | US\$ 200          | (Note D)                        | 17.70          | 10,798          | 3,688                             | -                      | (Note B)        |
|                                                      | Yuanshi Digital Technology Co., Ltd.              | Taiwan                 | Electronic information providing services                                                                                         | 566,896           | 566,896           | 1,499                           | 1.35           | (3,932)         | (222,069)                         | -                      | (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           | 2,500                           | 100.00         | 46,754          | (3,731)                           | -                      | (Note B)        |
|                                                      | Asia Cement Corporation                           | Taiwan                 | Cement production                                                                                                                 | 136,037           | 136,037           | 5,329                           | 0.15           | 217,164         | 15,068,221                        | -                      | (Note A)        |
|                                                      | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications                                                                                                                | 100,412           | 100,412           | 4,164                           | 0.13           | 105,078         | 9,123,795                         | -                      | (Note B)        |

(Continued)

| Investor                                         | Investee                                         | Location               | Main Businesses and Products                                                       | Investment Amount |                   | Balance as of December 31, 2021 |                |                 | Net Income (Loss) of the Investee | Share of Profit (Loss) | Notes           |
|--------------------------------------------------|--------------------------------------------------|------------------------|------------------------------------------------------------------------------------|-------------------|-------------------|---------------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|
|                                                  |                                                  |                        |                                                                                    | December 31, 2021 | December 31, 2020 | Shares (Thousands)              | % of Ownership | Carrying Amount |                                   |                        |                 |
|                                                  | Yu Yuan Investment Co., Ltd.                     | Taiwan                 | Investment                                                                         | \$ 411,187        | \$ 411,187        | 129,637                         | 25.02          | \$ 2,164,434    | \$ 761,867                        | \$ -                   | (Note A)        |
|                                                  | Yue Ming Corporation                             | Taiwan                 | Trading                                                                            | 787               | 787               | 104                             | 1.00           | 531             | -                                 | -                      | (Note A)        |
|                                                  | Yu Ding Industry Co., Ltd.                       | Taiwan                 | Department store operations                                                        | 22,676            | 22,676            | 3,206                           | 2.59           | 70,907          | 216,906                           | -                      | (Note A)        |
|                                                  | FEDS Asia Pacific Development Co., Ltd.          | Taiwan                 | Department store operations                                                        | 100,000           | 100,000           | 10,650                          | 5.00           | 132,390         | 73,257                            | -                      | (Note A)        |
|                                                  | Far Eastern Electronic Toll Collection Co., Ltd. | Taiwan                 | Electronic toll collection services                                                | 977,650           | 977,650           | 44,796                          | 14.93          | 681,097         | 293,364                           | -                      | (Note A)        |
|                                                  | Far Eastern International Bank                   | Taiwan                 | Deposit, loan and guarantee services                                               | 76,665            | 76,665            | 8,746                           | 0.25           | 115,239         | 2,939,122                         | -                      | (Note A)        |
|                                                  | Yuan Hsin Digital Payment Co., Ltd.              | Taiwan                 | Electronic stored value cards                                                      | 428,239           | 400,000           | 11,052                          | 16.22          | 84,440          | (161,626)                         | -                      | (Note B)        |
|                                                  | Ding Ding Hotel Co., Ltd.                        | Taiwan                 | Hotel                                                                              | 3,615,455         | 2,630,238         | 102,509                         | 98.52          | 253,936         | (831,406)                         | -                      | (Note B)        |
| Ding Ding Integrated Marketing Service Co., Ltd. | Yuanshi Digital Technology Co., Ltd.             | Taiwan                 | Electronic information providing services                                          | 1,828             | 1,828             | 5                               | -              | (13)            | (222,069)                         | -                      | (Note B)        |
|                                                  | Yuan Hsin Digital Payment Co., Ltd.              | Taiwan                 | Electronic stored value cards                                                      | 500,200           | 500,200           | 21,180                          | 31.08          | 161,801         | (161,626)                         | -                      | (Note B)        |
|                                                  | DDIM (Virgin Islands) Ltd.                       | British Virgin Islands | Investment                                                                         | US\$ 11,000       | US\$ 11,000       | (Note D)                        | 46.13          | 19,967          | (6,899)                           | -                      | (Note B)        |
| FET Consulting Engineers Co., Ltd.               | DDIM (Virgin Islands) Ltd.                       | British Virgin Islands | Investment                                                                         | 384,970           | 384,970           | (Note D)                        | 53.87          | 23,317          | (6,899)                           | -                      | (Note B)        |
| YDT Technology International Co., Ltd.           | Everest Textile Corporation                      | Taiwan                 | Chemical fiber production                                                          | 2,451             | 2,451             | 101                             | 0.01           | 842             | 181,871                           | -                      | (Note A)        |
|                                                  | Far Eastern Department Stores Co., Ltd.          | Taiwan                 | Department store operations                                                        | 51,673            | 51,673            | 2,764                           | 0.20           | 98,716          | 1,208,100                         | -                      | (Note A)        |
|                                                  | Asia Cement Corporation                          | Taiwan                 | Cement production                                                                  | 862               | 862               | 61                              | -              | 2,453           | 15,068,221                        | -                      | (Note A)        |
|                                                  | YDC (Virgin Islands) Ltd.                        | British Virgin Islands | Investment                                                                         | US\$ 930          | US\$ 930          | (Note D)                        | 82.30          | 50,205          | 3,688                             | -                      | (Note B)        |
| Far Eastern Electronic Toll Collection Co., Ltd. | Far Eastern International Bank                   | Taiwan                 | Deposit, loan and guarantee services                                               | 26,960            | 26,960            | 3,076                           | 0.09           | 40,812          | 2,939,122                         | -                      | (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         | 79,757          | 39,256                            | -                      | (Note B)        |
| FETC International Co., Ltd.                     | FETC International (Thailand) Co., Ltd.          | Thailand               | Dispatched labor, procuring equipment, and sales agent services                    | THB 82,000        | THB 8,250         | 8,200                           | 100.00         | 58,386          | (9,239)                           | -                      | (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         | 28,436,062      | 4,044,557                         | -                      | (Note B)        |
|                                                  | ARCOA Communication Co., Ltd.                    | Taiwan                 | Telecommunications services, sales of communications products and office equipment | 1,305,802         | 1,305,802         | 82,762                          | 61.63          | 698,742         | 179,883                           | -                      | (Note B)        |
|                                                  | KGEx.com Co., Ltd.                               | Taiwan                 | Type II telecommunications services                                                | 2,340,472         | 2,340,472         | 68,897                          | 99.99          | 902,594         | 143,712                           | -                      | (Note B)        |
|                                                  | Yuanshi Digital Technology Co., Ltd.             | Taiwan                 | Electronic information providing services                                          | 1,686,169         | 1,686,169         | 107,004                         | 96.18          | (280,137)       | (222,069)                         | -                      | (Note B)        |
|                                                  | Yuan Qing Co., Ltd.                              | Taiwan                 | Call center services                                                               | -                 | -                 | 2,000                           | 100.00         | 40,705          | 14,693                            | -                      | (Notes B and J) |
|                                                  | Far Eastern Info Service (Holding) Ltd.          | Bermuda                | Investment                                                                         | 92,616            | 92,616            | 1                               | 100.00         | 4,883           | 109                               | -                      | (Note B)        |
|                                                  | Yuan Bao Fintech Co., Ltd.                       | Taiwan                 | Type II telecommunications services                                                | -                 | 60,000            | -                               | -              | -               | (6,574)                           | -                      | (Note B and N)  |
|                                                  | Far EasTone Property Insurance Agent Co., Ltd.   | Taiwan                 | Property insurance agent                                                           | 5,000             | 5,000             | 500                             | 100.00         | 83,443          | 72,481                            | -                      | (Note B)        |
|                                                  | Far Eastern Electronic Toll Collection Co., Ltd. | Taiwan                 | Electronic toll collection services                                                | 2,542,396         | 2,542,396         | 118,251                         | 39.42          | 1,403,595       | 293,364                           | -                      | (Note B)        |
|                                                  | Ding Ding Integrated Marketing Service Co., Ltd. | Taiwan                 | Marketing                                                                          | 139,500           | 139,500           | 5,447                           | 15.00          | 36,924          | (16,349)                          | -                      | (Note B)        |
|                                                  | Yuan Hsin Digital Payment Co., Ltd.              | Taiwan                 | Electronic stored value cards                                                      | 600,000           | 600,000           | 12,342                          | 18.11          | 94,628          | (161,626)                         | -                      | (Note B)        |
| ARCOA Communication Co., Ltd.                    | DataExpress Infotech Co., Ltd.                   | Taiwan                 | Electronic information providing services                                          | 141,750           | 141,750           | 15,285                          | 70.00          | 278,594         | 111,496                           | -                      | (Note B)        |
| New Century InfoComm Tech Co., Ltd.              | New Diligent Co., Ltd.                           | Taiwan                 | Investment                                                                         | 540,000           | 540,000           | 54,000                          | 100.00         | 81,531          | (390)                             | -                      | (Note B)        |
|                                                  | Information Security Service Digital United Inc. | Taiwan                 | Security and monitoring service via internet                                       | 148,777           | 148,777           | 11,195                          | 100.00         | 138,226         | 18,243                            | -                      | (Note B)        |
|                                                  | Digital United (Cayman) Ltd.                     | Cayman Islands         | Investment                                                                         | 317,446           | 317,446           | 10,320                          | 100.00         | 334,376         | 4,266                             | -                      | (Note B)        |
|                                                  | Yuanshi Digital Technology Co., Ltd.             | Taiwan                 | Electronic information providing services                                          | 20,000            | 20,000            | 750                             | 0.67           | (1,963)         | (222,069)                         | -                      | (Note B)        |
|                                                  | Ding Ding Integrated Marketing Service Co., Ltd. | Taiwan                 | Marketing                                                                          | 46,500            | 46,500            | 1,816                           | 5.00           | 12,308          | (16,349)                          | -                      | (Note B)        |
|                                                  | Prime EcoPower Co., Ltd.                         | Taiwan                 | Energy technology services                                                         | 160,000           | 160,000           | 16,000                          | 100.00         | 125,451         | (1,979)                           | -                      | (Note B)        |
|                                                  | Drive Catalyst SPC-SP Tranche One                | Cayman Islands         | Investment                                                                         | 123,220           | 123,220           | 4                               | 25.00          | 111,666         | (332)                             | -                      | (Note A)        |
|                                                  | Drive Catalyst SPC-SP Tranche Two                | Cayman Islands         | Investment                                                                         | 114,140           | -                 | 4                               | 25.00          | 116,861         | 25,833                            | -                      | (Note A)        |
|                                                  | Drive Catalyst SPC-SP Tranche Three              | Cayman Islands         | Investment                                                                         | 236,440           | 122,300           | 8                               | 25.00          | 236,449         | 425                               | -                      | (Note A)        |
|                                                  | Nextlink Technology Co., Ltd.                    | Taiwan                 | Electronic information providing services                                          | 420,000           | 420,000           | 3,430                           | 70.00          | 455,473         | 56,260                            | -                      | (Note B)        |
|                                                  | JuAn Long-Age., Ltd.                             | Taiwan                 | Electronic information providing services                                          | 15,500            | -                 | 1,000                           | 25.00          | 15,861          | 931                               | -                      | (Note B)        |
|                                                  | Yuan Hsin Digital Payment Co., Ltd.              | Taiwan                 | Electronic stored value cards                                                      | 42,358            | -                 | 4,236                           | 6.22           | 32,476          | (161,626)                         | -                      | (Note B)        |
|                                                  | Sino Lead Enterprise Limited                     | Hong Kong              | Telecommunication services                                                         | 125               | 125               | 30                              | 100.00         | 321             | 31                                | -                      | (Note B)        |
|                                                  | Far East New Diligent Company Ltd.               | British Virgin Islands | Investment                                                                         | 330,598           | 330,598           | -                               | 100.00         | 19,593          | (321)                             | -                      | (Note B)        |
|                                                  | New Diligent Hong Kong Co., Ltd.                 | Hong Kong              | Investment                                                                         | 3,051             | 3,051             | -                               | 100.00         | 2,106           | (186)                             | -                      | (Note B)        |
| DataExpress Infotech Co., Ltd.                   | Home Master Technology Ltd.                      | Taiwan                 | Electronic information providing services                                          | 10,000            | 10,000            | (Note D)                        | 100.00         | 42,860          | 20,814                            | -                      | (Note B)        |
| Nextlink Technology Co., Ltd.                    | Microfusion Technology Co., Ltd.                 | Taiwan                 | Electronic information providing services                                          | 17,000            | 17,000            | 2,900                           | 100.00         | 47,314          | 17,105                            | -                      | (Note B)        |
|                                                  | Nextlink (HK) Technology Co., Ltd.               | Hong Kong              | Electronic information providing services                                          | 973               | 973               | -                               | 100.00         | 36,568          | 28,616                            | -                      | (Note B)        |
|                                                  | Microfusion (HK) Technology Co., Ltd.            | Hong Kong              | Electronic information providing services                                          | 1,494             | 1,494             | -                               | 100.00         | 2,825           | 1,762                             | -                      | (Note B)        |

(Continued)

- Notes:
- A. Equity-method investee.
  - B. Subsidiary.
  - C. Including 5,000 thousand common stock and 3,000 thousand preferred shares.
  - D. Company limited.
  - E. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tong Investment Co., Ltd.
  - F. Shares in thousands.
  - G. For investments in mainland China, refer to Table 15.
  - H. Under the “IFRSs Questions and Answers” issued by Taiwan Stock Exchange Corporation (TWSE), the Company recognized these items as investment properties in its parent-company-only financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the parent-company-only financial statements and the consolidated financial statements.
  - I. The effects from the adjustments of FENC shares which are held by Yuan Ding Co., Ltd. and the transactions between subsidiaries amounted to \$6,879 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, 2021, 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, 2021, the relevant investment funds have not been remitted.
  - N. Far EasTone Telecommunications Co., Ltd. merged with Yuan Bao Fintech Co., Ltd. on September 15, 2021. Far EasTone Telecommunications Co., Ltd. was the surviving company and Yuan Bao Fintech Co., Ltd. was the dissolved company.

(Concluded)

TABLE 15

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

| Investee Company                                  | Main Businesses and Products                                                                                                                                                                                                              | Paid-in Capital<br>(Note T)              | Method of<br>Investment<br>(Note A) | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>January 1, 2021 | Investment Flows |        | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>December 31,<br>2021 | Net Income<br>(Loss) of the<br>Investee | % Ownership<br>of Direct or<br>Indirect<br>Investment | Investment<br>Gain (Loss) | Carrying<br>Amount as of<br>December 31,<br>2021<br>(Note B) | Accumulated<br>Repatriation of<br>Investment<br>Income as of<br>December 31,<br>2021 | 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                                                          | \$ 8,168,455<br>(RMB 1,880,399 thousand) | 2                                   | \$ 3,700,967                                                                                   | \$ -             | \$ -   | \$ 3,700,967                                                                                        | \$ 33,598                               | 100.00                                                | \$ 33,598                 | \$ 8,589,538                                                 | \$ 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                                                                                                                       | 888,683<br>(RMB 204,577 thousand)        | 2                                   | 1,010,901                                                                                      | -                | -      | 1,010,901                                                                                           | (65,609)                                | 100.00                                                | (65,509)                  | 1,523,594                                                    | 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                                                                                                                       | 1,032,215<br>(RMB 237,619 thousand)      | 3                                   | -                                                                                              | -                | -      | -                                                                                                   | 16,988                                  | 100.00                                                | 16,988                    | 1,085,716                                                    | -                                                                                    |               |
| Far Eastern Industries (Wuxi) Ltd.                | Production and marketing of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, griever woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics | 2,091,508<br>(RMB 481,471 thousand)      | 2                                   | 2,018,430                                                                                      | -                | -      | 2,018,430                                                                                           | 73,877                                  | 100.00                                                | 73,877                    | 2,817,795                                                    | 313,458                                                                              | Notes H and I |
| Oriental Petrochemical (Shanghai) Corporation     | Manufacture and distribution of PTA and its by-products                                                                                                                                                                                   | 7,791,353<br>(RMB 1,793,590 thousand)    | 2                                   | 3,791,007                                                                                      | -                | -      | 3,791,007                                                                                           | (1,209,099)                             | 61.35                                                 | (741,782)                 | 2,010,978                                                    | 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                                                                                             | 1,604,122<br>(RMB 369,273 thousand)      | 2                                   | 1,342,854                                                                                      | -                | -      | 1,342,854                                                                                           | 401,883                                 | 100.00                                                | 401,833                   | 3,684,219                                                    | 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                                                       | 1,713,142<br>(RMB 394,370 thousand)      | 2                                   | 1,765,319                                                                                      | -                | -      | 1,765,319                                                                                           | 20,370                                  | 100.00                                                | 20,730                    | 1,303,824                                                    | -                                                                                    | 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                                                                                                                                   | 743,031<br>(RMB 171,048 thousand)        | 2                                   | 724,110                                                                                        | -                | -      | 724,110                                                                                             | 7,396                                   | 100.00                                                | 7,396                     | 941,637                                                      | -                                                                                    |               |

(Continued)

| Investee Company                                         | Main Businesses and Products                                                                                  | Paid-in Capital<br>(Note T)                 | Method of<br>Investment<br>(Note A) | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>January 1, 2021 | Investment Flows |        | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>December 31,<br>2021 | Net Income<br>(Loss) of the<br>Investee | % Ownership<br>of Direct or<br>Indirect<br>Investment | Investment<br>Gain (Loss) | Carrying<br>Amount as of<br>December 31,<br>2021<br>(Note B) | Accumulated<br>Repatriation of<br>Investment<br>Income as of<br>December 31,<br>2021 | Note   |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------|------------------|--------|-----------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|---------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------|--------|
|                                                          |                                                                                                               |                                             |                                     |                                                                                                | Outflow          | Inflow |                                                                                                     |                                         |                                                       |                           |                                                              |                                                                                      |        |
| Oriental Industries (Suzhou) Ltd.                        | Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn | \$ 4,756,014<br>(RMB 1,094,847<br>thousand) | 2                                   | \$ 4,957,248                                                                                   | \$ -             | \$ -   | \$ 4,957,248                                                                                        | \$ 408,237                              | 100.00                                                | \$ 408,237                | \$ 6,379,069                                                 | \$ -                                                                                 | Note H |
| Far Eastern New Century (China) Investment Co., Ltd.     | Investment                                                                                                    | 4,648,304<br>(RMB 1,070,052<br>thousand)    | 2                                   | 4,794,027                                                                                      | -                | -      | 4,794,027                                                                                           | (129,922)                               | 100.00                                                | (129,922)                 | 3,718,389                                                    | -                                                                                    |        |
| Sino Belgium Beer (Suzhou) Ltd.                          | Beer brewing                                                                                                  | 1,655,751<br>(RMB 381,158<br>thousand)      | 2                                   | 1,763,952                                                                                      | -                | -      | 1,763,952                                                                                           | (26,523)                                | 100.00                                                | (26,523)                  | (757,695)                                                    | -                                                                                    | Note L |
| Martens Beers (Shanghai) Ltd.                            | Beer brewing                                                                                                  | 324,307<br>(RMB 74,656<br>thousand)         | 2                                   | 231,475                                                                                        | -                | -      | 231,475                                                                                             | (8,751)                                 | 100.00                                                | (8,751)                   | 6,052                                                        | -                                                                                    | Note L |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation   | PA and its by-product production and sale                                                                     | 6,313,358<br>(RMB 1,453,351<br>thousand)    | 2                                   | 4,181,323                                                                                      | -                | -      | 4,181,323                                                                                           | 718                                     | 60.00                                                 | 431                       | 3,815,870                                                    | -                                                                                    |        |
| Far Eastern Industries (Yangzhou) Ltd.                   | PA and its by-product production                                                                              | 1,341,872<br>(RMB 308,902<br>thousand)      | 2                                   | 1,436,190                                                                                      | -                | -      | 1,436,190                                                                                           | 6,884                                   | 100.00                                                | 6,884                     | 1,380,577                                                    | -                                                                                    |        |
| Far Eastern Union Petrochemical (Yangzhou) Corporation   | PA and its by-product production                                                                              | 8,216,076<br>(RMB 1,891,362<br>thousand)    | 2                                   | 2,983,397                                                                                      | -                | -      | 2,983,397                                                                                           | 649,263                                 | 44.20                                                 | 286,974                   | 3,081,595                                                    | -                                                                                    |        |
| Shanghai Yuan Zi Information Technology Co., Ltd.        | Software development, equipment maintenance and consulting                                                    | 55,212<br>(RMB 12,710<br>thousand)          | 3                                   | -                                                                                              | -                | -      | -                                                                                                   | 299                                     | 100.00                                                | 299                       | 58,047                                                       | -                                                                                    |        |
| Shanghai Far Eastern Petrochemical Logistic Corporation  | Transportation                                                                                                | 82,536<br>(RMB 19,000<br>thousand)          | 3                                   | -                                                                                              | -                | -      | -                                                                                                   | 4,635                                   | 100.00                                                | 4,635                     | 149,896                                                      | -                                                                                    |        |
| Suzhou An Ho Apparel Ltd.                                | Garment production                                                                                            | 4,344<br>(RMB 1,000<br>thousand)            | 3                                   | -                                                                                              | -                | -      | -                                                                                                   | 1,035                                   | 100.00                                                | 1,035                     | 56,514                                                       | -                                                                                    |        |
| Yuan Ding Enterprise (Shanghai) Limited                  | Liquid oxygen, oxygen, nitrogen and hydrogen warehousing                                                      | 7,660,318<br>(RMB 1,763,425<br>thousand)    | 3                                   | -                                                                                              | -                | -      | -                                                                                                   | (161,323)                               | 40.00                                                 | (65,429)                  | 2,712,437                                                    | -                                                                                    |        |
| Yuan Ding Integrated Information Service (Shanghai) Inc. | Computer software and internet software design and development                                                | 654,416<br>(RMB 150,648<br>thousand)        | 2                                   | 598,270                                                                                        | -                | -      | 598,270                                                                                             | (6,863)                                 | 100.00                                                | (6,863)                   | 43,342                                                       | -                                                                                    | Note M |
| Speedy (Shanghai) digital Tech. Co., Ltd.                | Intelligent control equipment and security monitoring products and services                                   | 28,407<br>(RMB 6,539<br>thousand)           | 2                                   | 24,220                                                                                         | -                | -      | 24,220                                                                                              | 3,787                                   | 100.00                                                | 3,787                     | 59,701                                                       | -                                                                                    | Note N |

(Continued)

| Investee Company                                      | Main Businesses and Products                                                     | Paid-in Capital<br>(Note T)        | Method of<br>Investment<br>(Note A) | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>January 1, 2021 | Investment Flows |        | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>December 31,<br>2021 | Net Income<br>(Loss) of the<br>Investee | % Ownership<br>of Direct or<br>Indirect<br>Investment | Investment<br>Gain (Loss) | Carrying<br>Amount as of<br>December 31,<br>2021<br>(Note B) | Accumulated<br>Repatriation of<br>Investment<br>Income as of<br>December 31,<br>2021 | Note   |
|-------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------|------------------|--------|-----------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|---------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------|--------|
|                                                       |                                                                                  |                                    |                                     |                                                                                                | Outflow          | Inflow |                                                                                                     |                                         |                                                       |                           |                                                              |                                                                                      |        |
| Digital United Information Technology (Shanghai) Ltd. | Research and design of computer systems                                          | \$ 85,808<br>(US\$ 3,100 thousand) | 2                                   | \$ 85,808                                                                                      | \$ -             | \$ -   | \$ 85,808                                                                                           | \$ 5,365                                | 100.00                                                | \$ 5,365                  | \$ 6,653                                                     | \$ -                                                                                 | Note O |
| Nextlink (Shanghai) Technology Co., Ltd.              | Computer software, data processing and provision of network information services | 1,993<br>(US\$ 72 thousand)        | 2                                   | 1,993                                                                                          | -                | -      | 1,993                                                                                               | 756                                     | 70.00                                                 | 756                       | 2,133                                                        | -                                                                                    | Note P |

| Investee Company                                   | Accumulated Outward<br>Remittance for Investment<br>in Mainland China as of<br>December 31, 2021 | Investment Amounts<br>Authorized by Investment<br>Commission, MOEA | Upper Limit on the Amount<br>of Investment Stipulated by<br>Investment Commission,<br>MOEA |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Far Eastern New Century Corporation (Note S and T) | \$ 22,653,879                                                                                    | \$ 23,380,678                                                      | \$ -                                                                                       |

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 Innovation Apparel (Suzhou) Co., 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, 2021, 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, 2021, 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, 2021, 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, 2021, 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, 2021, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2021, 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, 2021, 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, 2021, 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, 2021, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.
- M. As of December 31, 2021, 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, 2021, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.
- O. As of December 31, 2021, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.
- P. As of December 31, 2021, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.
- Q. As of December 31, 2021, 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.
- R. Investment amounts authorized by the Investment Commission of the MOEA include US\$843,627 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\$1:27.68 and RMB1:4.344.
- S. Based on MOEA Approval Letter No. 10920434850, there is no limitation on the amount of the Company's investment in China.
- T. The paid-in capital was calculated based on the ending exchange rate of RMB1:4.344 and US\$1:27.68.

(Concluded)



TABLE 15-1

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA - INVESTMENT TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of U.S. Dollars)

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

(Continued)

| Investee Company                                              | Authorized by Investment Commission, MOEA |            |                          |                                                                                            |                           | Investment Type                |                                                                              |                                                           |                                                                       |
|---------------------------------------------------------------|-------------------------------------------|------------|--------------------------|--------------------------------------------------------------------------------------------|---------------------------|--------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------|
|                                                               | Investor Company                          | Date       | MOEA Approval Letter No. | Through Investor Company in Third Area                                                     | Investment Amount (US\$)  | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Oriental Industries (Suzhou) Ltd.                             | Far Eastern New Century Corporation       | 2006.11.01 | No. 09500287850          | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.                                   | \$ 4,524                  | \$ 4,524                       |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2008.04.18 | No. 09700045510          | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.                                   | 4,800                     | 4,800                          |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2010.12.29 | No. 09900470520 (Note I) | FEDP (Holding) Ltd.                                                                        | 754<br>(Note G)<br>18,224 | 18,224                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Ding Investment Co., Ltd.            | 2005.08.01 | No. 094015006            | Oriental Textile (Holding) Ltd.                                                            | 19,800                    | 19,800                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Ding Investment Co., Ltd.            | 2006.02.09 | No. 094037416            | Oriental Textile (Holding) Ltd.                                                            | 30,200                    | 30,200                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Ding Investment Co., Ltd.            | 2007.10.02 | No. 09600280400          | Oriental Textile (Holding) Ltd.                                                            | 23,000                    | 23,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Ding Investment Co., Ltd.            | 2008.09.01 | No. 09700172130          | Oriental Textile (Holding) Ltd.                                                            | 32,500                    | 32,500                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Ding Investment Co., Ltd.            | 2013.04.29 | No. 10200127470          | Oriental Textile (Holding) Ltd.                                                            | 8,000                     | 8,000                          |                                                                              |                                                           |                                                                       |
| Wuhan Far Eastern New Material Ltd.                           | Far Eastern New Century Corporation       | 2006.05.19 | No. 09500090070          | Far Eastern Polytex (Holding) Ltd.                                                         | 12,000                    | 12,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2009.06.29 | No. 09800135640          | Far Eastern Polytex (Holding) Ltd.                                                         | 10,000                    | 10,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2010.12.21 | No. 09900470530          | Far Eastern Polytex (Holding) Ltd.                                                         | RMB 6,695                 |                                |                                                                              |                                                           | RMB 6,695                                                             |
| Far Eastern New Century (China) Investment Co., Ltd. (Note A) | Far Eastern New Century Corporation       | 2006.08.01 | No. 09500124430          | Far Eastern Polytex (Holding) Ltd.                                                         | 48,000                    | 48,000                         |                                                                              |                                                           |                                                                       |
| Sino Belgium Beer (Suzhou) Ltd.                               | Yuan Tong Investment Co., Ltd.            | 2007.08.02 | No. 09600248620          | Sino Belgium (Holding) Ltd.                                                                | 18,000                    | 18,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2008.02.21 | No. 09600451060          | Sino Belgium (Holding) Ltd.                                                                | 12,000                    | 12,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2014.04.24 | No. 10300091010 (Note L) | Sino Belgium (Holding) Ltd.                                                                | 16,000                    | 16,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2014.12.19 | No. 10300249370 (Note O) | Sino Belgium (Holding) Ltd.                                                                | 10,000                    | 10,000                         |                                                                              |                                                           |                                                                       |
| Martens Beers (Shanghai) Ltd.                                 | Yuan Tong Investment Co., Ltd.            | 2008.12.10 | No. 09700456110          | Sino Belgium (Holding) Ltd.                                                                | 3,800                     | 3,800                          |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2010.07.29 | No. 09900284200          | Bockhold N.V.<br>Martens HK Ltd.                                                           | 4,304                     |                                |                                                                              |                                                           | 4,304                                                                 |
|                                                               |                                           |            |                          | Sino Belgium (Holding) Ltd.                                                                |                           |                                |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2014.04.24 | No. 10300091010 (Note L) | Sino Belgium (Holding) Ltd.                                                                | 1,500                     | 1,500                          |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2013.11.28 | No. 10200451570 (Note N) | Sino Belgium (Holding) Ltd.                                                                | 1,100                     | 1,100                          |                                                                              |                                                           |                                                                       |
| Far Eastern Tech-Info Ltd. (Shanghai)                         | Yuan Tong Investment Co., Ltd.            | 2014.12.19 | No. 10300249370 (Note O) | Sino Belgium (Holding) Ltd.                                                                | 1,000                     | 1,000                          |                                                                              |                                                           |                                                                       |
|                                                               | Far EasTone Telecommunications Co., Ltd.  | 2004.08.26 | No. 093018811            | Far Eastern Info Service (Holding) Limited                                                 | 2,500                     | 2,500                          |                                                                              |                                                           |                                                                       |
|                                                               |                                           |            |                          |                                                                                            |                           |                                |                                                                              |                                                           |                                                                       |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation        | Far Eastern New Century Corporation       | 2011.06.23 | No. 10000021360 (Note J) | Far Eastern Polytex (Holding) Ltd.                                                         | 166,000                   | 166,000                        |                                                                              |                                                           |                                                                       |
| Far Eastern Industries (Yangzhou) Ltd.                        | Far Eastern New Century Corporation       | 2012.03.30 | No. 10100043080          | Far Eastern Polychem Industries Ltd.                                                       | 49,000                    | 49,000                         |                                                                              |                                                           |                                                                       |
| Far Eastern Union Petrochemical (Yangzhou) Corporation        | Far Eastern New Century Corporation       | 2012.08.31 | No. 10300210860 (Note M) | PET Far Eastern (Holding) Ltd.                                                             | 66,000                    | 66,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2020.08.20 | No. 10900223750 (Note T) | PET Far Eastern (Holding) Ltd.                                                             | 9,250                     | 9,250                          |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2020.11.23 | No. 10900267610 (Note U) | PET Far Eastern (Holding) Ltd.                                                             | 32,824                    | 32,824                         |                                                                              |                                                           |                                                                       |
| Yuan Ding Enterprise (Shanghai) Limited                       | Far Eastern New Century Corporation       | 2013.11.08 | No. 10200399280          | Far Eastern Polytex (Holding) Ltd.<br>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.<br>Far Eastern New Century (China) Investment Co., Ltd. | 74,335                    | 74,335                         |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2019.11.26 | No. 10800217150          | Far Eastern Polytex (Holding) Ltd.<br>Far Eastern New Century (China) Investment Co., Ltd. | 32,000                    | 32,000                         |                                                                              |                                                           |                                                                       |
| Tong Da Air Industry (Yangzhou) Co., Ltd.                     | Far Eastern New Century Corporation       | 2014.09.05 | No. 10300203670 (Note P) | PET Far Eastern (Holding) Ltd.                                                             | 33,500                    | 33,500                         |                                                                              |                                                           |                                                                       |

(Continued)

| Investee Company                                                 | Authorized by Investment Commission, MOEA                                                                                        |                                        |                                                       |                                                                                            |                          | Investment Type                |                                                                              |                                                           |                                                                       |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------|--------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------|
|                                                                  | Investor Company                                                                                                                 | Date                                   | MOEA Approval Letter No.                              | Through Investor Company in Third Area                                                     | Investment Amount (US\$) | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Yuan Ding Integrated Information Service (Shanghai) Inc.         | YDT Technology International Co., Ltd.<br>FET Consulting Engineers Co., Ltd.<br>Ding Ding Integrated Marketing Service Co., Ltd. | 2011.10.19<br>2011.11.03<br>2015.08.11 | No. 10000429550<br>No. 10000439470<br>No. 10400179060 | YDC (Virgin Islands) Ltd.<br>DDIM (Virgin Islands) Ltd.<br>DDIM (Virgin Islands) Ltd.      | \$ 110<br>8,100<br>1,100 | \$ 110<br>8,100<br>1,100       |                                                                              |                                                           |                                                                       |
| Speedy (Shanghai) digital Tech. Co., Ltd.                        | YDT Technology International Co., Ltd.                                                                                           | 2004.02.11<br>2005.02.05               | No. 093003471<br>No. 094003122                        | YDC (Virgin Islands) Ltd.<br>YDC (Virgin Islands) Ltd.                                     | 300<br>500               | 300<br>500                     |                                                                              |                                                           |                                                                       |
| Far Eastern Tech-Info Ltd. (Shanghai)                            | Far EasTone Telecommunications Co., Ltd.<br>New Diligent Co., Ltd.                                                               | 2004.08.26<br>2014.01.29               | No. 093018811<br>No. 10300022990                      | Far Eastern Info Service (Holding) Ltd.<br>Far East New Diligent Company Ltd.              | 2,500<br>3,500           | 2,500<br>3,500                 |                                                                              |                                                           |                                                                       |
| Far Eastern Tech-Info Ltd. (Shanghai)                            | New Century InfoComm Tech Co., Ltd.<br>New Century InfoComm Tech Co., Ltd.                                                       | 2002.10.07<br>2013.08.09               | No. 091041498<br>No. 10200302730                      | Digital United (Cayman) Ltd.<br>Digital United (Cayman) Ltd.                               | 3,100<br>1,000           | 1,000                          |                                                                              |                                                           | \$ 3,100                                                              |
| Digital United Information Technology (Shanghai) Ltd.            | Nextlink Technology Co., Ltd.                                                                                                    | 2019.03.28                             | No. 10830010930                                       | Nextlink (HK) Technology Co., Ltd.                                                         | 72                       | 72                             |                                                                              |                                                           |                                                                       |
| New Diligence Corporation (Shanghai)                             | New Diligent Co., Ltd.                                                                                                           | 2007.08.08                             | No. 09600261870                                       | New Diligent Co., Ltd. (Note Q)                                                            | 1,127                    | 1,127                          |                                                                              |                                                           |                                                                       |
| Far Eastern New Century Information Technology (Beijing) Limited | New Diligent Co., Ltd.                                                                                                           | 2012.11.19                             | No. 10100496420                                       | Far East New Diligent Company Ltd. (Note R)                                                | 10,300                   | 10,300                         |                                                                              |                                                           |                                                                       |
| Far Eastern Innovation Apparel (Anhui) Co., Ltd.                 | Far Eastern New Century Corporation<br>Yuan Ding Investment Co., Ltd.                                                            | 2021.09.02<br>2021.09.02               | No. 11000195650<br>No. 11000195640                    | Far Eastern Polytex (Holding) Ltd. (Note V)<br>Far Eastern Apparel (Holding) Ltd. (Note W) | 8,739<br>5,651           |                                | \$ 8,739<br>5,651                                                            |                                                           |                                                                       |

Notes: A. Far Eastern New Century (China) Investment Co., Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Corporation, and the other US\$2,000 thousand was held by Far Eastern New Century (China) Investment Co., Ltd.

B. Document No. 092035971 had been canceled and replaced with document No. 09800408170.

C. Document No. 092035970 had been canceled and replaced with document No. 09800408160.

D. The approved amount of US\$12,000 thousand on September 18, 2009 as stated in document No. 09800283970, had been changed to US\$11,500 thousand and updated to document No. 09900142680 on April 19, 2010 while completed the-review process.

E. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.

F. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.

G. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.

H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly through Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd., under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only through FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).

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

J. After modifying MOEA approval from No. 10000021360 to No. 11100012810, FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., amended to indirectly invest US\$138,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. After obtaining MOEA approval (No. 11100014610), FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$12,000 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.

(Continued)

- 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.
- 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. 11000095860), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$32,824 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- V. The parent company was approved to indirectly invest in Far Eastern Innovation Apparel (Anhui) Co., Ltd. in Mainland China through Far Eastern Polytex (Holding) Ltd., by obtaining MOEA approval (No. 11000195650), but as of December 30, 2021, the relevant investment funds have not been remitted.
- W. Yuan Ding Investment Co., Ltd was approved to indirectly invest in Far Eastern Innovation Apparel (Anhui) Co., Ltd. in Mainland China through Far Eastern Polytex (Holding) Ltd., by obtaining MOEA approval (No. 11000195640), but as of December 30, 2021, the relevant investment funds have not been remitted.

(Concluded)

**TABLE 16****FAR EASTERN NEW CENTURY CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2021**

| 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.

## Financial Information

### 6. Financial Report (Stand-alone)

#### Independent auditors' report

#### (English Translation of a Report Originally Issued in Chinese)

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

#### Opinion

We have audited the financial statements of Far Eastern New Century Corporation (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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 financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the financial statements for the year ended December 31, 2021 are as follows:

Fair Value Evaluation of Investment Properties (Including Investment Properties

Held by Subsidiaries Accounted for Using the Equity Method)

The Company's investment properties (including the investment properties held by subsidiaries accounted for by using the equity method) are subsequently measured using the fair value model. The fair value evaluation involves significant accounting estimation and judgment. As a result, the fair value evaluation of investment properties (including the investment properties held by subsidiaries accounted for by using the equity method) is considered a key audit matter.

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

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

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

3. We audited items from management's supporting documentation, including data which was used by the valuer in the valuation process.

#### Recognition of Revenue Derived from Mobile Telecommunications Service

##### of a Subsidiary's Associate

Far EasTone, an associate of the Company's subsidiary is a material component. The mobile telecommunications service revenue is the main revenue source of Far EasTone. The calculation of mobile telecommunications service revenue relies heavily on automated systems and includes complicated and huge amounts of data transmission. In order to meet market demands and remain competitive, Far EasTone often launches different combinations of products and services. The charge rates of the aforementioned products and services are set manually to systems. Since the effectiveness of the design and implementation of internal controls over systems and rate settings relevant to telecommunications service revenue directly and significantly affects the accuracy of revenue calculation, the recognition of mobile telecommunications service revenue is considered a key audit matter.

By conducting tests of controls, we obtained an understanding of the recognition of mobile telecommunications service revenue and the design and implementation of related controls.

We also engaged internal information technology (IT) specialists to understand and assess the systems and internal controls relevant to mobile telecommunications service revenue and perform the corresponding audit procedures which are listed as follows. The IT specialists:

1. Identified key systems that processed mobile telecommunications service revenue; assessed and tested the general information technology controls of the aforementioned systems, including access controls and change controls.
2. Tested the completeness and accuracy of interface controls between the switch equipment and the billing systems.
3. Tested the access controls and change controls over the input of rates to the billing systems.
4. Tested the accuracy of the billing calculation.
5. Tested the completeness and accuracy of the calculation and billing of monthly fees, airtime fees and value-added service fees.

In coordination with the internal IT specialists, we:

1. Performed dialing tests to verify the accuracy and completeness of the traffic and information in the switch equipment.
2. Sampled user contracts to confirm the accuracy of the billing system information.

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

1. For the billed amounts, we compared whether there is 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.

##### Accounting Treatment of Frequency and Network Sharing Services of a Subsidiary's Associate

In 2021, Far EasTone, an associate of the Company's subsidiary is a material component, had a business cooperation with Asia-Pacific Telecom Co., Ltd. (APTC) which provided frequency and network sharing services. The contract total amount was significant and the transaction content was complex, including lots of additional conditions. There was no similar transaction for reference in the past. Therefore, it required complicated processes to determine a proper accounting treatment. If the accounting treatment of the transaction was improper, it would directly affect the accuracy of the calculation and recognition of the relevant assets, liabilities and the amounts of profit and loss. Thus, the appropriate application of the accounting treatment of the transaction is considered a key audit matter.

In our audit of the frequency and network sharing services, we:

1. Obtained the contracts and minutes of board meetings relevant to the business cooperation of frequency and network sharing between the Group and APTC and confirmed that the business cooperation had been approved by the board of directors of Far EasTone.

## Financial Information

2. Obtained the documents of the management's assessment and decision-making processes for accounting treatment of the transaction and confirmed that the decision was properly reviewed and approved.
3. Reviewed contracts relevant to the frequency and network sharing services and confirmed that the accounting treatment adopted by the management was appropriate.
4. Tested whether the actual accounting treatments were the same as those decided by the management and recalculated and confirmed the accuracy of the amount of assets, liabilities and profit and loss related to the transaction.

### Other Matter

The financial statements of APG Polytech, LLC and Corpus Christi Polymers, LLC, associates of the Company's subsidiaries, were audited by other auditors. Our opinion, insofar as it relates to the amounts of investment accounted for using the equity method and other comprehensive income included in the financial statements for these investees, is based solely on the reports of other auditors. The balance of investment accounted for using the equity method of the aforementioned investees was NT\$15,882,387 thousand and NT\$14,718,570 thousand, both representing 5% of the Company's total assets as of December 31, 2021 and 2020. The other comprehensive gain (losses) of the aforementioned investees were NT\$854,804 thousand and NT\$(653,472) thousand, representing 9% and (8%) of the Company's total comprehensive income for the year ended December 31, 2021 and 2020, respectively.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 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, 2022

#### Notice to Readers

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

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

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION

#### BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

| ASSETS                                                                 | 2021                  |            | 2020                  |            |
|------------------------------------------------------------------------|-----------------------|------------|-----------------------|------------|
|                                                                        | Amount                | %          | Amount                | %          |
| <b>CURRENT ASSETS</b>                                                  |                       |            |                       |            |
| Cash and cash equivalents (Notes 6 and 26)                             | \$ 17,887,855         | 6          | \$ 19,436,311         | 6          |
| Financial assets at fair value through profit or loss (Notes 4 and 7)  | 10,163                | -          | -                     | -          |
| Notes and accounts receivable, net (Notes 4, 9 and 26)                 | 7,749,273             | 2          | 5,097,229             | 2          |
| Other receivables (Note 26)                                            | 306,763               | -          | 877,192               | -          |
| Current tax assets                                                     | 17,344                | -          | 14,193                | -          |
| Inventories (Notes 4 and 10)                                           | 6,656,153             | 2          | 4,281,313             | 1          |
| Financial assets at amortized cost (Note 8)                            | -                     | -          | 300,000               | -          |
| Prepayments                                                            | 585,473               | -          | 56,087                | -          |
| Refundable deposits                                                    | 5,592                 | -          | 17,146                | -          |
| Other current assets                                                   | <u>238,962</u>        | -          | <u>177,542</u>        | -          |
| Total current assets                                                   | <u>33,457,578</u>     | <u>10</u>  | <u>30,257,013</u>     | <u>9</u>   |
| <b>NON-CURRENT ASSETS</b>                                              |                       |            |                       |            |
| Investments accounted for using the equity method (Notes 4, 11 and 27) | 274,119,131           | 82         | 269,392,281           | 83         |
| Property, plant and equipment (Notes 4, 12 and 27)                     | 22,808,295            | 7          | 24,271,372            | 8          |
| Right-of-use assets (Notes 4 and 13)                                   | 432,439               | -          | 663,682               | -          |
| Investment properties (Notes 4, 5, 14 and 27)                          | 1,065,125             | -          | 1,023,412             | -          |
| Other intangible assets (Notes 4 and 15)                               | 15,611                | -          | 16,280                | -          |
| Deferred tax assets (Notes 4 and 22)                                   | 12,638                | -          | 63,353                | -          |
| Prepayments for equipment (Note 12)                                    | 28,102                | -          | 21,598                | -          |
| Refundable deposits (Note 26)                                          | 57,348                | -          | 56,244                | -          |
| Net defined benefit assets (Note 18)                                   | 1,322,348             | 1          | 568,701               | -          |
| Other financial assets (Note 27)                                       | 56,642                | -          | 71,343                | -          |
| Other non-current assets                                               | <u>100,601</u>        | -          | <u>46,797</u>         | -          |
| Total non-current assets                                               | <u>300,018,280</u>    | <u>90</u>  | <u>296,195,063</u>    | <u>91</u>  |
| <b>TOTAL</b>                                                           | <u>\$ 333,475,858</u> | <u>100</u> | <u>\$ 326,452,076</u> | <u>100</u> |

## FAR EASTERN NEW CENTURY CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

| LIABILITIES AND EQUITY                                                     | 2021                  |            | 2020                  |            |
|----------------------------------------------------------------------------|-----------------------|------------|-----------------------|------------|
|                                                                            | Amount                | %          | Amount                | %          |
| <b>CURRENT LIABILITIES</b>                                                 |                       |            |                       |            |
| Short-term borrowings (Note 16)                                            | \$ 3,772,868          | 1          | \$ 3,462,493          | 1          |
| Financial liabilities at fair value through profit or loss (Notes 4 and 7) | -                     | -          | 10,619                | -          |
| Contract liabilities (Note 20)                                             | 251,722               | -          | 294,756               | -          |
| Notes and accounts payable                                                 | 1,670,187             | 1          | 1,234,900             | 1          |
| Notes and accounts payable to related parties (Note 26)                    | 1,335,725             | -          | 743,905               | -          |
| Payables to suppliers of machinery and equipment                           | 1,804                 | -          | 596                   | -          |
| Other payables                                                             | 5,101,639             | 2          | 4,334,098             | 1          |
| Lease liabilities (Notes 4 and 13)                                         | 232,097               | -          | 235,201               | -          |
| Current portion of long-term liabilities (Note 17)                         | 9,496,599             | 3          | 11,297,104            | 4          |
| Other current liabilities                                                  | <u>779,180</u>        | -          | <u>766,710</u>        | -          |
| Total current liabilities                                                  | <u>22,641,821</u>     | <u>7</u>   | <u>22,380,382</u>     | <u>7</u>   |
| <b>NON-CURRENT LIABILITIES</b>                                             |                       |            |                       |            |
| Lease liabilities (Notes 4 and 13)                                         | 208,966               | -          | 438,087               | -          |
| Bonds payable (Note 17)                                                    | 61,631,311            | 18         | 53,931,438            | 17         |
| Long-term borrowings (Note 16)                                             | 40,417,185            | 12         | 43,438,049            | 13         |
| Deferred tax liabilities (Notes 4 and 22)                                  | 2,481,372             | 1          | 2,187,424             | 1          |
| Guarantee deposits received                                                | 1,043                 | -          | 1,164                 | -          |
| Deferred credit-gains on related-party transactions (Note 26)              | <u>45,425</u>         | -          | <u>46,345</u>         | -          |
| Total non-current liabilities                                              | <u>104,785,302</u>    | <u>31</u>  | <u>100,042,507</u>    | <u>31</u>  |
| Total liabilities                                                          | <u>127,427,123</u>    | <u>38</u>  | <u>122,422,889</u>    | <u>38</u>  |
| <b>EQUITY (Note 19)</b>                                                    |                       |            |                       |            |
| Share capital                                                              |                       |            |                       |            |
| Common stock                                                               | <u>53,528,751</u>     | <u>16</u>  | <u>53,528,751</u>     | <u>16</u>  |
| Capital surplus                                                            | <u>3,403,003</u>      | <u>1</u>   | <u>3,320,137</u>      | <u>1</u>   |
| Retained earnings                                                          |                       |            |                       |            |
| Legal reserve                                                              | 19,759,271            | 6          | 19,028,517            | 6          |
| Special reserve                                                            | 119,451,597           | 36         | 117,342,360           | 36         |
| Unappropriated earnings                                                    | <u>13,856,572</u>     | <u>4</u>   | <u>13,744,880</u>     | <u>4</u>   |
| Total retained earnings                                                    | <u>153,067,440</u>    | <u>46</u>  | <u>150,115,757</u>    | <u>46</u>  |
| Other equity                                                               | <u>(3,925,396)</u>    | <u>(1)</u> | <u>(2,910,395)</u>    | <u>(1)</u> |
| Treasury shares                                                            | <u>(25,063)</u>       | -          | <u>(25,063)</u>       | -          |
| Total equity                                                               | <u>206,048,735</u>    | <u>62</u>  | <u>204,029,187</u>    | <u>62</u>  |
| <b>TOTAL</b>                                                               | <u>\$ 333,475,858</u> | <u>100</u> | <u>\$ 326,452,076</u> | <u>100</u> |

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

(With Deloitte & Touche auditors' report dated March 31, 2022)

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|                                                                                              | 2021              |            | 2020              |           |
|----------------------------------------------------------------------------------------------|-------------------|------------|-------------------|-----------|
|                                                                                              | Amount            | %          | Amount            | %         |
| OPERATING REVENUE (Notes 4, 20 and 26)                                                       |                   |            |                   |           |
| Net sales                                                                                    | \$ 45,527,236     | 100        | \$ 38,768,801     | 100       |
| OPERATING COSTS (Notes 10, 21 and 26)                                                        |                   |            |                   |           |
| Cost of goods sold                                                                           | <u>38,592,537</u> | <u>85</u>  | <u>33,478,180</u> | <u>86</u> |
| GROSS PROFIT                                                                                 | <u>6,934,699</u>  | <u>15</u>  | <u>5,290,621</u>  | <u>14</u> |
| OPERATING EXPENSES (Notes 21 and 26)                                                         |                   |            |                   |           |
| Selling and marketing                                                                        | 4,848,388         | 11         | 2,759,130         | 7         |
| General and administrative                                                                   | 1,906,015         | 4          | 1,496,777         | 4         |
| Research and development                                                                     | 712,873           | 1          | 683,260           | 2         |
| Expected credit loss                                                                         | <u>22,361</u>     | <u>-</u>   | <u>11,539</u>     | <u>-</u>  |
| Total operating expenses                                                                     | <u>7,489,637</u>  | <u>16</u>  | <u>4,950,706</u>  | <u>13</u> |
| OPERATING (LOSS) INCOME                                                                      | <u>(554,938)</u>  | <u>(1)</u> | <u>339,915</u>    | <u>1</u>  |
| NON-OPERATING INCOME AND EXPENSES                                                            |                   |            |                   |           |
| Share of the profit or loss of subsidiaries and associates                                   | 11,578,885        | 25         | 8,560,758         | 22        |
| Interest income (Note 26)                                                                    | 13,560            | -          | 13,945            | -         |
| Other income                                                                                 | 349,873           | 1          | 323,449           | 1         |
| Gain on disposal of property, plant and equipment (Note 26)                                  | 3,809             | -          | 29,923            | -         |
| Gain on disposal of investments (Note 11)                                                    | (47,580)          | -          | 85                | -         |
| Gain on change in fair value of investment properties (Note 14)                              | 41,713            | -          | 39,639            | -         |
| Exchange (loss) gain, net                                                                    | (194,288)         | -          | (18,318)          | -         |
| Gain (loss) on financial assets (liabilities) at fair value through profit or loss (Note 26) | 71,185            | -          | (43,132)          | -         |
| Interest expense (Note 26)                                                                   | (890,867)         | (2)        | (949,065)         | (3)       |
| Other expenses                                                                               | (264,369)         | (1)        | (263,121)         | (1)       |
| Impairment loss                                                                              | <u>(163,229)</u>  | <u>-</u>   | <u>(149,476)</u>  | <u>-</u>  |
| Total non-operating income and expenses                                                      | <u>10,498,692</u> | <u>23</u>  | <u>7,544,687</u>  | <u>19</u> |
| INCOME BEFORE INCOME TAX                                                                     | 9,943,754         | 22         | 7,884,602         | 20        |
| INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 22)                                                | <u>(259,170)</u>  | <u>(1)</u> | <u>178,097</u>    | <u>1</u>  |
| NET INCOME                                                                                   | <u>9,684,584</u>  | <u>21</u>  | <u>8,062,699</u>  | <u>21</u> |

(Continued)

## FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|                                                                                           | 2021                |            | 2020                |            |
|-------------------------------------------------------------------------------------------|---------------------|------------|---------------------|------------|
|                                                                                           | Amount              | %          | Amount              | %          |
| OTHER COMPREHENSIVE INCOME                                                                |                     |            |                     |            |
| Items that will not be reclassified subsequently to profit or loss:                       |                     |            |                     |            |
| Remeasurement of defined benefit plans (Note 18)                                          | 334,120             | 1          | (180,372)           | -          |
| Share of other comprehensive loss of subsidiaries and associates                          | 850,012             | 2          | 714,136             | 2          |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | <u>(66,824)</u>     | <u>-</u>   | <u>36,074</u>       | <u>-</u>   |
|                                                                                           | <u>1,117,308</u>    | <u>3</u>   | <u>569,838</u>      | <u>2</u>   |
| Items that may be reclassified subsequently to profit or loss:                            |                     |            |                     |            |
| Share of other comprehensive loss of subsidiaries and associates                          | <u>(1,632,345)</u>  | <u>(4)</u> | <u>(595,981)</u>    | <u>(2)</u> |
| Other comprehensive income (loss), net of income tax                                      | <u>(515,037)</u>    | <u>(1)</u> | <u>(26,143)</u>     | <u>-</u>   |
| TOTAL COMPREHENSIVE INCOME                                                                | <u>\$ 9,169,547</u> | <u>20</u>  | <u>\$ 8,036,556</u> | <u>21</u>  |
| EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 23)                                          |                     |            |                     |            |
| Basic                                                                                     | <u>\$ 1.94</u>      |            | <u>\$ 1.62</u>      |            |
| Diluted                                                                                   | <u>\$ 1.94</u>      |            | <u>\$ 1.61</u>      |            |

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

(With Deloitte & Touche auditors' report dated March 31, 2022)

(Concluded)

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)**

|                                                                                                                                                | Common<br>Stock      | Capital<br>Surplus  | Retained Earnings    |                       |                            |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|----------------------|-----------------------|----------------------------|
|                                                                                                                                                |                      |                     | Legal<br>Reserve     | Special<br>Reserve    | Unappropriated<br>Earnings |
| BALANCE AT JANUARY 1, 2020                                                                                                                     | \$ 53,528,751        | \$ 3,270,355        | \$ 17,955,250        | \$ 115,505,874        | \$ 17,376,404              |
| 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)                |
| Net income for the year ended December 31, 2020                                                                                                | -                    | -                   | -                    | -                     | 8,062,699                  |
| Other comprehensive income (loss) for the year ended<br>December 31, 2020                                                                      | -                    | -                   | -                    | -                     | (180,004)                  |
| Total comprehensive income (loss) for the year ended<br>December 31, 2020                                                                      | -                    | -                   | -                    | -                     | 7,882,695                  |
| Change in associates and subsidiaries accounted for using the<br>equity method                                                                 | -                    | 48,613              | -                    | -                     | (571,360)                  |
| Change in the Company's capital surplus due to the distribution<br>of dividends to subsidiaries                                                | -                    | 1,169               | -                    | -                     | -                          |
| Associates disposed the investments in equity instruments<br>designated as at fair value through other comprehensive<br>income                 | -                    | -                   | -                    | -                     | (3,793)                    |
| BALANCE, DECEMBER 31, 2020                                                                                                                     | 53,528,751           | 3,320,137           | 19,028,517           | 117,342,360           | 13,744,880                 |
| Appropriation of the 2020 earnings                                                                                                             |                      |                     |                      |                       |                            |
| Legal reserve                                                                                                                                  | -                    | -                   | 730,754              | -                     | (730,754)                  |
| Special reserve                                                                                                                                | -                    | -                   | -                    | 2,109,237             | (2,109,237)                |
| Cash dividends                                                                                                                                 | -                    | -                   | -                    | -                     | (7,226,382)                |
| Net income for the year ended December 31, 2021                                                                                                | -                    | -                   | -                    | -                     | 9,684,584                  |
| Other comprehensive income (loss) for the year ended<br>December 31, 2021                                                                      | -                    | -                   | -                    | -                     | 288,692                    |
| Total comprehensive income (loss) for the year ended<br>December 31, 2021                                                                      | -                    | -                   | -                    | -                     | 9,973,276                  |
| Change in associates and subsidiaries accounted for using the<br>equity method                                                                 | -                    | 81,814              | -                    | -                     | 98,746                     |
| Change in the Company's capital surplus due to the distribution<br>of dividends to subsidiaries                                                | -                    | 1,052               | -                    | -                     | -                          |
| Subsidiaries and associates disposal the investment in equity<br>instruments designated as at fair value through other<br>comprehensive income | -                    | -                   | -                    | -                     | 106,043                    |
| BALANCE, DECEMBER 31, 2021                                                                                                                     | <u>\$ 53,528,751</u> | <u>\$ 3,403,003</u> | <u>\$ 19,759,271</u> | <u>\$ 119,451,597</u> | <u>\$ 13,856,572</u>       |

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)

| Exchange Differences<br>on Translation<br>of Foreign<br>Operations | Unrealized Gain (Loss) on<br>Financial Assets at Fair<br>Value Through Other<br>Comprehensive Income | Gain on Hedging<br>Instruments | Gain on Property<br>Revaluations | Treasury Shares    | Total Equity          |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------|--------------------|-----------------------|
| \$ (6,545,706)                                                     | \$ 2,439,965                                                                                         | \$ 11,700                      | \$ 1,004,758                     | \$ (25,063)        | \$ 204,522,288        |
| -                                                                  | -                                                                                                    | -                              | -                                | -                  | -                     |
| -                                                                  | -                                                                                                    | -                              | -                                | -                  | -                     |
| -                                                                  | -                                                                                                    | -                              | -                                | -                  | (8,029,313)           |
| -                                                                  | -                                                                                                    | -                              | -                                | -                  | 8,062,699             |
| <u>(673,235)</u>                                                   | <u>(469,545)</u>                                                                                     | <u>7,780</u>                   | <u>1,288,861</u>                 | <u>-</u>           | <u>(26,143)</u>       |
| <u>(673,235)</u>                                                   | <u>(469,545)</u>                                                                                     | <u>7,780</u>                   | <u>1,288,861</u>                 | <u>-</u>           | <u>8,036,556</u>      |
| -                                                                  | 21,234                                                                                               | -                              | -                                | -                  | (501,513)             |
| -                                                                  | -                                                                                                    | -                              | -                                | -                  | 1,169                 |
| <u>-</u>                                                           | <u>3,793</u>                                                                                         | <u>-</u>                       | <u>-</u>                         | <u>-</u>           | <u>-</u>              |
| (7,218,941)                                                        | 1,995,447                                                                                            | 19,480                         | 2,293,619                        | (25,063)           | 204,029,187           |
| -                                                                  | -                                                                                                    | -                              | -                                | -                  | -                     |
| -                                                                  | -                                                                                                    | -                              | -                                | -                  | -                     |
| -                                                                  | -                                                                                                    | -                              | -                                | -                  | (7,226,382)           |
| -                                                                  | -                                                                                                    | -                              | -                                | -                  | 9,684,584             |
| <u>(1,500,584)</u>                                                 | <u>409,880</u>                                                                                       | <u>3,912</u>                   | <u>283,063</u>                   | <u>-</u>           | <u>(515,037)</u>      |
| <u>(1,500,584)</u>                                                 | <u>409,880</u>                                                                                       | <u>3,912</u>                   | <u>283,063</u>                   | <u>-</u>           | <u>9,169,547</u>      |
| -                                                                  | (103,498)                                                                                            | -                              | (1,731)                          | -                  | 75,331                |
| -                                                                  | -                                                                                                    | -                              | -                                | -                  | 1,052                 |
| <u>-</u>                                                           | <u>(106,043)</u>                                                                                     | <u>-</u>                       | <u>-</u>                         | <u>-</u>           | <u>-</u>              |
| <u>\$ (8,719,525)</u>                                              | <u>\$ 2,195,786</u>                                                                                  | <u>\$ 23,392</u>               | <u>\$ 2,574,951</u>              | <u>\$ (25,063)</u> | <u>\$ 206,048,735</u> |

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

(With Deloitte & Touche auditors' report dated March 31, 2022)

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION

#### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

|                                                                         | 2021         | 2020         |
|-------------------------------------------------------------------------|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES                                    |              |              |
| Income before income tax                                                | \$ 9,943,754 | \$ 7,884,602 |
| Adjustments for:                                                        |              |              |
| Expected credit loss                                                    | 22,361       | 11,539       |
| Depreciation                                                            | 2,378,051    | 2,432,107    |
| Amortization                                                            | 9,229        | 12,081       |
| Interest expense                                                        | 890,867      | 949,065      |
| Interest income                                                         | (13,560)     | (13,945)     |
| Share of the profit of subsidiaries and associates                      | (11,578,885) | (8,560,758)  |
| Gain on disposal of property, plant and equipment                       | (3,809)      | (29,923)     |
| Loss/(gain) on disposal of investments                                  | 47,580       | (85)         |
| Impairment loss                                                         | 163,229      | 149,476      |
| Write-down of inventories                                               | 121,694      | 2,036        |
| Gain on change in fair value of investment properties                   | (41,713)     | (39,639)     |
| Gain on lease modification                                              | -            | (107)        |
| Net changes in operating assets and liabilities                         |              |              |
| Financial assets at fair value through profit or loss                   | (10,163)     | 7,703        |
| Notes and accounts receivable                                           | (2,674,405)  | 214,816      |
| Other receivables                                                       | (89,659)     | 88,897       |
| Inventories                                                             | (2,496,534)  | 887,099      |
| Prepayments                                                             | (529,386)    | 22,013       |
| Other current assets                                                    | (61,420)     | 131,260      |
| Contract liabilities                                                    | (43,034)     | 150,078      |
| Notes and accounts payable                                              | 435,287      | (72,674)     |
| Notes and accounts payable to related parties                           | 591,820      | (542,285)    |
| Other payables                                                          | 843,150      | 219,637      |
| Financial liabilities at fair value through profit or loss              | (10,619)     | 10,619       |
| Other current liabilities                                               | 12,470       | (49,659)     |
| Net defined benefit assets                                              | (419,527)    | (331,645)    |
| Cash generated from operations                                          | (2,513,222)  | 3,532,308    |
| Interest received                                                       | 13,648       | 13,945       |
| Dividends received                                                      | 8,073,232    | 7,928,924    |
| Interest paid                                                           | (958,437)    | (969,737)    |
| Income tax received                                                     | 15,518       | 8,475        |
| Net cash generated from operating activities                            | 4,630,739    | 10,513,915   |
| CASH FLOWS FROM INVESTING ACTIVITIES                                    |              |              |
| Decrease (increase) in financial assets at amortized cost               | 300,000      | (300,000)    |
| Acquisition of investments accounted for using the equity method        | (1,974,813)  | (1,108,414)  |
| Acquisition of property, plant, equipment and prepayments for equipment | (857,796)    | (1,180,312)  |
| Proceeds from disposal of property, plant and equipment                 | 5,262        | 42,045       |
| Decrease in refundable deposits                                         | 10,450       | 38,528       |
| (Increase) decrease in other receivables                                | 660,000      | (660,000)    |

(Continued)



# FAR EASTERN NEW CENTURY CORPORATION

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

|                                                         | 2021                 | 2020                 |
|---------------------------------------------------------|----------------------|----------------------|
| Acquisition of intangible assets                        | \$ (8,560)           | \$ (9,413)           |
| Acquisition of investment properties                    | -                    | (5,369)              |
| Decrease in other financial assets                      | 14,701               | 1,229,030            |
| (Increase) decrease in other non-current assets         | <u>(46,455)</u>      | <u>694</u>           |
| Net cash used in investing activities                   | <u>(1,897,211)</u>   | <u>(1,953,211)</u>   |
| CASH FLOWS FROM FINANCING ACTIVITIES                    |                      |                      |
| Increase in short-term borrowings                       | 310,375              | 1,062,078            |
| Proceeds from issue of bonds                            | 17,200,000           | 20,500,000           |
| Repayments of bonds payable                             | (11,300,000)         | (13,700,000)         |
| Proceeds from long-term borrowings                      | 146,039,764          | 180,330,464          |
| Repayments of long-term borrowings                      | (149,069,299)        | (189,641,931)        |
| Repayment of the principal portion of lease liabilities | (236,321)            | (238,157)            |
| Decrease in guarantee deposits received                 | (121)                | (459)                |
| Cash dividends paid                                     | <u>(7,226,382)</u>   | <u>(8,029,313)</u>   |
| Net cash used in financing activities                   | <u>(4,281,984)</u>   | <u>(9,717,318)</u>   |
| DECREASE IN CASH AND CASH EQUIVALENTS                   | (1,548,456)          | (1,156,614)          |
| CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR        | <u>19,436,311</u>    | <u>20,592,925</u>    |
| CASH AND CASH EQUIVALENTS, END OF THE YEAR              | <u>\$ 17,887,855</u> | <u>\$ 19,436,311</u> |

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

(With Deloitte & Touche auditors' report dated March 31, 2022)

(Concluded)

# FAR EASTERN NEW CENTURY CORPORATION

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

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#### 1. GENERAL INFORMATION

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

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

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

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 8, 2022.

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

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

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

- b. The IFRSs endorsed by the FSC for application starting from 2022.

| New IFRSs                                                                           | Effective Date<br>Announced by IASB |
|-------------------------------------------------------------------------------------|-------------------------------------|
| “Annual Improvements to IFRS Standards 2018-2020”                                   | January 1, 2022 (Note 1)            |
| Amendments to IFRS 3 “Reference to the Conceptual Framework”                        | January 1, 2022 (Note 2)            |
| Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use” | January 1, 2022 (Note 3)            |
| Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”            | January 1, 2022 (Note 4)            |

Note 1: The amendments to IFRS 9 are 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” are 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” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: 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 3: 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 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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

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

| <b>New IFRSs</b>                                                                                                         | <b>Effective Date<br/>Announced by IASB (Note 1)</b> |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” | To be determined by IASB                             |
| IFRS 17 “Insurance Contracts”                                                                                            | January 1, 2023                                      |
| Amendments to IFRS 17                                                                                                    | January 1, 2023                                      |
| Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”                              | 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 2)                             |
| Amendments to IAS 8 “Definition of Accounting Estimates”                                                                 | January 1, 2023 (Note 3)                             |
| Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction                   | January 1, 2023 (Note 4)                             |

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 will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: 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.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

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

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

Current assets include:

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

Current liabilities include:

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

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

d. Foreign currencies

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

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

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

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

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

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

e. Inventories

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

f. Investment in subsidiaries

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

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

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

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

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

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

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

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

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

g. Investment in associates

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

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

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

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

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

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

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

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

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

#### h. Property, plant and equipment

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

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

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

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

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

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

i. Investment properties

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

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

When the property, plant and equipment is transferred to investment properties after self-use, the difference between the carrying amount and the fair value is included in other comprehensive 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.

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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



k. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill

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

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at amortized cost

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

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

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

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

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

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

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

#### b) Impairment of financial assets

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

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

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

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

#### c) Derecognition of financial assets

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

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

## 2) Equity instruments

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

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

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

## 3) Financial liabilities

### a) Subsequent measurement

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

### b) Derecognition of financial liabilities

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

## 4) Derivative financial instruments

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

## m. Revenue recognition

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

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

### Revenue from the sale of goods

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

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

n. Leasing

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

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

1) The Company as lessor

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

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

2) The Company as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the balance sheets.

o. Borrowing costs

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

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

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

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

q. Taxation

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

1) Current tax

The company determines the current income (loss) in accordance with the laws and regulations formulated by each income tax reporting jurisdiction, and calculates the payable (recoverable) income tax accordingly.

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

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

2) Deferred tax

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

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

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

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

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

### 3) Current and deferred taxes for the year

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

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

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

The Company considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Fair value measurements and valuation processes of investment properties (including the investment properties held by subsidiaries accounted for using the equity method)

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If the investment properties (including the investment properties held by subsidiaries which are accounted for using the equity method) where Level 1 inputs are not available, the Company or engaged valuers would determine appropriate inputs for investment properties which were measured using the income approach by referring to the existing lease contracts and rentals of similar properties in the vicinity. The Company or engaged valuers would determine appropriate inputs for investment properties which were

measured by using a land development analysis approach by considering related policies, macroeconomics, the usage of the land and the investment properties' market conditions. If there are changes of the actual inputs in the future which differ from expectation, the fair value of investment properties held by subsidiaries which are accounted for using the equity method might vary accordingly. The Company updates inputs every quarter to confirm the appropriateness of the fair value measurement.

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

## 6. CASH AND CASH EQUIVALENTS

|                                                                                   | <b>December 31</b>   |                      |
|-----------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                   | <b>2021</b>          | <b>2020</b>          |
| Cash on hand and petty cash                                                       | \$ 6,302             | \$ 6,389             |
| Checking and demand accounts                                                      | 13,782,175           | 17,430,235           |
| Cash equivalents (investments with original maturities of less than three months) |                      |                      |
| Repurchase of commercial paper                                                    | <u>4,099,378</u>     | <u>1,999,687</u>     |
|                                                                                   | <u>\$ 17,887,855</u> | <u>\$ 19,436,311</u> |

As of December 31, 2021 and 2020, the deposits in foreign banks in Japan amounted to \$210,286 thousand (JPY874,370 thousand) and \$151,933 thousand (JPY549,883 thousand), respectively.

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

|                                | <b>December 31</b> |             |
|--------------------------------|--------------------|-------------|
|                                | <b>2021</b>        | <b>2020</b> |
| Repurchase of commercial paper | 0.31%-0.315%       | 0.25%       |

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

|                                                               | <b>December 31</b> |                  |
|---------------------------------------------------------------|--------------------|------------------|
|                                                               | <b>2021</b>        | <b>2020</b>      |
| <u>Financial assets - current</u>                             |                    |                  |
| Financial assets mandatorily classified as at FVTPL           |                    |                  |
| Derivative financial assets (not under hedge accounting)      |                    |                  |
| Forward exchange contracts                                    | <u>\$ 10,163</u>   | <u>\$ -</u>      |
| <u>Financial liabilities - current</u>                        |                    |                  |
| Held for trading                                              |                    |                  |
| Derivative financial liabilities (not under hedge accounting) |                    |                  |
| Forward exchange contracts                                    | <u>\$ -</u>        | <u>\$ 10,619</u> |

### a. Forward exchange contracts

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

As of December 31, 2021 and 2020, the Company had outstanding forward exchange contracts, which were stated as follows:

|                          | Currency | Maturity            | Contract Amount<br>(Thousands) |
|--------------------------|----------|---------------------|--------------------------------|
| <u>December 31, 2021</u> |          |                     |                                |
| Sell                     | USD/NTD  | 2022.1.7-2022.4.1   | USD73,620/NTD2,042,646         |
| Sell                     | EUR/USD  | 2022.1.28-2022.3.31 | EUR9,000/USD10,190             |
| Buy                      | USD/JPY  | 2022.1.25-2022.4.1  | USD6,500/JPY739,823            |
| Buy                      | USD/RMB  | 2022.2.25           | USD3,000/RMB19,188             |
| Sell                     | RMB/NTD  | 2022.1.10-2022.1.20 | RMB16,850/NTD73,368            |
| Sell                     | JPY/NTD  | 2022.1.7-2022.3.4   | JPY1,179,380/NTD287,191        |
| <u>December 31, 2020</u> |          |                     |                                |
| Sell                     | USD/NTD  | 2021.1.6-2021.4.19  | USD69,490/NTD1,960,358         |
| Sell                     | EUR/USD  | 2021.1.29-2021.2.26 | EUR5,000/USD6,027              |
| Buy                      | USD/JPY  | 2021.2.17-2021.3.15 | USD4,000/JPY415,085            |
| Sell                     | JPY/NTD  | 2021.1.11           | JYP80,000/NTD21,931            |

b. Option contracts

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

The Company had no outstanding option contracts as of December 31, 2021 and 2020.

## 8. FINANCIAL ASSETS AT AMORTIZED COST

|                                                              | <u>December 31</u> |            |
|--------------------------------------------------------------|--------------------|------------|
|                                                              | 2021               | 2020       |
| <u>Current</u>                                               |                    |            |
| Time deposits with original maturities of more than 3 months | \$ -               | \$ 300,000 |

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

## 9. NOTES AND ACCOUNTS RECEIVABLE

|                                      | <u>December 31</u>  |                     |
|--------------------------------------|---------------------|---------------------|
|                                      | 2021                | 2020                |
| <u>Notes and accounts receivable</u> |                     |                     |
| At amortized cost                    |                     |                     |
| Gross carrying amount                | \$ 7,808,269        | \$ 5,371,379        |
| Less: Allowance for impairment loss  | (58,996)            | (274,150)           |
|                                      | <u>\$ 7,749,273</u> | <u>\$ 5,097,229</u> |



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

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

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

The following table details the loss allowance of notes and accounts receivables:

December 31, 2021

|                               | <b>1 to 90 Days</b> | <b>91 to 180 Days</b> | <b>181 to 365 Days</b> | <b>Over 365 Days</b> | <b>Total</b>        |
|-------------------------------|---------------------|-----------------------|------------------------|----------------------|---------------------|
| Gross carrying amount         | \$ 6,480,571        | \$ 1,317,130          | \$ 10,568              | \$ -                 | \$ 7,808,269        |
| Loss allowance (Lifetime ECL) | <u>(33,723)</u>     | <u>(23,996)</u>       | <u>(1,277)</u>         | <u>-</u>             | <u>(58,996)</u>     |
| Amortized cost                | <u>\$ 6,446,848</u> | <u>\$ 1,293,134</u>   | <u>\$ 9,291</u>        | <u>\$ -</u>          | <u>\$ 7,749,273</u> |

December 31, 2020

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

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

|                                       | <b>For the Year Ended December 31</b> |                   |
|---------------------------------------|---------------------------------------|-------------------|
|                                       | <b>2021</b>                           | <b>2020</b>       |
| Balance at January 1                  | \$ 274,150                            | \$ 278,535        |
| Less: Amounts written off             | (237,515)                             | (15,924)          |
| Less impairment losses on receivables | <u>22,361</u>                         | <u>11,539</u>     |
| Balance at December 31                | <u>\$ 58,996</u>                      | <u>\$ 274,150</u> |

## 10. INVENTORIES

|                          | December 31         |                     |
|--------------------------|---------------------|---------------------|
|                          | 2021                | 2020                |
| Finished goods           | \$ 1,693,212        | \$ 1,135,254        |
| Work in progress         | 2,325,200           | 1,623,315           |
| Raw materials            | 1,973,905           | 1,051,348           |
| Supplies                 | 388,597             | 244,609             |
| Raw materials in transit | <u>275,239</u>      | <u>226,787</u>      |
|                          | <u>\$ 6,656,153</u> | <u>\$ 4,281,313</u> |

For the years ended December 31, 2021 and 2020, the costs of inventories sold were \$38,592,537 thousand and \$33,478,180 thousand, respectively. The cost of goods sold for the years ended December 31, 2021 and 2020 included inventory write-downs of \$121,694 thousand and \$2,036 thousand, respectively.

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|                             | December 31           |                       |
|-----------------------------|-----------------------|-----------------------|
|                             | 2021                  | 2020                  |
| Investments in subsidiaries | \$ 242,577,462        | \$ 238,461,100        |
| Investments in associates   | <u>31,541,669</u>     | <u>30,931,181</u>     |
|                             | <u>\$ 274,119,131</u> | <u>\$ 269,392,281</u> |

### a. Investments in subsidiaries

|                                              | December 31     |                |                 |                |
|----------------------------------------------|-----------------|----------------|-----------------|----------------|
|                                              | 2021            |                | 2020            |                |
|                                              | Carrying Amount | % of Ownership | Carrying Amount | % of Ownership |
| Unlisted companies                           |                 |                |                 |                |
| Far Eastern Resources Development Co., Ltd.  | \$ 106,789,756  | 100.00         | \$ 106,334,081  | 100.00         |
| Yuan Ding Investment Co., Ltd.               | 43,790,144      | 99.40          | 41,433,997      | 99.40          |
| Far Eastern Investment (Holding) Ltd.        | 28,278,359      | 100.00         | 25,734,569      | 100.00         |
| Far Eastern Construction Co., Ltd.           | 10,420,022      | 65.11          | 9,956,499       | 65.11          |
| Far Eastern Polytex (Holding) Ltd.           | 9,415,124       | 100.00         | 9,647,375       | 100.00         |
| Yuan Tong Investment Co., Ltd.               | 8,871,338       | 100.00         | 8,737,914       | 100.00         |
| Oriental Petrochemical (Taiwan) Corporation  | 7,683,250       | 75.56          | 9,057,496       | 75.56          |
| Far Eastern Polychem Industries Ltd.         | 7,683,110       | 73.04          | 7,739,405       | 73.04          |
| Kai Yuan International Investment Co., Ltd.  | 5,720,430       | 100.00         | 5,582,758       | 100.00         |
| PET Far Eastern (Holding) Ltd.               | 4,056,695       | 91.95          | 4,497,126       | 91.95          |
| Yuan Ding Co., Ltd.                          | 3,201,935       | 37.13          | 3,243,038       | 37.13          |
| Ding Yuan International Investment Co., Ltd. | 3,285,246       | 100.00         | 3,088,477       | 100.00         |

(Continued)

|                                                      | December 31           |                |                       |                |
|------------------------------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                                      | 2021                  |                | 2020                  |                |
|                                                      | Carrying Amount       | % of Ownership | Carrying Amount       | % of Ownership |
| An Ho Garment Co., Ltd.                              | \$ 2,182,745          | 100.00         | \$ 2,109,554          | 100.00         |
| FEDP (Holding) Ltd.                                  | 760,474               | 50.43          | 913,226               | 50.43          |
| Fu Kwok Knitting & Garment Co., Ltd.                 | 254,514               | 100.00         | 211,101               | 100.00         |
| FE Oriental Investment Holding (Singapore) Pte. Ltd. | 161,991               | 100.00         | 165,064               | 100.00         |
| Far Eastern Textile Ltd.                             | 13,345                | 100.00         | 1,720                 | 100.00         |
| Ding Ding Hotel Co., Ltd.                            | <u>8,984</u>          | 0.74           | <u>7,700</u>          | 0.74           |
|                                                      | <u>\$ 242,577,462</u> |                | <u>\$ 238,461,100</u> |                |

(Concluded)

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

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

b. Investments in associates

|                                                      | December 31          |                |                      |                |
|------------------------------------------------------|----------------------|----------------|----------------------|----------------|
|                                                      | 2021                 |                | 2020                 |                |
|                                                      | Carrying Amount      | % of Ownership | Carrying Amount      | % of Ownership |
| <u>Associates that are individually material</u>     |                      |                |                      |                |
| Listed companies                                     |                      |                |                      |                |
| Asia Cement Corporation                              | <u>\$ 19,942,978</u> | 21.17          | <u>\$ 19,555,827</u> | 22.33          |
| <u>Associates that are not individually material</u> |                      |                |                      |                |
| Listed companies                                     |                      |                |                      |                |
| Far Eastern Department Stores Co., Ltd.              | 5,053,729            | 17.06          | 5,078,558            | 17.06          |
| Far Eastern International Bank                       | 1,209,972            | 2.62           | 1,166,486            | 2.62           |
| Oriental Union Chemical Corporation                  | 1,190,073            | 9.17           | 1,095,081            | 9.17           |
| Everest Textile Corporation                          | <u>1,166</u>         | 0.02           | <u>1,180</u>         | 0.03           |
|                                                      | <u>7,454,940</u>     |                | <u>7,341,305</u>     |                |
| Unlisted companies                                   |                      |                |                      |                |
| Oriental Securities Corporation                      | 2,101,272            | 19.65          | 2,024,150            | 19.65          |
| Pacific Liu Tong Investment Co., Ltd.                | <u>2,042,479</u>     | 16.83          | <u>2,009,899</u>     | 16.83          |
|                                                      | <u>4,143,751</u>     |                | <u>4,034,049</u>     |                |
|                                                      | <u>\$ 31,541,669</u> |                | <u>\$ 30,931,181</u> |                |

1) Material associates

| Name of Associate       | Nature of Activities | Principal Place of Business | Proportion of Ownership and Voting Rights |        |
|-------------------------|----------------------|-----------------------------|-------------------------------------------|--------|
|                         |                      |                             | December 31                               |        |
|                         |                      |                             | 2021                                      | 2020   |
| Asia Cement Corporation | Cement production    | Taiwan                      | 21.17%                                    | 22.33% |

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

| Name of Associate       | December 31   |               |
|-------------------------|---------------|---------------|
|                         | 2021          | 2020          |
| Asia Cement Corporation | \$ 33,247,652 | \$ 32,422,089 |

All the associates above are accounted for using equity method.

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

Asia Cement Corporation

|                                                 | December 31                    |                       |
|-------------------------------------------------|--------------------------------|-----------------------|
|                                                 | 2021                           | 2020                  |
| Current assets                                  | \$ 105,955,718                 | \$ 87,023,947         |
| Non-current assets                              | 211,100,351                    | 210,062,908           |
| Current liabilities                             | (71,082,366)                   | (64,027,610)          |
| Non-current liabilities                         | <u>(65,700,817)</u>            | <u>(63,172,293)</u>   |
| Equity                                          | 180,272,886                    | 169,886,952           |
| Non-controlling interests                       | <u>(23,345,963)</u>            | <u>(22,118,393)</u>   |
|                                                 | <u>\$ 156,926,923</u>          | <u>\$ 147,768,559</u> |
| Proportion of the Company's ownership           | 21.17%                         | 22.33%                |
| Equity attributable to the Company              | \$ 33,221,430                  | \$ 32,996,719         |
| Cross shareholdings                             | <u>(13,278,452)</u>            | <u>(13,440,892)</u>   |
| Carrying amount                                 | <u>\$ 19,942,978</u>           | <u>\$ 19,555,827</u>  |
|                                                 | For the Year Ended December 31 |                       |
|                                                 | 2021                           | 2020                  |
| Operating revenue                               | <u>\$ 89,654,713</u>           | <u>\$ 78,240,880</u>  |
| Net income for the year                         | \$ 17,527,770                  | \$ 18,773,807         |
| Other comprehensive (loss) income               | <u>(396,550)</u>               | <u>(1,189,331)</u>    |
| Total comprehensive income for the year         | <u>\$ 17,131,220</u>           | <u>\$ 17,584,476</u>  |
| Dividends received from Asia Cement Corporation | <u>\$ 2,598,899</u>            | <u>\$ 2,251,534</u>   |

2) Aggregate information of associates that are not individually material

|                                         | <b>For the Year Ended December 31</b> |                   |
|-----------------------------------------|---------------------------------------|-------------------|
|                                         | <b>2021</b>                           | <b>2020</b>       |
| The Company's share of:                 |                                       |                   |
| Net income for the year                 | \$ 627,651                            | \$ 481,618        |
| Other comprehensive income (loss)       | <u>20,985</u>                         | <u>(50,171)</u>   |
| Total comprehensive income for the year | <u>\$ 648,636</u>                     | <u>\$ 431,447</u> |

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

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

The calculation of the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the subsidiaries' or associates' audited financial statements as of December 31, 2021 and 2020.

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

|                                     | <b>December 31</b>   |                      |
|-------------------------------------|----------------------|----------------------|
|                                     | <b>2021</b>          | <b>2020</b>          |
| <u>Carrying amounts</u>             |                      |                      |
| Total property, plant and equipment | \$ 22,808,295        | \$ 24,271,372        |
| Prepayments for equipment           | <u>28,102</u>        | <u>21,598</u>        |
|                                     | <u>\$ 22,836,397</u> | <u>\$ 24,292,970</u> |

|                              | <b>Land</b>         | <b>Buildings</b>     | <b>Machinery and Equipment</b> | <b>Operating and Miscellaneous Equipment</b> | <b>Construction-in-progress and Prepayments for Equipment</b> | <b>Total</b>         |
|------------------------------|---------------------|----------------------|--------------------------------|----------------------------------------------|---------------------------------------------------------------|----------------------|
| <u>Cost</u>                  |                     |                      |                                |                                              |                                                               |                      |
| Balance at January 1, 2021   | \$ 7,200,549        | \$ 9,944,041         | \$ 49,988,303                  | \$ 5,874,431                                 | \$ 861,953                                                    | \$ 73,869,277        |
| Additions                    | -                   | -                    | -                              | -                                            | 859,004                                                       | 859,004              |
| Disposals                    | -                   | (4,022)              | (167,992)                      | (215,158)                                    | -                                                             | (387,172)            |
| Reclassification             | -                   | <u>70,523</u>        | <u>657,922</u>                 | <u>239,293</u>                               | <u>(967,738)</u>                                              | -                    |
| Balance at December 31, 2021 | <u>\$ 7,200,549</u> | <u>\$ 10,010,542</u> | <u>\$ 50,478,233</u>           | <u>\$ 5,898,566</u>                          | <u>\$ 753,219</u>                                             | <u>\$ 74,341,109</u> |

(Continued)

|                                                      | Land                | Buildings             | Machinery and Equipment | Operating and Miscellaneous Equipment | Construction-in-progress and Prepayments for Equipment | Total                  |
|------------------------------------------------------|---------------------|-----------------------|-------------------------|---------------------------------------|--------------------------------------------------------|------------------------|
| <u>Accumulated depreciation and impairment</u>       |                     |                       |                         |                                       |                                                        |                        |
| Balance at January 1, 2021                           | \$ -                | \$ (6,179,740)        | \$ (38,389,730)         | \$ (5,006,837)                        | \$ -                                                   | \$ (49,576,307)        |
| Disposals                                            | -                   | 4,022                 | 165,705                 | 215,158                               | -                                                      | 384,885                |
| Impairment loss                                      | -                   | -                     | (170,578)               | -                                     | -                                                      | (170,578)              |
| Depreciation expense                                 | -                   | (225,581)             | (1,531,085)             | (386,046)                             | -                                                      | (2,142,712)            |
| Balance at December 31, 2021                         | <u>\$ -</u>         | <u>\$ (6,401,299)</u> | <u>\$ (39,925,688)</u>  | <u>\$ (5,177,725)</u>                 | <u>\$ -</u>                                            | <u>\$ (51,504,712)</u> |
| Carrying amount at January 1, 2021/December 31, 2020 | <u>\$ 7,200,549</u> | <u>\$ 3,764,301</u>   | <u>\$ 11,598,573</u>    | <u>\$ 867,594</u>                     | <u>\$ 861,953</u>                                      | <u>\$ 24,292,970</u>   |
| Carrying amount at December 31, 2021                 | <u>\$ 7,200,549</u> | <u>\$ 3,609,243</u>   | <u>\$ 10,552,545</u>    | <u>\$ 720,841</u>                     | <u>\$ 753,219</u>                                      | <u>\$ 22,836,397</u>   |
| <u>Cost</u>                                          |                     |                       |                         |                                       |                                                        |                        |
| Balance at January 1, 2020                           | \$ 7,132,040        | \$ 9,538,494          | \$ 48,798,868           | \$ 5,775,192                          | \$ 3,231,486                                           | \$ 74,476,080          |
| Additions                                            | 68,509              | -                     | -                       | -                                     | 1,111,432                                              | 1,179,941              |
| Disposals                                            | -                   | (18,143)              | (1,482,097)             | (286,504)                             | -                                                      | (1,786,744)            |
| Reclassification                                     | -                   | 423,690               | 2,671,532               | 385,743                               | (3,480,965)                                            | -                      |
| Balance at December 31, 2020                         | <u>\$ 7,200,549</u> | <u>\$ 9,944,041</u>   | <u>\$ 49,988,303</u>    | <u>\$ 5,874,431</u>                   | <u>\$ 861,953</u>                                      | <u>\$ 73,869,277</u>   |
| <u>Accumulated depreciation and impairment</u>       |                     |                       |                         |                                       |                                                        |                        |
| Balance at January 1, 2020                           | \$ -                | \$ (5,979,972)        | \$ (38,249,048)         | \$ (4,778,014)                        | \$ -                                                   | \$ (49,007,034)        |
| Disposals                                            | -                   | 18,143                | 1,469,141               | 286,502                               | -                                                      | 1,773,786              |
| Impairment loss                                      | -                   | (1,960)               | (142,757)               | (5,713)                               | -                                                      | (150,430)              |
| Depreciation expense                                 | -                   | (215,951)             | (1,467,066)             | (509,612)                             | -                                                      | (2,192,629)            |
| Balance at December 31, 2020                         | <u>\$ -</u>         | <u>\$ (6,179,740)</u> | <u>\$ (38,389,730)</u>  | <u>\$ (5,006,837)</u>                 | <u>\$ -</u>                                            | <u>\$ (49,576,307)</u> |
| Carrying amount at December 31, 2020                 | <u>\$ 7,200,549</u> | <u>\$ 3,764,301</u>   | <u>\$ 11,598,573</u>    | <u>\$ 867,594</u>                     | <u>\$ 861,953</u>                                      | <u>\$ 24,292,970</u>   |

(Concluded)

The Company expects that there will be no future cash flows of machinery equipment which is utilized by the textile and chemical segments to produce certain products. As a result, the Company recognized the impairment loss amounting to \$170,578 thousand and \$150,430 thousand, respectively, for the years ended December 31, 2021 and 2020. The impairment loss was recognized in the comprehensive income statements under the impairment loss account.

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

|                                       |            |
|---------------------------------------|------------|
| Buildings                             | 3-50 years |
| Machinery and equipment               | 5-20 years |
| Operating and miscellaneous equipment | 3-15 years |

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

As of December 31, 2021, and 2020, farmland was recognized as property, plant and equipment amounting to \$241,797 thousand and \$241,912 thousand, respectively and recognized as investment properties amounting to \$42,182 thousand and \$39,489 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmland belongs to the Company or have pledged the land to the Company.

### 13. LEASE ARRANGEMENTS

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

|                                      | Land              | Buildings           | Machinery and Equipment | Operating and Miscellaneous Equipment | Total               |
|--------------------------------------|-------------------|---------------------|-------------------------|---------------------------------------|---------------------|
| <u>Cost</u>                          |                   |                     |                         |                                       |                     |
| Balance at January 1, 2021           | \$ 113,907        | \$ 1,241,841        | \$ 408                  | \$ 9,131                              | \$ 1,365,287        |
| Increase                             | 2,343             | 37                  | -                       | 1,716                                 | 4,096               |
| Decrease                             | -                 | (10,973)            | -                       | (7,733)                               | (18,706)            |
| Balance at December 31, 2021         | <u>\$ 116,250</u> | <u>\$ 1,230,905</u> | <u>\$ 408</u>           | <u>\$ 3,114</u>                       | <u>\$ 1,350,677</u> |
| <u>Accumulated depreciation</u>      |                   |                     |                         |                                       |                     |
| Balance at January 1, 2021           | \$ 61,265         | \$ 633,389          | \$ 215                  | \$ 6,736                              | \$ 701,605          |
| Depreciation expense                 | 17,122            | 216,010             | 136                     | 2,071                                 | 235,339             |
| Decrease                             | -                 | (10,973)            | -                       | (7,733)                               | (18,706)            |
| Balance at December 31, 2021         | <u>\$ 78,387</u>  | <u>\$ 838,426</u>   | <u>\$ 351</u>           | <u>\$ 1,074</u>                       | <u>\$ 918,238</u>   |
| Carrying amount at December 31, 2021 | <u>\$ 37,863</u>  | <u>\$ 392,479</u>   | <u>\$ 57</u>            | <u>\$ 2,040</u>                       | <u>\$ 432,439</u>   |
| <u>Cost</u>                          |                   |                     |                         |                                       |                     |
| Balance at January 1, 2020           | \$ 115,879        | \$ 1,237,465        | \$ 1,783                | \$ 12,896                             | \$ 1,368,023        |
| Increase                             | 307               | 22,247              | -                       | 602                                   | 23,156              |
| Decrease                             | (2,279)           | (17,871)            | (1,375)                 | (4,367)                               | (25,892)            |
| Balance at December 31, 2020         | <u>\$ 113,907</u> | <u>\$ 1,241,841</u> | <u>\$ 408</u>           | <u>\$ 9,131</u>                       | <u>\$ 1,365,287</u> |
| <u>Accumulated depreciation</u>      |                   |                     |                         |                                       |                     |
| Balance at January 1, 2020           | \$ 46,449         | \$ 422,202          | \$ 1,324                | \$ 7,235                              | \$ 477,210          |
| Depreciation expense                 | 17,095            | 218,250             | 267                     | 3,866                                 | 239,478             |
| Decrease                             | (2,279)           | (7,063)             | (1,376)                 | (4,365)                               | (15,083)            |
| Balance at December 31, 2020         | <u>\$ 61,265</u>  | <u>\$ 633,389</u>   | <u>\$ 215</u>           | <u>\$ 6,736</u>                       | <u>\$ 701,605</u>   |
| Carrying amount at December 31, 2020 | <u>\$ 52,642</u>  | <u>\$ 608,452</u>   | <u>\$ 193</u>           | <u>\$ 2,395</u>                       | <u>\$ 663,682</u>   |

#### b. Lease liabilities

| Item                                  | Summary                  | Lease Term            | Discount Rate | December 31, 2021 |
|---------------------------------------|--------------------------|-----------------------|---------------|-------------------|
| Land                                  | Land for plant           | 2011.06.01-2027.12.31 | 0.92%-1.00%   | \$ 38,624         |
| Buildings                             | Office, factory          | 2016.05.01-2023.12.31 | 1.00%         | 400,331           |
| Machinery and equipment               | Equipment for production | 2019.06.01-2022.05.31 | 1.00%         | 57                |
| Operating and miscellaneous equipment | Corporate vehicle        | 2019.10.31-2026.03.28 | 0.78%-1.04%   | <u>2,051</u>      |
|                                       |                          |                       |               | <u>\$ 441,063</u> |

| Item                                  | Summary                  | Lease Term            | Discount Rate | December 31, 2020 |
|---------------------------------------|--------------------------|-----------------------|---------------|-------------------|
| Land                                  | Land for plant           | 2011.06.01-2027.12.31 | 1.00%         | \$ 53,500         |
| Buildings                             | Office, factory          | 2016.05.01-2023.12.31 | 1.00%         | 617,176           |
| Machinery and equipment               | Equipment for production | 2019.06.01-2022.05.31 | 1.00%         | 194               |
| Operating and miscellaneous equipment | Corporate vehicle        | 2017.03.31-2024.10.30 | 1.00-1.08%    | <u>2,418</u>      |
|                                       |                          |                       |               | <u>\$ 673,288</u> |

| December 31 |      |
|-------------|------|
| 2021        | 2020 |

#### Carrying amounts

|             |                   |                   |
|-------------|-------------------|-------------------|
| Current     | <u>\$ 232,097</u> | <u>\$ 235,201</u> |
| Non-current | <u>\$ 208,966</u> | <u>\$ 438,087</u> |

| For the Year Ended December 31 |      |
|--------------------------------|------|
| 2021                           | 2020 |

|                                         |                 |                 |
|-----------------------------------------|-----------------|-----------------|
| Interest expense from lease liabilities | <u>\$ 5,526</u> | <u>\$ 7,917</u> |
|-----------------------------------------|-----------------|-----------------|

#### c. Material leasing activities and terms

As lessee, the Company leases certain operating and other equipment for use in operations uses with lease terms of 1 to 5 years. These lease arrangements do not contain renewal or purchase options.

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

#### d. Other lease information

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

| For the Year Ended December 31 |      |
|--------------------------------|------|
| 2021                           | 2020 |

|                                             |                     |                     |
|---------------------------------------------|---------------------|---------------------|
| Expenses relating to short-term leases      | <u>\$ 35,477</u>    | <u>\$ 27,135</u>    |
| Expenses relating to low-value asset leases | <u>\$ 21</u>        | <u>\$ 21</u>        |
| Total cash outflow for leases               | <u>\$ (277,177)</u> | <u>\$ (273,230)</u> |

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



#### 14. INVESTMENT PROPERTIES

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

|                                                                                            | <b>Completed<br/>Investment<br/>Properties</b> |
|--------------------------------------------------------------------------------------------|------------------------------------------------|
| Balance at January 1, 2021                                                                 | \$ 1,023,412                                   |
| Recognized in profit (gain arising from the change in fair value of investment properties) | <u>41,713</u>                                  |
| Balance at December 31, 2021                                                               | <u>\$ 1,065,125</u>                            |
| Balance at January 1, 2020                                                                 | \$ 978,404                                     |
| Additions                                                                                  | 5,369                                          |
| Recognized in profit (gain arising from the change in fair value of investment properties) | <u>39,639</u>                                  |
| Balance at December 31, 2020                                                               | <u>\$ 1,023,412</u>                            |

The major investment properties of the Company were as follows:

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

The fair values of investment properties were as follows:

|                       | <b>December 31</b>  |                     |
|-----------------------|---------------------|---------------------|
|                       | <b>2021</b>         | <b>2020</b>         |
| Independent valuation | <u>\$ 1,065,125</u> | <u>\$ 1,023,412</u> |

The fair value of the investment properties as of December 31, 2021 and 2020 was based on the valuations carried out at January 28, 2022 and January 20, 2021, respectively, by independent qualified professional valuers Mr. Chia-ho Tsai from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

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

|                                   | <b>December 31</b>  |                     |
|-----------------------------------|---------------------|---------------------|
|                                   | <b>2021</b>         | <b>2020</b>         |
| Expected future cash inflows      | \$ 1,207,587        | \$ 1,126,505        |
| Expected future cash outflows     | <u>(56,915)</u>     | <u>(51,544)</u>     |
| Expected future cash inflows, net | <u>\$ 1,150,672</u> | <u>\$ 1,074,961</u> |
| Discount rate intervals           | 1.845%              | 1.845%              |

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

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

## 15. OTHER INTANGIBLE ASSETS

|                              | <b>Computer Software</b> | <b>Others</b> | <b>Total</b>     |
|------------------------------|--------------------------|---------------|------------------|
| Balance at January 1, 2021   | \$ 16,280                | \$ -          | \$ 16,280        |
| Additions                    | 8,560                    | -             | 8,560            |
| Amortization                 | <u>(9,229)</u>           | <u>-</u>      | <u>(9,229)</u>   |
| Balance at December 31, 2021 | <u>\$ 15,611</u>         | <u>\$ -</u>   | <u>\$ 15,611</u> |
| Balance at January 1, 2020   | \$ 18,928                | \$ 20         | \$ 18,948        |
| Additions                    | 9,413                    | -             | 9,413            |
| Amortization                 | <u>(12,061)</u>          | <u>(20)</u>   | <u>(12,081)</u>  |
| Balance at December 31, 2020 | <u>\$ 16,280</u>         | <u>\$ -</u>   | <u>\$ 16,280</u> |

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

|                   |           |
|-------------------|-----------|
| Computer software | 3-5 years |
| Others            | 5 years   |

## 16. BORROWINGS

### a. Short-term borrowings

|                   | December 31         |                     |
|-------------------|---------------------|---------------------|
|                   | 2021                | 2020                |
| Bank credit loans | <u>\$ 3,772,868</u> | <u>\$ 3,462,493</u> |
| Interest rate     | 0.67%-0.84%         | 0.72-0.85%          |

### b. Long-term borrowings

|                                                | December 31          |                      |
|------------------------------------------------|----------------------|----------------------|
|                                                | 2021                 | 2020                 |
| Bank loans                                     | <u>\$ 19,540,021</u> | <u>\$ 23,469,556</u> |
| Long-term commercial paper                     | 20,900,000           | 20,000,000           |
| Less: Unamortized discount on commercial paper | <u>22,836</u>        | <u>31,507</u>        |
|                                                | <u>20,877,164</u>    | <u>19,968,493</u>    |
|                                                | <u>\$ 40,417,185</u> | <u>\$ 43,438,049</u> |

The foregoing loans are payable in New Taiwan dollars and U.S. dollars. The loans are repayable by lump sum payment of principal and interest on maturity, by lump sum payment of principal on maturity and monthly payments of interest, and by lump sum payment of principal on maturity and prepayment of interest. Some of the loans are revolving within credit line limitation. The maturity dates of revolving credit loans are based on the maturity dates of the credit line limit contracts. The maturity dates and bank interest rate intervals of the Company's borrowings were as follows:

|                          | December 31               |                             |
|--------------------------|---------------------------|-----------------------------|
|                          | 2021                      | 2020                        |
| Maturity                 | March 2023 -<br>June 2025 | January 2022 -<br>June 2024 |
| Interest rates intervals | 0.658%-1.30%              | 0.68%-1.1943%               |

## 17. BONDS PAYABLE

|                                   | December 31          |                      |
|-----------------------------------|----------------------|----------------------|
|                                   | 2021                 | 2020                 |
| Non-convertible bonds             | \$ 71,200,000        | \$ 65,300,000        |
| Discount of non-convertible bonds | <u>(72,090)</u>      | <u>(71,458)</u>      |
|                                   | 71,127,910           | 65,228,542           |
| Less: Current portion             | <u>9,496,599</u>     | <u>11,297,104</u>    |
|                                   | <u>\$ 61,631,311</u> | <u>\$ 53,931,438</u> |

For details of bonds payable as of December 31, 2021, refer to Statement 9 following the Notes to Financial Statements. The details of bonds payable as of December 31, 2020 which were repaid in 2021 were as follows:

On April 29, 2016, the Company issued five-year unsecured bonds (the first tranche) amounting to \$6,000,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth and fifth years of bond issuance, with a 0.88% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On April 29, 2016, the Company issued five-year unsecured bonds (the first tranche) amounting to \$2,000,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable in lump sum at the 104.8411% of total amount on maturity.

On September 20, 2016, the Company issued five-year unsecured bonds (the second tranche) amounting to \$3,800,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable in lump sum on maturity, with a 0.72% interest rate. The interest is calculated by the simple fix interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

## 18. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

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

### b. Defined benefit plans

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

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

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

|                                             | <b>December 31</b>    |                     |
|---------------------------------------------|-----------------------|---------------------|
|                                             | <b>2021</b>           | <b>2020</b>         |
| Present value of defined benefit obligation | \$ 4,673,515          | \$ 5,035,876        |
| Fair value of plan assets                   | <u>(5,995,863)</u>    | <u>(5,604,577)</u>  |
| Net defined benefit (assets) liabilities    | <u>\$ (1,322,348)</u> | <u>\$ (568,701)</u> |

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

|                                                                       | <b>Present Value<br/>of the Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>the Plan Assets</b> | <b>Net Defined<br/>Benefit (Assets)<br/>Liabilities</b> |
|-----------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------|
| Balance at January 1, 2021                                            | <u>\$ 5,035,876</u>                                                | <u>\$ (5,604,577)</u>                    | <u>\$ (568,701)</u>                                     |
| Service cost                                                          |                                                                    |                                          |                                                         |
| Current service cost                                                  | 36,546                                                             | -                                        | 36,546                                                  |
| Net interest expense (income)                                         | <u>14,420</u>                                                      | <u>(16,814)</u>                          | <u>(2,394)</u>                                          |
| Recognized in profit or loss (Note)                                   | <u>50,966</u>                                                      | <u>(16,814)</u>                          | <u>34,152</u>                                           |
| Remeasurement                                                         |                                                                    |                                          |                                                         |
| Return on plan assets (excluding amounts<br>included in net interest) | -                                                                  | (401,298)                                | (401,298)                                               |
| Actuarial (gain) loss - changes in vital<br>statistics assumptions    | 86,196                                                             | -                                        | 86,196                                                  |
| Actuarial (gain) loss - changes in financial<br>assumptions           | (122,116)                                                          | -                                        | (122,116)                                               |
| Actuarial (gain) loss - experience<br>adjustments                     | <u>103,098</u>                                                     | <u>-</u>                                 | <u>103,098</u>                                          |
| Recognized in other comprehensive income                              | <u>67,178</u>                                                      | <u>(401,298)</u>                         | <u>(334,120)</u>                                        |
| Contributions from the employer                                       | -                                                                  | (302,855)                                | (302,855)                                               |
| Benefits paid                                                         | <u>(480,505)</u>                                                   | <u>329,681</u>                           | <u>(150,824)</u>                                        |
| Balance at December 31, 2021                                          | <u>\$ 4,673,515</u>                                                | <u>\$ (5,995,863)</u>                    | <u>\$ (1,322,348)</u>                                   |
| Balance at January 1, 2020                                            | <u>\$ 5,360,840</u>                                                | <u>\$ (5,778,268)</u>                    | <u>\$ (417,428)</u>                                     |
| Service cost                                                          |                                                                    |                                          |                                                         |
| Current service cost                                                  | 43,366                                                             | -                                        | 43,366                                                  |
| Net interest expense (income)                                         | <u>41,295</u>                                                      | <u>(46,226)</u>                          | <u>(4,931)</u>                                          |
| Recognized in profit or loss (Note)                                   | <u>84,661</u>                                                      | <u>(46,226)</u>                          | <u>38,435</u>                                           |
| Remeasurement                                                         |                                                                    |                                          |                                                         |
| Return on plan assets (excluding amounts<br>included in net interest) | -                                                                  | 139,576                                  | 139,576                                                 |
| Actuarial (gain) loss - changes in financial<br>assumptions           | 161,251                                                            | -                                        | 161,251                                                 |
| Actuarial (gain) loss - experience<br>adjustments                     | <u>(120,455)</u>                                                   | <u>-</u>                                 | <u>(120,455)</u>                                        |
| Recognized in other comprehensive income                              | <u>40,796</u>                                                      | <u>139,576</u>                           | <u>180,372</u>                                          |
| Contributions from the employer                                       | -                                                                  | (281,042)                                | (281,042)                                               |
| Benefits paid                                                         | <u>(450,421)</u>                                                   | <u>361,383</u>                           | <u>(89,038)</u>                                         |
| Balance at December 31, 2020                                          | <u>\$ 5,035,876</u>                                                | <u>\$ (5,604,577)</u>                    | <u>\$ (568,701)</u>                                     |

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

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

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

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

|                                     | <b>December 31</b> |             |
|-------------------------------------|--------------------|-------------|
|                                     | <b>2021</b>        | <b>2020</b> |
| Discount rate(s)                    | 0.70%              | 0.30%       |
| Expected rate(s) of salary increase | 2.00%              | 2.00%       |

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

|                                     | <b>December 31</b>  |                     |
|-------------------------------------|---------------------|---------------------|
|                                     | <b>2021</b>         | <b>2020</b>         |
| Discount rate(s)                    |                     |                     |
| 0.50% increase                      | <u>\$ (145,088)</u> | <u>\$ (161,251)</u> |
| 0.50% decrease                      | <u>\$ 153,528</u>   | <u>\$ 170,932</u>   |
| Expected rate(s) of salary increase |                     |                     |
| 0.50% increase                      | <u>\$ 150,823</u>   | <u>\$ 167,230</u>   |
| 0.50% decrease                      | <u>\$ (144,029)</u> | <u>\$ (159,456)</u> |

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

|                                                          | <b>December 31</b> |                   |
|----------------------------------------------------------|--------------------|-------------------|
|                                                          | <b>2021</b>        | <b>2020</b>       |
| The expected contributions to the plan for the next year | <u>\$ 308,912</u>  | <u>\$ 458,139</u> |
| The average duration of the defined benefit obligation   | 6.4 years          | 6.7 years         |

## 19. EQUITY

### a. Share capital

#### 1) Common stock

|                                                       | <b>December 31</b> |               |
|-------------------------------------------------------|--------------------|---------------|
|                                                       | <b>2021</b>        | <b>2020</b>   |
| Numbers of authorized shares (in thousands)           | 6,000,000          | 6,000,000     |
| Amount of authorized shares                           | \$ 60,000,000      | \$ 60,000,000 |
| Number of issued and fully paid shares (in thousands) | 5,352,875          | 5,352,875     |
| Amount of issued                                      | \$ 53,528,751      | \$ 53,528,751 |

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

#### 2) Global depositary receipt

From 1999, the Company issued global depositary receipts (GDRs), one GDRs unit represents 10 common stock of the Company. The GDRs were traded and listed on the Luxembourg Stock Exchange. As of December 31, 2020, there are 10 thousand units outstanding, which were equal to 95 thousand common stock of the Company.

In order to reduce related management costs, the Company has terminated the issuance of global depositary receipts listed on the Luxembourg Stock Exchange and traded on the London Stock Exchange on April 29, 2021, and was delisted from the Luxembourg Stock Exchange.

### b. Capital surplus

|                                                                                                                                                    | <b>December 31</b> |                |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------|
|                                                                                                                                                    | <b>2021</b>        | <b>2020</b>    |
| <u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>                                          |                    |                |
| The difference between consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition | \$ 2,604,860       | \$ 2,654,932   |
| Treasury shares transactions                                                                                                                       | 17,690             | 16,638         |
| <u>May be used to offset a deficit only (2)</u>                                                                                                    |                    |                |
| Changes in percentage of ownership interests in subsidiaries and associates                                                                        | 627,118            | 495,232        |
| <u>May not be used for any purpose</u>                                                                                                             | <u>153,335</u>     | <u>153,335</u> |
| Changes in equity-method associates' capital surplus                                                                                               | \$ 3,403,003       | \$ 3,320,137   |

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

c. Retained earnings and dividend policy

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

The company issued amended dividend regulation on shareholders' meeting at June 30, 2020, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside current net income plus other items for undistributed retained earnings as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used as the basis for proposing a distribution plan. After adding prior years' unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the distribution of dividends evenly for all shares. When there is a capital increase, the amount of dividends for new shares of that year would be according to the resolution of the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, refer to Note 21, d. "Employees' compensation and remuneration of directors".

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

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

Items referred to under rules issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2020 and 2019 approved in the shareholders' meetings on July 29, 2021 and June 30, 2020, respectively, were as follows:

|                 | <b>Appropriation of Earnings</b> |                      | <b>Dividends Per Share<br/>(NT\$)</b> |                          |
|-----------------|----------------------------------|----------------------|---------------------------------------|--------------------------|
|                 | <b>For Year 2020</b>             | <b>For Year 2019</b> | <b>For Year<br/>2020</b>              | <b>For Year<br/>2019</b> |
| Legal reserve   | \$ 730,754                       | \$ 1,073,267         |                                       |                          |
| Special reserve | 2,109,237                        | 1,836,486            |                                       |                          |
| Cash dividends  | 7,226,382                        | 8,029,313            | \$ 1.35                               | \$ 1.5                   |



The appropriation of earnings for 2021 proposed by the Company's board of directors on March 8, 2022 were as follows:

|                 | <b>Appropriation<br/>of Earnings</b> | <b>Dividends Per<br/>Share (NT\$)</b> |
|-----------------|--------------------------------------|---------------------------------------|
| Legal reserve   | \$ 1,017,807                         |                                       |
| Special reserve | 779,995                              |                                       |
| Cash dividends  | 8,029,313                            | \$ 1.5                                |

The appropriation of earnings for 2021 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 30, 2022.

d. Special reserve

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

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

|                                      | <b>For the Year Ended December 31</b> |                      |
|--------------------------------------|---------------------------------------|----------------------|
|                                      | <b>2021</b>                           | <b>2020</b>          |
| Balance at January 1 and December 31 | <u>\$ 21,552,496</u>                  | <u>\$ 21,552,496</u> |

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

|                                                               | <b>For the Year Ended December 31</b> |                      |
|---------------------------------------------------------------|---------------------------------------|----------------------|
|                                                               | <b>2021</b>                           | <b>2020</b>          |
| Balance at January 1                                          | \$ 92,614,722                         | \$ 90,776,716        |
| Proposed to special surplus reserve                           |                                       |                      |
| Application of the fair value method to investment properties | <u>2,108,536</u>                      | <u>1,838,006</u>     |
| Balance at December 31                                        | <u>\$ 94,723,258</u>                  | <u>\$ 92,614,722</u> |

e. Other equity items

The changes in other equity items are summarized as follow:

|                                                                                       | <b>Exchange<br/>Differences on<br/>Translation of<br/>Foreign<br/>Operations</b> | <b>Unrealized Gain<br/>(Loss) on<br/>Financial Assets<br/>at FVTOCI</b> | <b>Gain (Loss) on<br/>Hedging<br/>Instruments</b> | <b>Gain on<br/>Property<br/>Revaluation</b> | <b>Total</b>       |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------|--------------------|
| Balance at January 1, 2020                                                            | \$ (6,545,706)                                                                   | \$ 2,439,965                                                            | \$ 11,700                                         | \$ 1,004,758                                | \$ (3,089,283)     |
| Share of other comprehensive<br>income (loss) of subsidiaries and<br>associates       | (673,235)                                                                        | (469,545)                                                               | 7,780                                             | 1,288,861                                   | 153,861            |
| Change in subsidiaries and<br>associates accounted for using<br>equity method         | -                                                                                | 21,234                                                                  | -                                                 | -                                           | 21,234             |
| Associate disposed the investment in<br>equity instruments designated as<br>at FVTOCI | -                                                                                | 3,793                                                                   | -                                                 | -                                           | 3,793              |
| 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> |

(Continued)

|                                                                                                   | Exchange<br>Differences on<br>Translation of<br>Foreign<br>Operations | Unrealized Gain<br>(Loss) on<br>Financial Assets<br>at FVTOCI | Gain (Loss) on<br>Hedging<br>Instruments | Gain on<br>Property<br>Revaluation | Total                                |
|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|------------------------------------|--------------------------------------|
| Share of other comprehensive income (loss) of subsidiaries and associates                         | \$ (1,500,584)                                                        | \$ 409,880                                                    | \$ 3,912                                 | \$ 283,063                         | \$ (803,729)                         |
| Change in subsidiaries and associates accounted for using equity method                           | -                                                                     | (103,498)                                                     | -                                        | (1,731)                            | (105,229)                            |
| Subsidiaries and associates disposed the investment in equity instruments designated as at FVTOCI | -                                                                     | (106,043)                                                     | -                                        | -                                  | (106,043)                            |
| Balance at December 31, 2021                                                                      | <u>\$ (8,719,525)</u>                                                 | <u>\$ 2,195,786</u>                                           | <u>\$ 23,392</u>                         | <u>\$ 2,574,951</u>                | <u>\$ (3,925,396)</u><br>(Concluded) |

f. Treasury shares

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

| Name of Subsidiary       | Number of<br>Shares Held<br>(In Thousands) | Carrying<br>Amount | Market Price     |
|--------------------------|--------------------------------------------|--------------------|------------------|
| <u>December 31, 2021</u> |                                            |                    |                  |
| Yuan Ding                | 779                                        | <u>\$ 25,063</u>   | <u>\$ 22,836</u> |
| <u>December 31, 2020</u> |                                            |                    |                  |
| Yuan Ding                | 779                                        | <u>\$ 25,063</u>   | <u>\$ 22,563</u> |

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

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

## 20. REVENUE

|                                       | <u>For the Year Ended December 31</u> |                      |
|---------------------------------------|---------------------------------------|----------------------|
|                                       | <u>2021</u>                           | <u>2020</u>          |
| Revenue from contracts with customers |                                       |                      |
| Net sales                             | <u>\$ 45,527,236</u>                  | <u>\$ 38,768,801</u> |

a. Description of customer contract

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

b. Contract balances

|                                         | December 31,<br>2021 | December 31,<br>2020 | January 1, 2020     |
|-----------------------------------------|----------------------|----------------------|---------------------|
| Notes and accounts receivable (Notes 9) | <u>\$ 7,749,273</u>  | <u>\$ 5,097,229</u>  | <u>\$ 5,323,584</u> |
| Contract liabilities - current          |                      |                      |                     |
| Sale of goods                           | <u>\$ 251,722</u>    | <u>\$ 294,756</u>    | <u>\$ 144,678</u>   |

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

c. Disaggregation of revenue

Refer to Statement 10 for information about disaggregation of revenue.

## 21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

|                                     | <u>For the Year Ended December 31</u> |            |
|-------------------------------------|---------------------------------------|------------|
|                                     | 2021                                  | 2020       |
| Capitalized interests on properties | \$ 5,084                              | \$ 22,755  |
| Capitalization rates                | 0.80%-0.88%                           | 0.88-1.05% |

b. Depreciation and amortization

|                                         | <u>For the Year Ended December 31</u> |                     |
|-----------------------------------------|---------------------------------------|---------------------|
|                                         | 2021                                  | 2020                |
| Property, plant and equipment           | \$ 2,142,712                          | \$ 2,192,629        |
| Right-of-use assets                     | 235,339                               | 239,478             |
| Other Intangible assets                 | <u>9,229</u>                          | <u>12,081</u>       |
|                                         | <u>\$ 2,387,280</u>                   | <u>\$ 2,444,188</u> |
| An analysis of deprecation by function  |                                       |                     |
| Operating costs                         | \$ 1,999,485                          | \$ 2,019,262        |
| Operating expenses                      | 312,063                               | 337,738             |
| Other expense                           | <u>66,503</u>                         | <u>75,107</u>       |
|                                         | <u>\$ 2,378,051</u>                   | <u>\$ 2,432,107</u> |
| An analysis of amortization by function |                                       |                     |
| Operating costs                         | \$ 2,165                              | \$ 5,270            |
| Operating expenses                      | <u>7,064</u>                          | <u>6,811</u>        |
|                                         | <u>\$ 9,229</u>                       | <u>\$ 12,081</u>    |

c. Employee benefits expense

|                              | <b>For the Year Ended December 31, 2021</b> |                           |                     |
|------------------------------|---------------------------------------------|---------------------------|---------------------|
|                              | <b>Operating Costs</b>                      | <b>Operating Expenses</b> | <b>Total</b>        |
| Short-term employee benefits | \$ 3,376,925                                | \$ 2,248,655              | \$ 5,625,580        |
| Post-employment benefits     |                                             |                           |                     |
| Defined contribution plans   | 80,011                                      | 62,962                    | 142,973             |
| Defined benefit plans        | <u>21,374</u>                               | <u>12,778</u>             | <u>34,152</u>       |
|                              | <u>101,385</u>                              | <u>75,740</u>             | <u>177,125</u>      |
|                              | <u>\$ 3,478,310</u>                         | <u>\$ 2,324,395</u>       | <u>\$ 5,802,705</u> |
|                              | <b>For the Year Ended December 31, 2020</b> |                           |                     |
|                              | <b>Operating Costs</b>                      | <b>Operating Expenses</b> | <b>Total</b>        |
| Short-term employee benefits | \$ 3,256,955                                | \$ 1,837,649              | \$ 5,094,604        |
| Post-employment benefits     |                                             |                           |                     |
| Defined contribution plans   | 79,492                                      | 52,762                    | 132,254             |
| Defined benefit plans        | <u>24,570</u>                               | <u>13,865</u>             | <u>38,435</u>       |
|                              | <u>104,062</u>                              | <u>66,627</u>             | <u>170,689</u>      |
|                              | <u>\$ 3,361,017</u>                         | <u>\$ 1,904,276</u>       | <u>\$ 5,265,293</u> |

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, 2021 and 2020, which were approved by the Company's board of directors on March 8, 2022 and March 24, 2021, respectively, are as follows:

Accrual rate

|                           | <b>For the Year Ended December 31</b> |             |
|---------------------------|---------------------------------------|-------------|
|                           | <b>2021</b>                           | <b>2020</b> |
| Employees' compensation   | 3.30%                                 | 2.79%       |
| Remuneration of directors | 1.73%                                 | 1.76%       |

Amount

|                           | <b>For the Year Ended December 31</b> |             |
|---------------------------|---------------------------------------|-------------|
|                           | <b>2021</b>                           | <b>2020</b> |
| Employees' compensation   | \$ 345,347                            | \$ 230,231  |
| Remuneration of directors | 180,847                               | 145,673     |

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

There was no difference between the actual appropriated amounts of employees' compensation and remuneration of directors and the amounts recognized in the financial statements for the years ended December 31, 2020 and 2019. The employees' compensation were distributed in cash by the Company.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

### a. Major components of tax (expense)/benefits recognized in profit or loss

|                                                            | <b>For the Year Ended December 31</b> |                   |
|------------------------------------------------------------|---------------------------------------|-------------------|
|                                                            | <b>2021</b>                           | <b>2020</b>       |
| Current tax                                                |                                       |                   |
| In respect of the current year                             | \$ -                                  | \$ -              |
| Adjustments for prior year                                 | <u>18,669</u>                         | <u>4,475</u>      |
|                                                            | <u>18,669</u>                         | <u>4,475</u>      |
| Deferred tax                                               |                                       |                   |
| In respect of the current period                           | <u>(277,839)</u>                      | <u>173,622</u>    |
| Income tax (expense)/benefits recognized in profit or loss | <u>\$ (259,170)</u>                   | <u>\$ 178,097</u> |

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

|                                                            | <b>For the Year Ended December 31</b> |                     |
|------------------------------------------------------------|---------------------------------------|---------------------|
|                                                            | <b>2021</b>                           | <b>2020</b>         |
| Profit before tax from continuing operations               | <u>\$ 9,943,754</u>                   | <u>\$ 7,884,602</u> |
| Income tax expense at the statutory rate (20%)             | \$ 1,988,751                          | \$ 1,576,920        |
| Adjustment items effect on income tax                      | <u>(1,988,751)</u>                    | <u>(1,576,920)</u>  |
| Current income tax                                         | -                                     | -                   |
| Deferred income tax                                        | (277,839)                             | 173,622             |
| Adjustments for prior years                                | <u>18,669</u>                         | <u>4,475</u>        |
| Income tax (expense)/benefits recognized in profit or loss | <u>\$ (259,170)</u>                   | <u>\$ 178,097</u>   |

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

|                                       | <b>For the Year Ended December 31</b> |                  |
|---------------------------------------|---------------------------------------|------------------|
|                                       | <b>2021</b>                           | <b>2020</b>      |
| <u>Deferred tax</u>                   |                                       |                  |
| In respect of the current year        |                                       |                  |
| Remeasurement on defined benefit plan | <u>\$ (66,824)</u>                    | <u>\$ 36,074</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, 2021

|                                                | Opening<br>Balance  | Recognized in<br>Profit or Loss | Recognized in<br>Other<br>Comprehensive<br>Income | Closing Balance     |
|------------------------------------------------|---------------------|---------------------------------|---------------------------------------------------|---------------------|
| <u>Deferred tax assets</u>                     |                     |                                 |                                                   |                     |
| Allowance for doubtful accounts                | \$ 5,698            | \$ (4,640)                      | \$ -                                              | \$ 1,058            |
| Inventory write-downs                          | 9,056               | (6,796)                         | -                                                 | 2,260               |
| Impairment loss                                | 41,811              | (33,774)                        | -                                                 | 8,037               |
| Others                                         | <u>6,788</u>        | <u>(5,505)</u>                  | <u>-</u>                                          | <u>1,283</u>        |
|                                                | <u>\$ 63,353</u>    | <u>\$ (50,715)</u>              | <u>\$ -</u>                                       | <u>\$ 12,638</u>    |
| <u>Deferred tax liabilities</u>                |                     |                                 |                                                   |                     |
| Share of profit of subsidiaries and associates | \$ 350,329          | \$ 102,619                      | \$ -                                              | \$ 452,948          |
| Provision of land value incremental tax        | 1,588,438           | 1,993                           | -                                                 | 1,590,431           |
| Others                                         | <u>248,657</u>      | <u>122,512</u>                  | <u>66,824</u>                                     | <u>437,993</u>      |
|                                                | <u>\$ 2,187,424</u> | <u>\$ 227,124</u>               | <u>\$ 66,824</u>                                  | <u>\$ 2,481,372</u> |

For the year ended December 31, 2020

|                                                | Opening<br>Balance  | Recognized in<br>Profit or Loss | Recognized in<br>Other<br>Comprehensive<br>Income | Closing Balance     |
|------------------------------------------------|---------------------|---------------------------------|---------------------------------------------------|---------------------|
| <u>Deferred tax assets</u>                     |                     |                                 |                                                   |                     |
| Allowance for doubtful accounts                | \$ 4,577            | \$ 1,121                        | \$ -                                              | \$ 5,698            |
| Inventory write-downs                          | 7,077               | 1,979                           | -                                                 | 9,056               |
| Impairment loss                                | 31,109              | 10,702                          | -                                                 | 41,811              |
| Others                                         | <u>5,307</u>        | <u>1,481</u>                    | <u>-</u>                                          | <u>6,788</u>        |
|                                                | <u>\$ 48,070</u>    | <u>\$ 15,283</u>                | <u>\$ -</u>                                       | <u>\$ 63,353</u>    |
| <u>Deferred tax liabilities</u>                |                     |                                 |                                                   |                     |
| Share of profit of subsidiaries and associates | \$ 587,570          | \$ (237,241)                    | \$ -                                              | \$ 350,329          |
| Provision of land value incremental tax        | 1,584,791           | 3,647                           | -                                                 | 1,588,438           |
| Others                                         | <u>209,476</u>      | <u>75,255</u>                   | <u>(36,074)</u>                                   | <u>248,657</u>      |
|                                                | <u>\$ 2,381,837</u> | <u>\$ (158,339)</u>             | <u>\$ (36,074)</u>                                | <u>\$ 2,187,424</u> |

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

|                                  | <b>December 31</b>  |                     |
|----------------------------------|---------------------|---------------------|
|                                  | <b>2021</b>         | <b>2020</b>         |
| Deductible temporary differences | <u>\$ 3,226,101</u> | <u>\$ 2,521,263</u> |

- e. Income tax assessments

The tax returns through 2019 have been assessed by the tax authorities.

## 23. EARNINGS PER SHARE

Unit: NT\$ Per Share

|                            | <b>For the Year Ended December 31</b> |                |
|----------------------------|---------------------------------------|----------------|
|                            | <b>2021</b>                           | <b>2020</b>    |
| Basic earnings per share   | <u>\$ 1.94</u>                        | <u>\$ 1.62</u> |
| Diluted earnings per share | <u>\$ 1.94</u>                        | <u>\$ 1.61</u> |

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

### Net Income for the Year

|                         | <b>For the Year Ended December 31</b> |                     |
|-------------------------|---------------------------------------|---------------------|
|                         | <b>2021</b>                           | <b>2020</b>         |
| Net income for the year | <u>\$ 9,684,584</u>                   | <u>\$ 8,062,699</u> |

### Weighted Average Number of Ordinary Shares Outstanding

Unit: In Thousand Shares

|                                                                                               | <b>For the Year Ended December 31</b> |                  |
|-----------------------------------------------------------------------------------------------|---------------------------------------|------------------|
|                                                                                               | <b>2021</b>                           | <b>2020</b>      |
| Weighted average number of common stock used in the computation of basic earnings per share   | 4,986,743                             | 4,984,665        |
| Effect of potentially dilutive common stock Employees' compensation                           | <u>13,868</u>                         | <u>14,106</u>    |
| Weighted average number of common stock used in the computation of diluted earnings per share | <u>5,000,611</u>                      | <u>4,998,771</u> |

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

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

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the years ended December 31, 2021 and 2020, the Company's basic EPS was NT\$1.81 and NT\$1.51, respectively.

## 24. CAPITAL MANAGEMENT

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

## 25. FINANCIAL INSTRUMENTS

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

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

|                              | December 31          |                      |                      |                      |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
|                              | 2021                 |                      | 2020                 |                      |
|                              | Carrying Amount      | Fair Value           | Carrying Amount      | Fair Value           |
| <u>Financial liabilities</u> |                      |                      |                      |                      |
| Bonds payable                | <u>\$ 71,127,910</u> | <u>\$ 71,468,974</u> | <u>\$ 65,228,542</u> | <u>\$ 65,622,061</u> |

#### 2) Fair value hierarchy

##### December 31, 2021

|                              | Level 1              | Level 2     | Level 3     | Total                |
|------------------------------|----------------------|-------------|-------------|----------------------|
| <u>Financial liabilities</u> |                      |             |             |                      |
| Bonds payable                | <u>\$ 71,468,974</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 71,468,974</u> |

##### December 31, 2020

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



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

1) Fair value hierarchy

December 31, 2021

|                                | Level 1     | Level 2     | Level 3          | Total            |
|--------------------------------|-------------|-------------|------------------|------------------|
| Financial liabilities at FVTPL |             |             |                  |                  |
| Forward exchange contracts     | \$ <u>-</u> | \$ <u>-</u> | \$ <u>10,163</u> | \$ <u>10,163</u> |

December 31, 2020

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

There were no transfers between Levels 1 and 2 for the years ended December 31, 2021 and 2020.

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

For the year ended 2021

|                              | Financial Liabilities at Fair Value Through Profit or Loss |
|------------------------------|------------------------------------------------------------|
| Balance at January 1, 2021   | \$ (10,619)                                                |
| Recognized in profit or loss | 71,185                                                     |
| Settlements                  | <u>(50,403)</u>                                            |
| Balance at December 31, 2021 | \$ <u>10,163</u>                                           |

For the year ended 2020

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

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

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

c. Categories of financial instruments

|                                                           | <u>December 31</u> |             |
|-----------------------------------------------------------|--------------------|-------------|
|                                                           | <u>2021</u>        | <u>2020</u> |
| <u>Financial assets</u>                                   |                    |             |
| Financial assets at FVTPL                                 | \$ 10,163          | \$ -        |
| Financial assets at amortized cost (Note 1)               | 26,063,473         | 25,855,465  |
| <u>Financial liabilities</u>                              |                    |             |
| Financial liabilities at FVTPL                            | -                  | 10,619      |
| Financial liabilities measured at amortized cost (Note 2) | 123,428,361        | 118,443,747 |

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

The Company's significant foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period were detailed in Note 31.

Sensitivity analysis

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

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

|                             | <b>December 31</b> |             |
|-----------------------------|--------------------|-------------|
|                             | <b>2021</b>        | <b>2020</b> |
| 5% change in profit or loss |                    |             |
| USD                         | \$ (136,346)       | \$ (83,617) |

b) Interest rate risk

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

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

|                               | <b>December 31</b> |              |
|-------------------------------|--------------------|--------------|
|                               | <b>2021</b>        | <b>2020</b>  |
| Fair value interest rate risk |                    |              |
| Financial assets              | \$ 4,156,020       | \$ 2,371,030 |
| Financial liabilities         | 105,056,158        | 99,139,879   |
| Cash flow interest rate risk  |                    |              |
| Financial assets              | 2,661,150          | 4,115,493    |
| Financial liabilities         | 10,702,868         | 13,662,493   |

### Sensitivity analysis

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

If interest rate had been 0.25% higher/lower and all other variables were held constant, the fair value of the Company's financial assets with fixed interest rates would have decreased/increased by \$10,364 thousand and \$5,913 thousand, respectively, and the cash flows on the Company's financial assets with floating interest rates would have increased/decreased by \$6,653 thousand and \$10,289 thousand, respectively.

If interest rate had been 0.25% higher/lower and all other variables were held constant, the fair value of the Company's financial liabilities with fixed interest rates would have decreased/increased by \$261,985 thousand and \$247,232 thousand, respectively, and the cash flows on the Company's financial liabilities with floating interest rates would have decreased/increased by \$26,757 thousand and \$34,156 thousand, respectively.

#### 2) Credit risk

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

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

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

#### 3) Liquidity risk

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

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

|                          | 1-2 Years            | 2-3 Years            | 3-5 Years            | Total                 |
|--------------------------|----------------------|----------------------|----------------------|-----------------------|
| <u>December 31, 2021</u> |                      |                      |                      |                       |
| Long-term borrowings     | \$ 24,730,338        | \$ 5,997,388         | \$ 9,689,459         | \$ 40,417,185         |
| Bonds payable            | <u>10,000,000</u>    | <u>14,000,000</u>    | <u>37,700,000</u>    | <u>61,700,000</u>     |
|                          | <u>\$ 34,730,338</u> | <u>\$ 19,997,388</u> | <u>\$ 47,389,459</u> | <u>\$ 102,117,185</u> |
| <u>December 31, 2020</u> |                      |                      |                      |                       |
| Long-term borrowings     | \$ 10,208,049        | \$ 13,260,000        | \$ 19,970,000        | \$ 43,438,049         |
| Bonds payable            | <u>9,500,000</u>     | <u>10,000,000</u>    | <u>34,500,000</u>    | <u>54,000,000</u>     |
|                          | <u>\$ 19,708,049</u> | <u>\$ 23,260,000</u> | <u>\$ 54,470,000</u> | <u>\$ 97,438,049</u>  |

Additional information about the maturity analysis for lease liabilities

|                          | 1-2 Years         | 2-3 Years         | 3-5 Years       | 5-10 Years      |
|--------------------------|-------------------|-------------------|-----------------|-----------------|
| <u>December 31, 2021</u> |                   |                   |                 |                 |
| Lease liabilities        | <u>\$ 203,916</u> | <u>\$ 2,339</u>   | <u>\$ 2,585</u> | <u>\$ 1,157</u> |
| <u>December 31, 2020</u> |                   |                   |                 |                 |
| Lease liabilities        | <u>\$ 234,009</u> | <u>\$ 202,755</u> | <u>\$ 3,196</u> | <u>\$ 2,315</u> |

## 26. RELATED-PARTY TRANSACTIONS

The Company had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2021 and 2020 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 1, 2 and 3.

## 27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

|                                                   | <u>December 31</u>  |                     |
|---------------------------------------------------|---------------------|---------------------|
|                                                   | 2021                | 2020                |
| Other financial assets - non-current              |                     |                     |
| Pledged time deposits                             | \$ 56,642           | \$ 71,343           |
| Investments accounted for using the equity method | 528,793             | 518,528             |
| Property, plant and equipment                     | 5,774,127           | 5,915,090           |
| Investment properties                             | <u>956,518</u>      | <u>890,373</u>      |
|                                                   | <u>\$ 7,316,080</u> | <u>\$ 7,395,334</u> |

## 28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Company as of December 31, 2021 and 2020:

- a. Issued unused letters of credit aggregated at approximately \$938,511 thousand and \$153,895 thousand, respectively.
- b. Unpaid construction contracts and property, plant and equipment amounting to \$53,566 thousand and \$40,639 thousand, respectively.
- c. Undelivered cotton contracts which were unable to be canceled amounting to \$105,896 thousand and \$87,106 thousand, respectively.
- d. Endorsements and guarantees provided to related parties are shown in Table 5 (attached).

## 29. OTHER ITEMS

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

## 30. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. On March 8, 2022, the Company's board of directors approved to issue unsecured bonds with term of less than ten years and amount of less than \$8,000,000 thousand (or equivalent value in foreign currency) at a unit face value of \$1,000 thousand (face value in foreign currency will be decided by the board of directors); the bonds will be issued one time or multiple times depending on the market condition.
- b. On March 8, 2022, the Company's board of directors approved to participate in Oriental Petrochemicals (Taiwan) Corporation (OPTC)'s issuance of new shares by cash and acquire 226,674 thousand shares for \$2,266,744 thousand.

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

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

December 31, 2021

|                         | Foreign<br>Currencies<br>(In Thousands) | Exchange Rate | Carrying<br>Amount (NT\$) |
|-------------------------|-----------------------------------------|---------------|---------------------------|
| <u>Financial assets</u> |                                         |               |                           |
| Monetary items          |                                         |               |                           |
| USD                     | \$ 245,494                              | 27.68         | \$ 6,795,274              |
|                         |                                         |               | (Continued)               |

|                              | <b>Foreign<br/>Currencies<br/>(In Thousands)</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount (NT\$)</b> |
|------------------------------|--------------------------------------------------|----------------------|-----------------------------------|
| <u>Financial liabilities</u> |                                                  |                      |                                   |
| Monetary items               |                                                  |                      |                                   |
| USD                          | \$ 146,978                                       | 27.68                | \$ 4,068,351<br>(Concluded)       |

December 31, 2020

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

### 32. ADDITIONAL DISCLOSURES

a. Information about significant transactions and b. investees

- 1) Financing provided to others: Table 4 (attached)
- 2) Endorsements/guarantees provided: Table 5 (attached)
- 3) Marketable securities held: Table 6 (attached)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 7 (attached)
- 5) Acquisitions of individual real states at costs of at least NT\$300 million or 20% of the paid-in capital: Table 8 (attached)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: Table 9 (attached)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 10 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 11 (attached)
- 9) Trading in derivative instruments: Note 7
- 10) 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 2, 3, 4, 5, 7, 10 and 11
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as rendering or receipt services.
- d. Information on major shareholders: Shareholders' name holding amounts and ratio whose holding ratio exceed 5%: Table 14



**TABLE 1****FAR EASTERN NEW CENTURY CORPORATION****RELATED PARTY NAMES AND CATEGORIES  
DECEMBER 31, 2021**

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

(Continued)

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

(Concluded)

**TABLE 2****FAR EASTERN NEW CENTURY CORPORATION****RELATED-PARTY TRANSACTIONS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)**

|                                                 | <b>For the Year Ended December 31</b> |                      |
|-------------------------------------------------|---------------------------------------|----------------------|
|                                                 | <b>2021</b>                           | <b>2020</b>          |
| Sales                                           |                                       |                      |
| Subsidiaries                                    | \$ 6,944,956                          | \$ 5,207,962         |
| Associates                                      | 255,432                               | 168,397              |
| Other related parties                           | <u>510,015</u>                        | <u>401,370</u>       |
|                                                 | <u>\$ 7,710,403</u>                   | <u>\$ 5,777,729</u>  |
| Operating cost and expense                      |                                       |                      |
| Purchase                                        |                                       |                      |
| Subsidiaries                                    |                                       |                      |
| Oriental Petrochemical (Taiwan) Corporation     | \$ 13,844,409                         | \$ 9,756,113         |
| Other subsidiaries                              | 1,944,101                             | 1,420,112            |
| Associates                                      | 1,562,886                             | 935,862              |
| Other related parties                           | <u>250,382</u>                        | <u>215,164</u>       |
|                                                 | <u>\$ 17,601,778</u>                  | <u>\$ 12,327,251</u> |
| Contract fees                                   |                                       |                      |
| Subsidiaries                                    | \$ 54,019                             | \$ 31,671            |
| Other related parties                           | <u>263,878</u>                        | <u>255,854</u>       |
|                                                 | <u>\$ 317,897</u>                     | <u>\$ 287,525</u>    |
| Computer processing expense                     |                                       |                      |
| Subsidiaries                                    | \$ 2,588                              | \$ 2,009             |
| Other related parties                           | <u>116,382</u>                        | <u>106,462</u>       |
|                                                 | <u>\$ 118,970</u>                     | <u>\$ 108,471</u>    |
| Non-operating expenses                          |                                       |                      |
| Other expenses - endorsement/guarantee expenses |                                       |                      |
| Subsidiary                                      | <u>\$ 320</u>                         | <u>\$ 6,745</u>      |

(Continued)

Lease arrangements - Company is lessee

|                       | <b>December 31</b> |                   |
|-----------------------|--------------------|-------------------|
|                       | <b>2021</b>        | <b>2020</b>       |
| Lease liabilities     |                    |                   |
| Subsidiaries          |                    |                   |
| Yuan Ding Co., Ltd.   | \$ 243,646         | \$ 374,440        |
| Others                | 75,558             | 114,384           |
| Associates            | 86,515             | 130,831           |
| Other related parties | <u>21,187</u>      | <u>32,649</u>     |
|                       | <u>\$ 426,906</u>  | <u>\$ 652,304</u> |

There is no lease payable of finance lease to related parties on December 31, 2021 and 2020.

|                       | <b>For the Year Ended December 31</b> |                  |
|-----------------------|---------------------------------------|------------------|
|                       | <b>2021</b>                           | <b>2020</b>      |
| Interest expense      |                                       |                  |
| Subsidiaries          | \$ 3,985                              | \$ 5,730         |
| Associates            | 1,088                                 | 1,531            |
| Other related parties | <u>272</u>                            | <u>399</u>       |
|                       | <u>\$ 5,345</u>                       | <u>\$ 7,660</u>  |
| Rent expense          |                                       |                  |
| Subsidiaries          | \$ 31,655                             | \$ 22,667        |
| Other related parties | <u>5,243</u>                          | <u>4,822</u>     |
|                       | <u>\$ 36,898</u>                      | <u>\$ 27,489</u> |

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

Lease arrangement - Company is lessor

|                            | <b>December 31</b> |                  |
|----------------------------|--------------------|------------------|
|                            | <b>2021</b>        | <b>2020</b>      |
| Operating lease receivable |                    |                  |
| Subsidiaries               | \$ 1,032           | \$ 1,286         |
| Other related parties      | <u>201</u>         | <u>449</u>       |
|                            | <u>\$ 1,233</u>    | <u>\$ 1,735</u>  |
| Future lease receivable    |                    |                  |
| Subsidiaries               | \$ 3,578           | \$ 11,064        |
| Other related parties      | <u>5,441</u>       | <u>5,402</u>     |
|                            | <u>\$ 9,019</u>    | <u>\$ 16,466</u> |

(Continued)

|                       | <b><u>For the Year Ended December 31</u></b> |                  |
|-----------------------|----------------------------------------------|------------------|
|                       | <b>2021</b>                                  | <b>2020</b>      |
| Rent revenue          |                                              |                  |
| Subsidiaries          | \$ 7,981                                     | \$ 8,130         |
| Other related parties | <u>6,466</u>                                 | <u>5,399</u>     |
|                       | <u>\$ 14,447</u>                             | <u>\$ 13,529</u> |

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

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

Compensation of key management personnel:

|                              | <b><u>For the Year Ended December 31</u></b> |                   |
|------------------------------|----------------------------------------------|-------------------|
|                              | <b>2021</b>                                  | <b>2020</b>       |
| Short-term employee benefits | \$ 339,879                                   | \$ 286,007        |
| Post-employment benefits     | <u>1,141</u>                                 | <u>1,154</u>      |
|                              | <u>\$ 341,020</u>                            | <u>\$ 287,161</u> |

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

(Concluded)

**TABLE 3****FAR EASTERN NEW CENTURY CORPORATION****RELATED-PARTY TRANSACTIONS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)**

|                                                      | <b>December 31</b>  |                     |
|------------------------------------------------------|---------------------|---------------------|
|                                                      | <b>2021</b>         | <b>2020</b>         |
| Notes and accounts receivable                        |                     |                     |
| Subsidiaries                                         |                     |                     |
| WWPI                                                 | \$ 1,731,885        | \$ 811,846          |
| Other subsidiaries                                   | 589,799             | 427,901             |
| Associates                                           | 30,669              | 27,754              |
| Other related parties                                | <u>69,059</u>       | <u>123,712</u>      |
|                                                      | <u>\$ 2,421,412</u> | <u>\$ 1,391,213</u> |
| Refundable deposits                                  |                     |                     |
| Subsidiaries                                         |                     |                     |
| Yuan Ding Co., Ltd.                                  | \$ 33,251           | \$ 33,251           |
| Other subsidiaries                                   | 3,585               | 3,585               |
| Associates                                           | 5,406               | 5,406               |
| Other related parties                                |                     |                     |
| Da Ju Fiber Co., Ltd.                                | <u>8,000</u>        | <u>8,000</u>        |
|                                                      | <u>\$ 50,242</u>    | <u>\$ 50,242</u>    |
| Notes and accounts payable to related parties        |                     |                     |
| Subsidiaries                                         |                     |                     |
| Oriental Petrochemical (Taiwan) Corporation          | \$ 876,872          | \$ 495,955          |
| Other subsidiaries                                   | 347,626             | 151,288             |
| Associates                                           | 103,155             | 84,844              |
| Other related parties                                | <u>8,072</u>        | <u>11,818</u>       |
|                                                      | <u>\$ 1,335,725</u> | <u>\$ 743,905</u>   |
| Deferred credit - gain on related-party transactions |                     |                     |
| Sale of securities                                   |                     |                     |
| Subsidiaries                                         |                     |                     |
| Yuan Ding Investment Co., Ltd. (Note a)              | \$ 30,256           | \$ 30,256           |
| Others subsidiary (Note b)                           | 2,567               | 2,653               |
| Other related parties (Note c)                       | 2,579               | 2,579               |
| Disposal of property, plant and equipment (Note d)   |                     |                     |
| Subsidiary                                           |                     |                     |
| Far Eastern Polytex (Vietnam) Ltd.                   | <u>10,023</u>       | <u>10,857</u>       |
|                                                      | <u>\$ 45,425</u>    | <u>\$ 46,345</u>    |

(Continued)

### Bank deposits

|                                | <b>December 31</b> |                     |
|--------------------------------|--------------------|---------------------|
|                                | <b>2021</b>        | <b>2020</b>         |
| Far Eastern International Bank | <u>\$ 800,183</u>  | <u>\$ 3,755,437</u> |

The Company had bank deposits and time deposits in Far Eastern International Bank. The interest income was \$5,101 thousand and \$5,660 thousand for the years ended December 31, 2021 and 2020, respectively.

### Financial assets (liabilities) at FVTPL - current

|                                | <b>December 31</b> |                   |
|--------------------------------|--------------------|-------------------|
|                                | <b>2021</b>        | <b>2020</b>       |
| Far Eastern International Bank | <u>\$ 1,947</u>    | <u>\$ (4,290)</u> |

The Company signed forward exchange contracts and combined foreign exchange options with Far Eastern International Bank. The (loss) gain of financial (liabilities) assets at FVTPL was \$34,868 thousand and \$(46,663) thousand for the years ended December 31, 2021 and 2020, respectively.

### Financing to related parties

Loans to related parties:

|              | <b>December 31</b>          |                                |                             |                                |
|--------------|-----------------------------|--------------------------------|-----------------------------|--------------------------------|
|              | <b>2021</b>                 |                                | <b>2020</b>                 |                                |
|              | <b>Other<br/>Receivable</b> | <b>Interest<br/>Receivable</b> | <b>Other<br/>Receivable</b> | <b>Interest<br/>Receivable</b> |
| Subsidiaries | <u>\$ -</u>                 | <u>\$ -</u>                    | <u>\$ 660,000</u>           | <u>\$ 88</u>                   |

The interest income from loans to subsidiaries was \$2,062 thousand and \$88 thousand for the years ended December 31, 2021 and 2020, respectively.

The interest expense from loans from associate was and \$127 thousand for the years ended December 31, 2020.

In 2021 and 2020, the Company bought machinery and construction from subsidiaries for \$23,383 thousand and \$40,456 thousand, respectively. As of December 31, 2021 and 2020, the payables on these purchases had been paid.

In 2021 and 2020, the Company bought machinery, software equipment and construction from other related party for \$1,501 thousand and \$6,815 thousand. As of December 31, 2021 and 2020, the payables on these purchases had been paid.

In 2021, the Company sold machinery and equipment to subsidiaries Oriental Resources Development Co., Ltd. and Far Eastern Ishizuka Green Pet Corporation for \$184 thousand and \$2,245 thousand, respectively. And the Company recognized gain on disposal of machinery and equipment of \$4 thousand and \$138 thousand, respectively.

(Continued)

In 2021, the Company participated in the issuance of common stock for cash of subsidiaries, Ding Ding Hotel Co., Ltd. and Far Eastern Textile Ltd.; the investment amounted to \$7,391 thousand and \$12,000 thousand after the acquisition of the new shares; the Company's ownership in Ding Ding Hotel Co., Ltd. and Far Eastern Textile Ltd. was 0.74% and 100%, respectively.

In 2021 and 2020, the Company invested in 100%-owned foreign subsidiary, Far Eastern Investment (Holding) Ltd.; the amounts were \$1,955,422 thousand (or US\$70,000 thousand) and \$961,014 thousand (or US\$32,000 thousand), respectively.

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

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

Note:

- a. In 1994, the Company sold the following shares to Yuan Ding Investment Corporation and recognized deferred incomes on these sales: Yu Yuan Investment Co., Ltd.'s shares for \$30,256 thousand.
- b. The deferred income was made by selling the shares of New Century InfoComm Tech Corporation to Yuan Cing Infocomm Tech Co., Ltd. in 2010 (dissolved on its merger with Far Eastone Telecommunication Co., Ltd. on March 1, 2011). The amortization is according to the difference of New Century InfoComm Tech Corporation's net assets between fair value and book value and durable service life on the selling date.
- c. The deferred income was made by selling the shares of Oriental Petrochemical (Taiwan) Corporation to Yue Ding Industry Co., Ltd. in March 2008.
- d. The Company sold the production equipment to its subsidiary Far Eastern Polytex (Vietnam) Ltd. in 2017. The sales price was \$638,977 thousand and deferred the gain on disposal of equipment \$12,528 thousand (recognized as deferred credit - gain on related-party accounts), and amortized the deferred credit according to the useful lives for \$834 thousand and \$836 thousand, respectively in 2021 and 2020.
- e. The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)



TABLE 4

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2021

(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                           | \$ -                              | \$ -                    | 0.594             | 2                   | \$ -                         | For revolving fund               | \$ -                          | Promissory note | \$ -  | \$ 10,302,437                     | \$ 103,024,368             | Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note F) |
|     |                                     | Oriental Green Materials Limited             | Receivables from related parties | Yes             | 1,300,000                              | -                                 | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 10,302,437                        | 103,024,368                | Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note F) |
| 1   | Yuan Ding Investment Co., Ltd.      | Yuan Tong Investment Co., Ltd.               | Receivables from related parties | Yes             | 500,000                                | 500,000                           | -                       | 0.9009-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Kai Yuan International Investment Co., Ltd.  | Receivables from related parties | Yes             | 600,000                                | 600,000                           | -                       | 0.9009-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | An Ho Garment Co., Ltd.                      | Receivables from related parties | Yes             | 400,000                                | 400,000                           | 170,000                 | 0.8976-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Ding Yuan International Investment Co., Ltd. | Receivables from related parties | Yes             | 600,000                                | 600,000                           | 145,000                 | 0.8976-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Yu Ding Industry Co., Ltd.                   | Receivables from related parties | Yes             | 810,000                                | 810,000                           | 300,000                 | 0.8976-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Da Ju Fiber Co., Ltd.                        | Receivables from related parties | Yes             | 1,130,000                              | 1,130,000                         | 530,000                 | 0.8976-0.9416     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Far Eastern Resources Development Co., Ltd.  | Receivables from related parties | Yes             | 1,000,000                              | 800,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Oriental Green Materials Limited             | Receivables from related parties | Yes             | 400,000                                | 400,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Oriental Resources Development Ltd.          | Receivables from related parties | Yes             | 50,000                                 | 50,000                            | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
|     |                                     | Oriental Petrochemical (Taiwan) Corporation  | Receivables from related parties | Yes             | 1,000,000                              | 250,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,438,204                         | 22,191,018                 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note F) |
| 2   | Yuan Tong Investment Co., Ltd.      | Far Eastern Apparel Co., Ltd.                | Receivables from related parties | Yes             | 740,000                                | 400,000                           | -                       | 1.0186-1.0494     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 917,729                           | 4,588,644                  | Amounts allowed for ending period (Note C); 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 |                                   |                            |                                                                                             |
| 3   | New Century InfoComm Tech Co., Ltd.          | Far EastOne Telecommunications Co., Ltd.         | Receivables from related parties             | Yes             | \$ 1,800,000                           | \$ 1,800,000                      | \$ 1,800,000            | 0.7337-0.7580     | 1                   | \$ 2,292,544                 | -                                | \$ -                          | -               | \$ -  | \$ 2,298,925                      | \$ 13,463,890              | Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note F) |
|     |                                              | Far EastOne Telecommunications Co., Ltd.         | Receivables from related parties             | Yes             | 9,200,000                              | 9,200,000                         | 9,200,000               | 0.7137-0.7580     | 2                   | -                            | For revolving fund               | -                             | -               | -     | 10,771,112                        | 13,463,890                 | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note F) |
| 4   | Yuan Ding Co., Ltd.                          | Ding Ding Integrated Marketing Service Co., Ltd. | Receivables from related parties             | Yes             | 200,000                                | -                                 | -                       | 0.8046-0.8875     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,556,744                         | 3,891,860                  | Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note F) |
|     |                                              | Ding Ding Hotel Co., Ltd.                        | Receivables from related parties             | Yes             | 800,000                                | 600,000                           | -                       | 0.8219-0.8875     | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,556,744                         | 3,891,860                  | Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note F) |
| 5   | Far Eastern Investment (Holding) Ltd.        | Far Eastern New Apparel (Vietnam) Ltd.           | Receivables from affiliates                  | Yes             | 553,000                                | 553,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 14,139,180                        | 42,417,539                 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H) |
|     |                                              | FE New Century Industry (Singapore) Pte. Ltd.    | Receivables from affiliates                  | Yes             | 138,400                                | -                                 | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 14,139,180                        | 42,417,539                 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H) |
|     |                                              | FILSYN Corporation                               | Receivables from affiliates                  | Yes             | 249,120                                | 249,120                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 11,311,344                        | 11,311,344                 | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
|     |                                              | FYN Green PET Corporation                        | Receivables from affiliates                  | Yes             | 83,040                                 | 83,040                            | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 11,311,344                        | 11,311,344                 | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
| 6   | Far Eastern Polytex (Holding) Ltd.           | Sino Belgium (Holding) Ltd.                      | Receivables from affiliates                  | Yes             | 166,080                                | 166,080                           | 152,240                 | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,747,061                         | 3,747,061                  | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
| 7   | FEDP (Holding) Ltd.                          | Sino Belgium (Holding) Ltd.                      | Receivables from affiliates                  | Yes             | 166,080                                | -                                 | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 603,192                           | 603,192                    | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
| 8   | APG Polytech USA Holdings, Inc.              | Phoenix Technologies International, LLC          | Receivables from affiliates                  | Yes             | 138,400                                | 138,400                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 8,851,052                         | 26,553,157                 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H) |
| 9   | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Oriental Industries (Suzhou) Ltd.                | Other receivables - loans to related parties | Yes             | 2,389,200                              | 2,389,200                         | 2,173,620               | 2.60-2.87         | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,315,797                         | 7,368,437                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
| 10  | Far Eastern Apparel (Suzhou) Co., Ltd.       | Oriental Industries (Suzhou) Ltd.                | Other receivables - loans to related parties | Yes             | 1,429,176                              | 1,298,856                         | 575,358                 | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,371,235                         | 3,047,189                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |

(Continued)

| No. | Lender                                               | Borrower                                               | Financial Statement Account                  | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral      |       | Financing Limit for Each Borrower | Aggregate Financing Limits | Note                                                                                        |
|-----|------------------------------------------------------|--------------------------------------------------------|----------------------------------------------|-----------------|----------------------------------------|-----------------------------------|-------------------------|-------------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-------|-----------------------------------|----------------------------|---------------------------------------------------------------------------------------------|
|     |                                                      |                                                        |                                              |                 |                                        |                                   |                         |                   |                     |                              |                                  |                               | Item            | Value |                                   |                            |                                                                                             |
| 11  | Far Eastern Industries (Suzhou) Ltd.                 | Oriental Industries (Suzhou) Ltd.                      | Other receivables - loans to related parties | Yes             | \$ 1,346,640                           | \$ 551,688                        | \$ 551,289              | 2.60              | 2                   | \$ -                         | For revolving fund               | \$ -                          | Promissory note | \$ -  | \$ 1,421,227                      | \$ 3,158,282               | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Sino Belgium Beer (Suzhou) Ltd.                        | Other receivables - loans to related parties | Yes             | 781,920                                | 781,920                           | 764,544                 | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,421,227                         | 3,158,282                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
| 12  | Oriental Industries (Suzhou) Ltd.                    | Far Eastern Innovation Apparel (Suzhou) Co., Ltd.      | Other receivables - loans to related parties | Yes             | 434,400                                | 217,200                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 5,741,162                         | 12,758,137                 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Far Eastern Industries (Suzhou) Ltd.                   | Other receivables - loans to related parties | Yes             | 1,303,200                              | 43,440                            | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 5,741,162                         | 12,758,137                 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Far Eastern Industries (Wuxi) Ltd.                     | Other receivables - loans to related parties | Yes             | 868,800                                | 217,200                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 5,741,162                         | 12,758,137                 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Far Eastern Dyeing & Finishing (Suzhou) Ltd.           | Other receivables - loans to related parties | Yes             | 434,400                                | 217,200                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 5,741,162                         | 12,758,137                 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Sino Belgium Beer (Suzhou) Ltd.                        | Other receivables - loans to related parties | Yes             | 1,086,000                              | 43,440                            | 5,220                   | 2.81-2.91         | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 5,741,162                         | 12,758,137                 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Far Eastern Union Petrochemical (Yangzhou) Corporation | Other receivables - loans to related parties | Yes             | 390,960                                | 390,960                           | 390,960                 | 3.30-3.47         | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 2,551,627                         | 2,551,627                  | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
| 13  | Far Eastern Industries (Wuxi) Ltd.                   | Oriental Industries (Suzhou) Ltd.                      | Other receivables - loans to related parties | Yes             | 868,800                                | 217,200                           | -                       | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 2,584,616                         | 5,743,591                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
| 14  | Suzhou An Ho Apparel Ltd.                            | Oriental Industries (Suzhou) Ltd.                      | Other receivables - loans to related parties | Yes             | 39,096                                 | 39,096                            | 39,096                  | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 50,862                            | 113,028                    | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
| 15  | Far Eastern Innovation Apparel (Suzhou) Co., Ltd.    | Far Eastern Dyeing & Finishing (Suzhou) Ltd.           | Other receivables - loans to related parties | Yes             | 456,120                                | 173,760                           | 173,760                 | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 977,145                           | 2,171,432                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                                      | Oriental Industries (Suzhou) Ltd.                      | Other receivables - loans to related parties | Yes             | 955,680                                | 955,680                           | 886,289                 | 2.60              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 977,145                           | 2,171,432                  | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
| 16  | Far Eastern Industries (Shanghai) Ltd.               | Far Eastern Union Petrochemical (Yangzhou) Corporation | Other receivables - loans to related parties | Yes             | 1,737,600                              | 868,800                           | 868,800                 | 3.31-3.43         | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,435,726                         | 3,435,726                  | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |
| 17  | Far Eastern New Century (China) Investment Co., Ltd. | Oriental Petrochemical (Shanghai) Corporation          | Other receivables - loans to related parties | Yes             | 86,880                                 | 86,880                            | 86,880                  | 1.21              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,487,356                         | 1,487,356                  | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |

(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 |                                   |                            |                                                                                             |
| 18  | Far Eastern Industries (Yangzhou) Ltd. | Oriental Industries (Suzhou) Ltd.                      | Other receivables - loans to related parties | Yes             | \$ 304,080                             | \$ 304,080                        | \$ 304,080              | 2.50              | 2                   | \$ -                         | For revolving fund               | \$ -                          | Promissory note | \$ -  | \$ 1,242,519                      | \$ 2,761,154               | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I) |
|     |                                        | Far Eastern Union Petrochemical (Yangzhou) Corporation | Other receivables - loans to related parties | Yes             | 521,280                                | 521,280                           | 521,280                 | 2.50              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 552,231                           | 552,231                    | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E) |

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, 2021.

C. The limitation is 10% of the net value of the financier based on audited financial statements as of December 31, 2021.

D. The limitation is 20% of the net value of the financier based on audited financial statements as of December 31, 2021.

E. The limitation is 40% of the net value of the financier based on audited financial statements as of December 31, 2021.

F. The limitation is 50% of the net value of the financier based on audited financial statements as of December 31, 2021.

G. The limitation is 90% of the net value of the financier based on audited financial statements as of December 31, 2021.

H. The limitation is 150% of the net value of the financier based on audited financial statements as of December 31, 2021.

I. The limitation is 200% of the net value of the financier based on audited financial statements as of December 31, 2021.

J. The limitation is business transaction amount.

(Concluded)

TABLE 5

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

| No. | Endorser/Guarantor                          | Endorsee/Guaranteee                              |              | 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)     | \$ 22,191,017                                                | \$ 288,000                             | \$ 288,000                                                  | \$ 134,000              | \$ -                                      | 0.65                                                                                           | \$ 44,382,035                          | -                                                                           | -                                                                           | -                                                                                | Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F) |
|     |                                             | APG Polytech, LLC                                | (Note B)     | 20,604,873                                                   | 6,534,515                              | 1,494,720 (Note M)                                          | 221,440                 | -                                         | 3.37                                                                                           | 20,604,873                             | -                                                                           | -                                                                           | -                                                                                | 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)     | 20,604,873                                                   | 2,111,590                              | 2,048,320 (Note M)                                          | -                       | -                                         | 4.62                                                                                           | 20,604,873                             | -                                                                           | -                                                                           | -                                                                                | Limits on each counterparty's endorsement/ guarantee amounts (Note G); maximum amounts allowed for the period (Note H) |
|     |                                             | Phoenix Technologies International, LLC          | (Note B)     | 20,604,873                                                   | 1,384,000                              | 1,384,000                                                   | 739,056                 | -                                         | 3.12                                                                                           | 20,604,873                             | -                                                                           | -                                                                           | -                                                                                | 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)     | 13,469,400                                                   | 5,158,332                              | 106,448                                                     | -                       | 106,448                                   | 0.05                                                                                           | 26,938,801                             | -                                                                           | 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)     | 3,891,860                                                    | 1,800,000                              | 1,800,000                                                   | 665,000                 | 350,000                                   | 0.87                                                                                           | 7,783,720                              | -                                                                           | -                                                                           | -                                                                                | Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F) |
|     |                                             | Ding Ding Integrated Marketing Service Co., Ltd. | (Note D)     | 3,891,860                                                    | 200,000                                | 200,000                                                     | -                       | -                                         | 0.10                                                                                           | 7,783,720                              | -                                                                           | -                                                                           | -                                                                                | 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, LLC                                | (Note D)     | 103,024,367                                                  | 1,992,978                              | 1,389,536                                                   | 678,777                 | -                                         | 0.67                                                                                           | 204,048,735                            | -                                                                           | -                                                                           | -                                                                                | Limits on each counterparty's endorsement/ guarantee amounts (Note I); maximum amounts allowed for the period (Note J) |
|     |                                             | APG Polytech USA Holdings, Inc.                  | (Note D)     | 103,024,367                                                  | 6,274,144                              | 5,959,504                                                   | 415,200                 | -                                         | 2.89                                                                                           | 206,048,735                            | -                                                                           | -                                                                           | -                                                                                | Limits on each counterparty's endorsement/ guarantee amounts (Note I); maximum amounts allowed for the period (Note J) |
| 5   | APG Polytech USA Holdings, Inc.             | APG Polytech, LLC                                | (Note D)     | 103,024,367                                                  | 55,620                                 | 55,620                                                      | 9,235                   | -                                         | 0.03                                                                                           | 206,048,735                            | -                                                                           | -                                                                           | -                                                                                | 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. Endorsement/guarantee in the amount of \$44,000 was provided by Yuan Ding Investment Co., Ltd. and co-used by APG Polytech, LLC, and APG USA Holdings, Inc.

(Concluded)

TABLE 6

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2021

(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, 2021                                                      |                 |                             |                                          | 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                                                                | \$ 19,942,978   | 21.17                       | \$ 33,247,652                            | 19,900 thousand shares pledged or mortgaged as collateral for loans.<br><br>(Note F) |
|                                     | Far Eastern Department Stores Co., Ltd.              | (Note A)                              | Investments accounted for using the equity method | 241,770                                                                | 5,053,729       | 17.06                       | 5,185,960                                |                                                                                      |
|                                     | Oriental Union Chemical Corporation                  | (Note A)                              | Investments accounted for using the equity method | 81,216                                                                 | 1,190,073       | 9.17                        | 1,819,239                                |                                                                                      |
|                                     | Everest Textile Corporation                          | (Note A)                              | Investments accounted for using the equity method | 108                                                                    | 1,166           | 0.02                        | 1,042                                    |                                                                                      |
|                                     | Oriental Securities Corporation                      | (Note A)                              | Investments accounted for using the equity method | 141,961                                                                | 2,101,272       | 19.65                       | -                                        |                                                                                      |
|                                     | Pacific Liu Tong Investment Co., Ltd.                | (Note A)                              | Investments accounted for using the equity method | 135,000                                                                | 2,042,479       | 16.83                       | -                                        |                                                                                      |
|                                     | Far Eastern International Bank                       | (Note A)                              | Investments accounted for using the equity method | 91,903                                                                 | 1,209,972       | 2.62                        | 987,956                                  |                                                                                      |
|                                     | Yuan Ding Investment Co., Ltd.                       | (Note A)                              | Investments accounted for using the equity method | 1,822,822                                                              | 43,790,144      | 99.40                       | -                                        |                                                                                      |
|                                     | Far Eastern Resources Development Co., Ltd.          | (Note A)                              | Investments accounted for using the equity method | 775,836                                                                | 106,789,756     | 100.00                      | -                                        |                                                                                      |
|                                     | Far Eastern Polytex (Holding) Ltd.                   | (Note A)                              | Investments accounted for using the equity method | 168                                                                    | 9,415,124       | 100.00                      | -                                        |                                                                                      |
|                                     | Far Eastern Polychem Industries Ltd.                 | (Note A)                              | Investments accounted for using the equity method | 830,815                                                                | 7,683,110       | 73.04                       | -                                        |                                                                                      |
|                                     | Yuan Tong Investment Co., Ltd.                       | (Note A)                              | Investments accounted for using the equity method | 742,184                                                                | 8,871,338       | 100.00                      | -                                        |                                                                                      |
|                                     | Kai Yuan International Investment Co., Ltd.          | (Note A)                              | Investments accounted for using the equity method | 369,417                                                                | 5,720,430       | 100.00                      | -                                        |                                                                                      |
|                                     | Far Eastern Investment (Holding) Ltd.                | (Note A)                              | Investments accounted for using the equity method | 5,461                                                                  | 28,278,359      | 100.00                      | -                                        |                                                                                      |
|                                     | PET Far Eastern (Holding) Ltd.                       | (Note A)                              | Investments accounted for using the equity method | 397                                                                    | 4,056,695       | 91.95                       | -                                        |                                                                                      |
|                                     | Oriental Petrochemical (Taiwan) Corporation          | (Note A)                              | Investments accounted for using the equity method | 1,712,218                                                              | 7,683,250       | 75.56                       | -                                        |                                                                                      |
|                                     | Far Eastern Construction Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method | 245,829                                                                | 10,420,022      | 65.11                       | -                                        |                                                                                      |
|                                     | Yuan Ding Co., Ltd.                                  | (Note A)                              | Investments accounted for using the equity method | 186,929                                                                | 3,201,935       | 37.13                       | -                                        |                                                                                      |
|                                     | An Ho Garment Co., Ltd.                              | (Note A)                              | Investments accounted for using the equity method | 76,165                                                                 | 2,182,745       | 100.00                      | -                                        |                                                                                      |
|                                     | Ding Yuan International Investment Co., Ltd.         | (Note A)                              | Investments accounted for using the equity method | 256,906                                                                | 3,285,246       | 100.00                      | -                                        |                                                                                      |
|                                     | FEDP (Holding) Ltd.                                  | (Note A)                              | Investments accounted for using the equity method | 244                                                                    | 760,474         | 50.43                       | -                                        |                                                                                      |
|                                     | Fu Kwok Knitting & Garment Co., Ltd.                 | (Note A)                              | Investments accounted for using the equity method | 4,000                                                                  | 254,514         | 100.00                      | -                                        |                                                                                      |
|                                     | Ding Ding Hotel Co., Ltd.                            | (Note A)                              | Investments accounted for using the equity method | 769                                                                    | 8,984           | 0.74                        | -                                        |                                                                                      |
|                                     | Far Eastern Textile Ltd.                             | (Note A)                              | Investments accounted for using the equity method | 1,300                                                                  | 13,345          | 100.00                      | -                                        |                                                                                      |
|                                     | FE Oriental Investment Holding (Singapore) Pte. Ltd. | (Note A)                              | Investments accounted for using the equity method | 50                                                                     | 161,991         | 100.00                      | -                                        |                                                                                      |
| Yuan Ding Investment Co., Ltd.      | Asia Cement Corporation                              | (Note A)                              | Investments accounted for using the equity method | 54,022                                                                 | 2,302,354       | 1.52                        | 2,393,153                                | 8,807 thousand shares pledged or mortgaged as collateral for loans.                  |
|                                     | Oriental Union Chemical Corporation                  | (Note A)                              | Investments accounted for using the equity method | 70,818                                                                 | 1,213,818       | 8.00                        | 1,586,316                                |                                                                                      |
|                                     | Far Eastern Department Stores Co., Ltd.              | (Note A)                              | Investments accounted for using the equity method | 139,785                                                                | 3,340,833       | 9.87                        | 2,998,388                                |                                                                                      |
|                                     | Everest Textile Corporation                          | (Note A)                              | Investments accounted for using the equity method | 164,614                                                                | 1,484,595       | 23.70                       | 1,585,230                                |                                                                                      |
|                                     | Far EasTone Telecommunications Co., Ltd.             | (Note A)                              | Investments accounted for using the equity method | 1,066,658                                                              | 21,255,149      | 32.73                       | 68,906,082                               |                                                                                      |
|                                     | Far Eastern International Bank                       | (Note A)                              | Investments accounted for using the equity method | 125,030                                                                | 1,645,508       | 3.56                        | 1,344,071                                |                                                                                      |
|                                     | Far Eastern Polychem Industries Ltd.                 | (Note A)                              | Investments accounted for using the equity method | 306,644                                                                | 2,835,935       | 26.96                       | -                                        |                                                                                      |
|                                     | Far Eastern Apparel (Holding) Ltd.                   | (Note A)                              | Investments accounted for using the equity method | 111                                                                    | 4,776,297       | 100.00                      | -                                        |                                                                                      |
|                                     | Da Ju Fiber Co., Ltd.                                | (Note A)                              | Investments accounted for using the equity method | 68,975                                                                 | 2,444,058       | 41.86                       | -                                        |                                                                                      |
|                                     | Far Eastern Apparel Co., Ltd.                        | (Note A)                              | Investments accounted for using the equity method | 44,772                                                                 | 216,395         | 100.00                      | -                                        |                                                                                      |
|                                     | Yuan Faun Co., Ltd.                                  | (Note A)                              | Investments accounted for using the equity method | 6,675                                                                  | 200,249         | 100.00                      | -                                        |                                                                                      |
|                                     | Yue Ming Corporation                                 | (Note A)                              | Investments accounted for using the equity method | 4,745                                                                  | 60,817          | 45.50                       | -                                        |                                                                                      |
|                                     | Yuan Ding Leasing Corporation                        | (Note A)                              | Investments accounted for using the equity method | 36,706                                                                 | 398,361         | 46.20                       | -                                        |                                                                                      |
|                                     | Far Eastern Fibertech Co., Ltd.                      | (Note A)                              | Investments accounted for using the equity method | 91,000                                                                 | 1,477,768       | 100.00                      | -                                        |                                                                                      |
|                                     | Oriental Resources Development Co., Ltd.             | (Note A)                              | Investments accounted for using the equity method | 5,739                                                                  | 136,185         | 100.00                      | -                                        |                                                                                      |
|                                     | Liquid Air Far East Co., Ltd.                        | (Note A)                              | Investments accounted for using the equity method | 86,615                                                                 | 3,002,641       | 35.00                       | -                                        |                                                                                      |
|                                     | Freudenberg Far Eastern Spunweb Co., Ltd.            | (Note A)                              | Investments accounted for using the equity method | 33,003                                                                 | 573,396         | 29.80                       | -                                        |                                                                                      |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities                     | Relationship with the Holding Company | Financial Statement Account                                     | December 31, 2021                                                      |                 |                             |                                          | Note                                                                 |
|----------------------|------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|-----------------|-----------------------------|------------------------------------------|----------------------------------------------------------------------|
|                      |                                                            |                                       |                                                                 | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) |                                                                      |
|                      | Oriental Securities Corporation                            | (Note A)                              | Investments accounted for using the equity method               | 187,470                                                                | \$ 2,881,573    | 25.96                       | \$ -                                     | 31,600 thousand shares pledged or mortgaged as collateral for loans. |
|                      | Yuan Ding Co., Ltd.                                        | (Note A)                              | Investments accounted for using the equity method               | 64,759                                                                 | 1,120,252       | 12.86                       | -                                        |                                                                      |
|                      | Far Eastern International Leasing Corporation              | (Note A)                              | Investments accounted for using the equity method               | 75,268                                                                 | 949,137         | 16.87                       | -                                        | (Note F)                                                             |
|                      | Oriental Textile (Holding) Ltd.                            | (Note A)                              | Investments accounted for using the equity method               | 110                                                                    | 8,462,639       | 100.00                      | -                                        |                                                                      |
|                      | Pacific Liu Tong Investment Co., Ltd.                      | (Note A)                              | Investments accounted for using the equity method               | 119,653                                                                | 1,724,098       | 14.92                       | -                                        |                                                                      |
|                      | Yu Yuan Investment Co., Ltd.                               | (Note A)                              | Investments accounted for using the equity method               | 98,198                                                                 | 1,043,459       | 18.96                       | -                                        |                                                                      |
|                      | Far Eastern General Contractor Inc.                        | (Note A)                              | Investments accounted for using the equity method               | 1,490                                                                  | 27,456          | 1.00                        | -                                        |                                                                      |
|                      | Oriental Petrochemical (Taiwan) Corporation                | (Note A)                              | Investments accounted for using the equity method               | 117,746                                                                | 546,408         | 5.20                        | -                                        |                                                                      |
|                      | Oriental Green Materials Limited                           | (Note A)                              | Investments accounted for using the equity method               | 59,936                                                                 | 678,459         | 100.00                      | -                                        |                                                                      |
|                      | Chung Nan Textile Co., Ltd.                                | (Note L)                              | Financial asset at FVTOCI - non-current                         | 2,985                                                                  | 123,513         | 5.27                        | 123,513                                  |                                                                      |
|                      | Overseas Investment and Development Co., Ltd.              | -                                     | Financial asset at FVTOCI - non-current                         | 1,000                                                                  | 8,230           | 1.11                        | 8,230                                    |                                                                      |
|                      | Universal Venture Capital Investment Corporation           | -                                     | Financial asset at FVTOCI - non-current                         | 1,400                                                                  | 12,306          | 1.16                        | 12,306                                   |                                                                      |
|                      | China Investment and Development Co., Ltd.                 | (Note L)                              | Financial asset at FVTOCI - non-current                         | 1,287                                                                  | 16,422          | 0.80                        | 16,422                                   |                                                                      |
|                      | Taiwan Stock Exchange Corporation                          | -                                     | Financial asset at FVTOCI - non-current                         | 1,310                                                                  | 82,863          | 0.16                        | 82,863                                   |                                                                      |
|                      | 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                         | 2,311                                                                  | 34,195          | 0.50                        | 34,195                                   |                                                                      |
|                      | U-Ming Marine Transport Corporation                        | (Note B)                              | Financial asset at FVTOCI - non-current                         | 8,869                                                                  | 535,687         | 1.05                        | 535,687                                  |                                                                      |
|                      | Financial assets under asset management contracts (Note E) | -                                     |                                                                 |                                                                        |                 |                             |                                          |                                                                      |
|                      | Yuanta S&P GSCI Gold ER Futures ETF                        | -                                     | Financial assets at fair value through profit or loss - current | 380                                                                    | 9,063           | -                           | 9,063                                    |                                                                      |
|                      | Yuanta FTSE4Good TIP Taiwan ESG ETF                        | -                                     | Financial assets at fair value through profit or loss - current | 550                                                                    | 19,751          | -                           | 19,751                                   |                                                                      |
|                      | Tong Ho Steel Enterprise Corporation                       | -                                     | Financial assets at fair value through profit or loss - current | 60                                                                     | 4,026           | -                           | 4,026                                    |                                                                      |
|                      | Ta Chen International, Inc                                 | -                                     | Financial assets at fair value through profit or loss - current | 180                                                                    | 8,325           | -                           | 8,325                                    |                                                                      |
|                      | Yulon Motor Co., Ltd.                                      | -                                     | Financial assets at fair value through profit or loss - current | 200                                                                    | 8,380           | -                           | 8,380                                    |                                                                      |
|                      | United Microelectronics Corporation                        | -                                     | Financial assets at fair value through profit or loss - current | 130                                                                    | 8,450           | -                           | 8,450                                    |                                                                      |
|                      | Taiwan Semiconductor Manufacturing Co., Ltd.               | -                                     | Financial assets at fair value through profit or loss - current | 50                                                                     | 30,750          | -                           | 30,750                                   |                                                                      |
|                      | Realtek Semiconductor Corporation                          | -                                     | Financial assets at fair value through profit or loss - current | 20                                                                     | 11,600          | -                           | 11,600                                   |                                                                      |
|                      | Media Tek Inc.                                             | -                                     | Financial assets at fair value through profit or loss - current | 9                                                                      | 10,710          | -                           | 10,710                                   |                                                                      |
|                      | Hwaku Development Co., Ltd.                                | -                                     | Financial assets at fair value through profit or loss - current | 120                                                                    | 10,968          | -                           | 10,968                                   |                                                                      |
|                      | EVA Airways Corporation                                    | -                                     | Financial assets at fair value through profit or loss - current | 70                                                                     | 9,975           | -                           | 9,975                                    |                                                                      |
|                      | China Airlines, Limited                                    | -                                     | Financial assets at fair value through profit or loss - current | 600                                                                    | 16,530          | -                           | 16,530                                   |                                                                      |
|                      | Taishin Financial Holding Co., Ltd.                        | -                                     | Financial assets at fair value through profit or loss - current | 600                                                                    | 11,370          | -                           | 11,370                                   |                                                                      |
|                      | Novatek Microelectronics Corp.                             | -                                     | Financial assets at fair value through profit or loss - current | 15                                                                     | 8,085           | -                           | 8,085                                    |                                                                      |
|                      | Unimicron Technology Corporation                           | -                                     | Financial assets at fair value through profit or loss - current | 30                                                                     | 6,930           | -                           | 6,930                                    |                                                                      |
|                      | Lotes Co., Ltd.                                            | -                                     | Financial assets at fair value through profit or loss - current | 12                                                                     | 9,132           | -                           | 9,132                                    |                                                                      |
|                      | Jentech Precision Industrial Co., Ltd.                     | -                                     | Financial assets at fair value through profit or loss - current | 21                                                                     | 8,568           | -                           | 8,568                                    |                                                                      |
|                      | ASMedia Technology Inc.                                    | -                                     | Financial assets at fair value through profit or loss - current | 5                                                                      | 9,100           | -                           | 9,100                                    |                                                                      |
|                      | Sino-American Silicon Products Inc.                        | -                                     | Financial assets at fair value through profit or loss - current | 45                                                                     | 10,620          | -                           | 10,620                                   |                                                                      |
|                      | Genesys Logic Inc.                                         | -                                     | Financial assets at fair value through profit or loss - current | 65                                                                     | 13,097          | -                           | 13,097                                   |                                                                      |
|                      | Wafer Works Corporation                                    | -                                     | Financial assets at fair value through profit or loss - current | 70                                                                     | 5,985           | -                           | 5,985                                    |                                                                      |
|                      | 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 | -                                     |                                                                 |                                                                        |                 |                             |                                          |                                                                      |

(Continued)



| Holding Company Name                         | Type and Name of Marketable Securities        | Relationship with the Holding Company | Financial Statement Account                                     | December 31, 2021                                                      |                 |                             |                                          | 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.        | Filsyn Corporation                            | (Note A)                              | Investments accounted for using the equity method               | 45,066                                                                 | \$ -            | 21.85                       | \$ -                                     |           |
|                                              | PET Far Eastern (M) Sdn. Bhd.                 | (Note A)                              | Investments accounted for using the equity method               | Common stock                                                           | -               | 20.00                       | -                                        |           |
|                                              |                                               |                                       |                                                                 | 5,000                                                                  |                 |                             |                                          |           |
|                                              |                                               |                                       |                                                                 | Preferred stock                                                        |                 |                             |                                          |           |
|                                              |                                               |                                       |                                                                 | 3,000                                                                  |                 |                             |                                          |           |
|                                              | Com2B                                         | (Note A)                              | Investments accounted for using the equity method               | 9,000                                                                  | 801,007         | 100.00                      | -                                        |           |
|                                              | Far Eastern Apparel (Vietnam) Ltd.            | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 141,311         | 100.00                      | -                                        |           |
|                                              | Worldwide Polychem (HK) Ltd.                  | (Note A)                              | Investments accounted for using the equity method               | (Note A)                                                               | 2,700           | 109,670                     | 100.00                                   | -         |
|                                              | Opas Fund Segregated Portfolio Company        | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 1,544           | 34.00                       | -                                        |           |
|                                              | Far Eastern Polytex (Vietnam) Ltd.            | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 9,554,071       | 100.00                      | -                                        |           |
|                                              | Far Eastern New Apparel (Vietnam) Ltd.        | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 414,889         | 100.00                      | -                                        |           |
|                                              | Magna View Sdn. Bhd.                          | (Note A)                              | Investments accounted for using the equity method               | (Note A)                                                               | 3,000           | 149,523                     | 100.00                                   | -         |
|                                              | Malaysia Garment Manufactures Pte. Ltd.       | (Note A)                              | Investments accounted for using the equity method               | (Note A)                                                               | 30              | 437,031                     | 37.92                                    | -         |
|                                              | Drive Catalyst SPC                            | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 482             | 34.00                       | -                                        |           |
|                                              | APG Polytech USA Holdings, Inc.               | (Note A)                              | Investments accounted for using the equity method               | (Note A)                                                               | 6               | 17,702,104                  | 100.00                                   | -         |
|                                              | Drive Catalyst SPC-SP Tranche One             | (Note A)                              | Investments accounted for using the equity method               | (Note A)                                                               | 4               | 111,714                     | 25.00                                    | -         |
|                                              | Drive Catalyst SPC-SP Tranche Three           | (Note A)                              | Investments accounted for using the equity method               | (Note A)                                                               | 8               | 236,331                     | 25.00                                    | -         |
|                                              | Drive Catalyst SPC-SP Tranche Two             | (Note A)                              | Investments accounted for using the equity method               | (Note A)                                                               | 4               | 116,887                     | 25.00                                    | -         |
|                                              | Far Eastern International Garments            | (Note A)                              | Other liabilities - other                                       | (Note A)                                                               | 59              | (11,402)                    | 41.00                                    | -         |
|                                              | Cemtex Apparel Inc.                           | (Note A)                              | Other liabilities - other                                       | (Note A)                                                               | 90              | (10,580)                    | 50.00                                    | -         |
| APG Polytech USA Holdings, Inc.              | Opas Fund Segregated Portfolio Tranche A      | (Note K)                              | Financial assets at fair value through profit or loss - current | (Note K)                                                               | 4               | 145,828                     | -                                        | 145,828   |
|                                              | Opas Fund Segregated Portfolio Tranche B      | (Note K)                              | Financial assets at fair value through profit or loss - current | (Note K)                                                               | 5               | 186,198                     | -                                        | 186,198   |
|                                              | Opas Fund Segregated Portfolio Tranche C      | (Note K)                              | Financial assets at fair value through profit or loss - current | (Note K)                                                               | 5               | 307,347                     | -                                        | 307,347   |
| Magna View Sdn. Bhd.                         | Corpus Christi Polymers LLC                   | (Note N)                              | Investments accounted for using the equity method               | (Note G)                                                               | 11,768,125      | 33.33                       | -                                        |           |
|                                              | APG Polytech, LLC                             | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 4,114,262       | 100.00                      | -                                        |           |
|                                              | Phoenix Technologies International, LLC       | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 257,422         | 100.00                      | -                                        |           |
| Ding Yuan International Investment Co., Ltd. | PET Far Eastern (M) Sdn. Bhd.                 | (Note A)                              | Investments accounted for using the equity method               | Common stock                                                           | 149,281         | 50.00                       | -                                        |           |
|                                              |                                               |                                       |                                                                 | 5,000                                                                  |                 |                             |                                          |           |
| Ding Yuan International Investment Co., Ltd. | Asia Cement Corporation                       | (Note A)                              | Investments accounted for using the equity method               | Preferred stock                                                        |                 |                             |                                          |           |
|                                              | Far Eastern Department Stores Co., Ltd.       | (Note A)                              | Investments accounted for using the equity method               | 3,000                                                                  |                 |                             |                                          |           |
|                                              | Everest Textile Corporation                   | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 12,369          | 474,866                     | 0.35                                     | 547,934   |
|                                              | Oriental Union Chemical Corporation           | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 11,983          | 277,725                     | 0.85                                     | 257,035   |
|                                              | Far EasTone Telecommunications Co., Ltd.      | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 6,447           | 61,954                      | 0.93                                     | 62,084    |
|                                              | Pacific Liu Tong Investment Co., Ltd.         | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 27,365          | 637,191                     | 3.09                                     | 612,987   |
|                                              | Yu Ding Industry Co., Ltd.                    | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 920             | 40,567                      | 0.03                                     | 59,410    |
|                                              | Far Eastern International Bank                | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 18,000          | 253,883                     | 2.24                                     | -         |
|                                              |                                               | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 16,320          | 445,994                     | 13.20                                    | -         |
|                                              |                                               | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 92,907          | 1,222,002                   | 2.64                                     | 998,749   |
| Kai Yuan International Investment Co., Ltd.  | U-Ming Marine Transport Corporation           | (Note C)                              | Financial asset at FVTOCI - non-current                         |                                                                        | 1,684           | 101,714                     | 0.20                                     | 101,714   |
|                                              | Asia Cement Corporation                       | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 25,312          | 1,021,426                   | 0.71                                     | 1,121,343 |
|                                              | Far EasTone Telecommunications Co., Ltd.      | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 35,558          | 1,110,165                   | 1.09                                     | 2,297,049 |
|                                              | Everest Textile Corporation                   | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 4,211           | 44,631                      | 0.61                                     | 40,552    |
|                                              | Oriental Union Chemical Corporation           | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 32,474          | 636,245                     | 3.67                                     | 727,421   |
|                                              | Far Eastern Department Stores Co., Ltd.       | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 20,672          | 595,100                     | 1.46                                     | 443,418   |
|                                              | Kowloon Cement Corporation                    | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 1,127           | 446,736                     | 49.00                                    | -         |
|                                              | Far Eastern International Leasing Corporation | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 74,970          | 950,075                     | 16.80                                    | -         |
|                                              | Pacific Liu Tong Investment Co., Ltd.         | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 18,000          | 254,084                     | 2.24                                     | -         |
|                                              | Far Eastern International Bank                | (Note A)                              | Investments accounted for using the equity method               |                                                                        | 112,793         | 1,484,241                   | 3.21                                     | 1,212,523 |
|                                              | U-Ming Marine Transport Corporation           | (Note C)                              | Financial asset at FVTOCI - non-current                         |                                                                        | 1,375           | 83,050                      | 0.16                                     | 83,050    |
|                                              |                                               |                                       |                                                                 |                                                                        |                 |                             |                                          |           |

(Continued)

| Holding Company Name                    | Type and Name of Marketable Securities                    | Relationship with the Holding Company | Financial Statement Account                                     | December 31, 2021                                                      |                 |                             |                                          | 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 Polychem Industries Ltd.    | Far Eastern Industries (Shanghai) Ltd.                    | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | \$ 7,527,871    | 87.64                       | \$ -                                     |                                                                     |
|                                         | PET Far Eastern (Holding) Ltd.                            | (Note A)                              | Investments accounted for using the equity method               | 35                                                                     | 355,154         | 8.05                        | -                                        |                                                                     |
|                                         | FEDP (Holding) Ltd.                                       | (Note A)                              | Investments accounted for using the equity method               | 240                                                                    | 747,506         | 49.57                       | -                                        |                                                                     |
|                                         | Far Eastern Industries (Yangzhou) Ltd.                    | (Note G)                              | Investments accounted for using the equity method               | (Note G)                                                               | 1,380,577       | 100.00                      | -                                        |                                                                     |
|                                         | Far Eastern Ishizuka Green Pet Corporation                | (Note A)                              | Investments accounted for using the equity method               | 3,578                                                                  | 1,307,740       | 90.00                       | -                                        |                                                                     |
|                                         | Nippon Parison Co., Ltd.                                  | -                                     | Financial asset at FVTOCI - non-current                         | 4                                                                      | 134,812         | 10.00                       | 134,812                                  |                                                                     |
| Far Eastern Construction Co., Ltd.      | Asia Cement Corporation                                   | (Note A)                              | Investments accounted for using the equity method               | 17,726                                                                 | 622,021         | 0.50                        | 785,267                                  |                                                                     |
|                                         | Far Eastern General Contractor Inc.                       | (Note A)                              | Investments accounted for using the equity method               | 147,413                                                                | 2,524,301       | 98.95                       | -                                        |                                                                     |
|                                         | U-Ming Marine Transport Corporation                       | (Note C)                              | Financial asset at FVTOCI - current                             | 1,590                                                                  | 96,023          | 0.19                        | 96,023                                   |                                                                     |
| Far Eastern Apparel (Holding) Ltd.      | Far Eastern Apparel (Suzhou) Co., Ltd.                    | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 585,974         | 38.46                       | -                                        |                                                                     |
|                                         | Far Eastern Dyeing & Finishing (Suzhou) Ltd.              | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 3,684,219       | 100.00                      | -                                        |                                                                     |
|                                         | Far Eastern Innovation Apparel (Suzhou) Co., Ltd.         | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 1,085,716       | 100.00                      | -                                        |                                                                     |
|                                         | Opas Fund Segregated Portfolio Tranche B                  | (Note K)                              | Financial assets at fair value through profit or loss - current | 4                                                                      | 145,146         | -                           | 145,146                                  |                                                                     |
|                                         | Opas Fund Segregated Portfolio Tranche C                  | (Note K)                              | Financial assets at fair value through profit or loss - current | 4                                                                      | 253,081         | -                           | 253,081                                  |                                                                     |
|                                         |                                                           |                                       |                                                                 |                                                                        |                 |                             |                                          |                                                                     |
| Far Eastern Apparel Co., Ltd.           | Asia Cement Corporation                                   | (Note A)                              | Investments accounted for using the equity method               | 469                                                                    | 16,601          | 0.01                        | 20,777                                   |                                                                     |
|                                         | Far EasTone Telecommunications Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method               | 90                                                                     | 7,153           | 9.00                        | 5,814                                    |                                                                     |
|                                         | Yu Ding Industry Co., Ltd.                                | (Note A)                              | Investments accounted for using the equity method               | 12                                                                     | 45,088          | 0.09                        | -                                        |                                                                     |
| Far Eastern General Contractor Inc.     | Far Eastern Technical Consultants Co., Ltd.               | (Note A)                              | Investments accounted for using the equity method               | 450                                                                    | 7,153           | 9.00                        | -                                        |                                                                     |
|                                         | U-Ming Marine Transport Corporation                       | (Note C)                              | Financial asset at FVTOCI - current                             | 746                                                                    | 45,088          | 0.09                        | 45,088                                   |                                                                     |
|                                         | Kaohsiung Rapid Transit Corporation                       | (Note K)                              | Financial asset at FVTOCI - non-current                         | 9,687                                                                  | 48,823          | 3.48                        | 48,823                                   |                                                                     |
|                                         | Ya-Li Precast Prestressed Concrete Industries Corporation | (Note I)                              | Financial asset at FVTOCI - non-current                         | 3,106                                                                  | 17,839          | 16.03                       | 17,839                                   |                                                                     |
|                                         | Jih Sun Money Market                                      | -                                     | Financial assets at fair value through profit or loss - current | 1,484                                                                  | 22,241          | -                           | 22,241                                   |                                                                     |
|                                         | CTBC Hwa-Win Money Market Fund                            | -                                     | Financial assets at fair value through profit or loss - current | 11,878                                                                 | 132,171         | -                           | 132,171                                  |                                                                     |
|                                         | Capital Money Market Fund                                 | -                                     | Financial assets at fair value through profit or loss - current | 6,998                                                                  | 114,039         | -                           | 114,039                                  |                                                                     |
|                                         | Hwa Nan Phoenix Money Market Fund                         | -                                     | Financial assets at fair value through profit or loss - current | 9,933                                                                  | 163,098         | -                           | 163,098                                  |                                                                     |
| Malaysia Garment Manufactures Pte. Ltd. | Filsyn Corporation                                        | (Note A)                              | Investments accounted for using the equity method               | 20,513                                                                 | -               | 9.95                        | -                                        |                                                                     |
|                                         | Arpeggio International Resources Corporation              | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | -               | 40.00                       | -                                        |                                                                     |
|                                         | PT Malaysia Garment Bintan                                | (Note A)                              | Other liabilities - other                                       | (Note G)                                                               | (37)            | 99.00                       | -                                        |                                                                     |
| An Ho Garment Co., Ltd.                 | Far EasTone Telecommunications Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method               | 40,818                                                                 | 991,113         | 1.25                        | 2,636,816                                | 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                                                                  | 260,546         | 0.17                        | 269,950                                  |                                                                     |
|                                         | Oriental Union Chemical Corporation                       | (Note A)                              | Investments accounted for using the equity method               | 11,204                                                                 | 248,877         | 1.26                        | 250,970                                  |                                                                     |
|                                         | Far Eastern Department Stores Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method               | 370                                                                    | 11,942          | 0.03                        | 7,932                                    |                                                                     |
|                                         | Oriental Securities Corporation                           | (Note A)                              | Investments accounted for using the equity method               | 8,754                                                                  | 123,937         | 1.21                        | -                                        |                                                                     |
|                                         | Yu Ding Industry Co., Ltd.                                | (Note A)                              | Investments accounted for using the equity method               | 19,373                                                                 | 430,992         | 15.66                       | -                                        |                                                                     |
|                                         | Pacific Liu Tong Investment Co., Ltd.                     | (Note A)                              | Investments accounted for using the equity method               | 9,681                                                                  | 141,950         | 1.21                        | -                                        | (Note F)                                                            |
|                                         | Yuan Ding Investment Co., Ltd.                            | (Note A)                              | Investments accounted for using the equity method               | 5,502                                                                  | 175,807         | 0.30                        | -                                        |                                                                     |
|                                         | Far Eastern International Bank                            | (Note A)                              | Investments accounted for using the equity method               | 23,135                                                                 | 304,597         | 0.66                        | 248,704                                  |                                                                     |
|                                         |                                                           |                                       |                                                                 |                                                                        |                 |                             |                                          |                                                                     |
| Yuan Faun Co., Ltd.                     | Yuan Cheng Human Resources Consultant Corporation         | (Note A)                              | Investments accounted for using the equity method               | 745                                                                    | 12,314          | 55.19                       | -                                        |                                                                     |
|                                         | Yi Tong Fiber Co., Ltd.                                   | -                                     | Financial asset at FVTOCI - non-current                         | 3,154                                                                  | 93,638          | 3.56                        | 93,638                                   |                                                                     |
|                                         | Far Eastern International Bank                            | (Note A)                              | Investments accounted for using the equity method               | 4,903                                                                  | 64,577          | 0.14                        | 52,701                                   |                                                                     |
| Fu Kwok Knitting & Garment Co., Ltd.    | Far EasTone Telecommunications Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method               | 520                                                                    | 18,693          | 0.02                        | 33,592                                   |                                                                     |

(Continued)

| Holding Company Name                                 | Type and Name of Marketable Securities                     | Relationship with the Holding Company | Financial Statement Account                                     | December 31, 2021                                                      |                 |                             |                                          | Note                                                                                 |
|------------------------------------------------------|------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|-----------------|-----------------------------|------------------------------------------|--------------------------------------------------------------------------------------|
|                                                      |                                                            |                                       |                                                                 | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) |                                                                                      |
| Yuan Tong Investment Co., Ltd.                       | Far EasTone Telecommunications Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method               | 100,237                                                                | \$ 2,606,635    | 3.08                        | \$ 6,475,312                             | 29,700 thousand shares pledged or mortgaged as collateral for loans.<br><br>(Note F) |
|                                                      | Far Eastern Department Stores Co., Ltd.                    | (Note A)                              | Investments accounted for using the equity method               | 77,735                                                                 | 2,188,476       | 5.49                        | 1,667,406                                |                                                                                      |
|                                                      | Everest Textile Corporation                                | (Note A)                              | Investments accounted for using the equity method               | 5,394                                                                  | 58,109          | 0.78                        | 51,948                                   |                                                                                      |
|                                                      | Oriental Union Chemical Corporation                        | (Note A)                              | Investments accounted for using the equity method               | 49,905                                                                 | 1,633,224       | 5.63                        | 1,117,881                                |                                                                                      |
|                                                      | Asia Cement Corporation                                    | (Note A)                              | Investments accounted for using the equity method               | 32,465                                                                 | 1,367,022       | 0.92                        | 1,438,217                                |                                                                                      |
|                                                      | Pacific Liu Tong Investment Co., Ltd.                      | (Note A)                              | Investments accounted for using the equity method               | 18,000                                                                 | 252,886         | 2.24                        | -                                        |                                                                                      |
|                                                      | Far Eastern Electronic Toll Collection Co., Ltd.           | (Note A)                              | Investments accounted for using the equity method               | 35,934                                                                 | 550,768         | 11.98                       | -                                        |                                                                                      |
|                                                      | Liquid Air Far East Co., Ltd.                              | (Note A)                              | Investments accounted for using the equity method               | 1                                                                      | 43              | -                           | -                                        |                                                                                      |
|                                                      | Sino Belgium (Holding) Ltd.                                | (Note A)                              | Other liabilities - other                                       | 36                                                                     | (818,678)       | 90.88                       | -                                        |                                                                                      |
|                                                      | Freudenberg Far Eastern Spunweb Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method               | 3                                                                      | 53              | -                           | -                                        |                                                                                      |
|                                                      | Malaysia Garment Manufactures Pte. Ltd.                    | (Note A)                              | Investments accounted for using the equity method               | 10                                                                     | 149,826         | 13.00                       | -                                        |                                                                                      |
|                                                      | Far Eastern International Bank                             | (Note A)                              | Investments accounted for using the equity method               | 112,567                                                                | 1,480,777       | 3.20                        | 1,210,096                                |                                                                                      |
|                                                      | Ding Shen Investment Co., Ltd.                             | (Note M)                              | Financial asset at FVTOCI - non-current                         | 40,329                                                                 | 344,406         | 18.00                       | 344,406                                  |                                                                                      |
|                                                      | Bockhold N.V. - stock                                      | -                                     | Financial asset at FVTOCI - non-current                         | 1                                                                      | 256,260         | 12.51                       | 256,260                                  |                                                                                      |
|                                                      | Financial assets under asset management contracts (Note E) | -                                     |                                                                 |                                                                        |                 |                             |                                          |                                                                                      |
|                                                      | Yuanta Taiwan 50 ETF                                       | -                                     | Financial assets at fair value through profit or loss - current | 81                                                                     | 11,786          | -                           | 11,786                                   |                                                                                      |
|                                                      | Tong Ho Steel Enterprise Corporation                       | -                                     | Financial assets at fair value through profit or loss - current | 180                                                                    | 12,078          | -                           | 12,078                                   |                                                                                      |
|                                                      | Ta Chen International, Inc                                 | -                                     | Financial assets at fair value through profit or loss - current | 150                                                                    | 6,938           | -                           | 6,938                                    |                                                                                      |
|                                                      | Taiwan Semiconductor Manufacturing Co., Ltd.               | -                                     | Financial assets at fair value through profit or loss - current | 63                                                                     | 38,745          | -                           | 38,745                                   |                                                                                      |
|                                                      | Realtek Semiconductor Corporation                          | -                                     | Financial assets at fair value through profit or loss - current | 18                                                                     | 10,440          | -                           | 10,440                                   |                                                                                      |
|                                                      | Media Tek Inc.                                             | -                                     | Financial assets at fair value through profit or loss - current | 9                                                                      | 10,710          | -                           | 10,710                                   |                                                                                      |
|                                                      | Hwaku Development Co., Ltd.                                | -                                     | Financial assets at fair value through profit or loss - current | 75                                                                     | 6,855           | -                           | 6,855                                    |                                                                                      |
|                                                      | China Airlines, Limited                                    | -                                     | Financial assets at fair value through profit or loss - current | 270                                                                    | 7,438           | -                           | 7,438                                    |                                                                                      |
|                                                      | EVA Airways Corporation                                    | -                                     | Financial assets at fair value through profit or loss - current | 270                                                                    | 7,546           | -                           | 7,546                                    |                                                                                      |
|                                                      | Taishin Financial Holding Co., Ltd.                        | -                                     | Financial assets at fair value through profit or loss - current | 450                                                                    | 8,527           | -                           | 8,527                                    |                                                                                      |
|                                                      | First Financial Holdings Co., Ltd.                         | -                                     | Financial assets at fair value through profit or loss - current | 540                                                                    | 13,230          | -                           | 13,230                                   |                                                                                      |
|                                                      | Unimicron Technology Corporation                           | -                                     | Financial assets at fair value through profit or loss - current | 60                                                                     | 13,860          | -                           | 13,860                                   |                                                                                      |
|                                                      | Lotes Co., Ltd.                                            | -                                     | Financial assets at fair value through profit or loss - current | 18                                                                     | 13,698          | -                           | 13,698                                   |                                                                                      |
|                                                      | Phison Electronics Corp.                                   | -                                     | Financial assets at fair value through profit or loss - current | 3                                                                      | 1,536           | -                           | 1,536                                    |                                                                                      |
| Far Eastern Apparel (Suzhou) Co., Ltd.               | Suzhou An Ho Apparel Ltd.                                  | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 56,514          | 100.00                      | -                                        |                                                                                      |
| PET Far Eastern (Holding) Ltd.                       | Oriental Petrochemical (Shanghai) Corporation              | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 1,823,509       | 54.72                       | -                                        |                                                                                      |
|                                                      | Far Eastern Union Petrochemical (Yangzhou) Corporation     | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 3,081,595       | 44.20                       | -                                        |                                                                                      |
| Oriental Textile (Holding) Ltd.                      | Far Eastern Industries (Wuxi) Ltd.                         | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 2,871,795       | 100.00                      | -                                        |                                                                                      |
|                                                      | Oriental Industries (Suzhou) Ltd.                          | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 6,379,069       | 100.00                      | -                                        |                                                                                      |
|                                                      | Opas Fund Segregated Portfolio Tranche A                   | (Note K)                              | Financial assets at fair value through profit or loss - current | 8                                                                      | 305,572         | -                           | 305,572                                  |                                                                                      |
|                                                      | Opas Fund Segregated Portfolio Tranche C                   | (Note K)                              | Financial assets at fair value through profit or loss - current | 5                                                                      | 356,513         | -                           | 356,513                                  |                                                                                      |
| FEDP (Holding) Ltd.                                  | Far Eastern Industries (Suzhou) Ltd.                       | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 1,303,824       | 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                                                                     | 159,811         | 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)                                                                             |

(Continued)

| Holding Company Name                                   | Type and Name of Marketable Securities                   | Relationship with the Holding Company | Financial Statement Account                                     | December 31, 2021                                                      |                 |                             |                                          | 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 Polytex (Holding) Ltd.                     | Wuhan Far Eastern New Material Ltd.                      | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | \$ 941,637      | 100.00                      | \$ -                                     |                                                                       |
|                                                        | Far Eastern Apparel (Suzhou) Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 937,620         | 61.54                       | -                                        |                                                                       |
|                                                        | Far Eastern New Century (China) Investment Co., Ltd.     | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 3,718,389       | 100.00                      | -                                        |                                                                       |
|                                                        | Far Eastern Yihua Petrochemical (Yangzhou) Corporation   | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 3,815,870       | 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)                                                               | 1,061,667       | 12.36                       | -                                        |                                                                       |
|                                                        | Shanghai Yuan Zi Information Technology Co., Ltd.        | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 58,047          | 100.00                      | -                                        |                                                                       |
|                                                        | Oriental Petrochemical (Shanghai) Corporation            | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 187,469         | 6.63                        | -                                        |                                                                       |
|                                                        | Yuan Ding Enterprise (Shanghai) Limited                  | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 2,712,437       | 40.00                       | -                                        |                                                                       |
| Sino Belgium (Holding) Ltd.                            | Sino Belgium Beer (Suzhou) Ltd.                          | (Note A)                              | Other liabilities - other                                       | (Note G)                                                               | (757,695)       | 100.00                      | -                                        |                                                                       |
|                                                        | Martens Beers (Shanghai) Ltd.                            | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 6,052           | 100.00                      | -                                        |                                                                       |
| Oriental Petrochemical (Shanghai) Corporation          | Shanghai Far Eastern Petrochemical Logistic Corporation  | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 149,896         | 100.00                      | -                                        |                                                                       |
| Far Eastern Industries (Yangzhou) Ltd.                 | Harvest Money Market A                                   | -                                     | Financial assets at fair value through profit or loss - current | 1,006                                                                  | 4,371           | -                           | 4,371                                    |                                                                       |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation | Harvest Money Market A                                   | -                                     | Financial assets at fair value through profit or loss - current | 625,412                                                                | 2,716,788       | -                           | 2,716,788                                |                                                                       |
| Yuan Ding Co., Ltd.                                    | YDT Technology International Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method               | 13,992                                                                 | 267,642         | 100.00                      | -                                        | 119,000 thousand shares pledged or mortgaged as collateral for loans. |
|                                                        | Ding Ding Integrated Marketing Service Co., Ltd.         | (Note A)                              | Investments accounted for using the equity method               | 21,787                                                                 | 148,459         | 60.00                       | -                                        |                                                                       |
|                                                        | Far Eastern Technical Consultants Co., Ltd.              | (Note A)                              | Investments accounted for using the equity method               | 4,550                                                                  | 71,113          | 91.00                       | -                                        |                                                                       |
|                                                        | YDC (Virgin Islands) Ltd.                                | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 10,798          | 17.70                       | -                                        |                                                                       |
|                                                        | Yuanshi Digital Technology Co., Ltd.                     | (Note A)                              | Other liabilities - other                                       | 1,499                                                                  | (3,932)         | 1.35                        | -                                        |                                                                       |
|                                                        | FET Consulting Engineers Co., Ltd.                       | (Note A)                              | Investments accounted for using the equity method               | 2,500                                                                  | 46,754          | 100.00                      | -                                        |                                                                       |
|                                                        | Asia Cement Corporation                                  | (Note A)                              | Investments accounted for using the equity method               | 5,329                                                                  | 217,164         | 0.15                        | 236,059                                  |                                                                       |
|                                                        | Far EasTone Telecommunications Co., Ltd.                 | (Note A)                              | Investments accounted for using the equity method               | 4,164                                                                  | 105,078         | 0.13                        | 268,962                                  |                                                                       |
|                                                        | Yu Yuan Investment Co., Ltd.                             | (Note A)                              | Investments accounted for using the equity method               | 129,637                                                                | 2,164,434       | 25.02                       | -                                        |                                                                       |
|                                                        | Yue Ming Corporation                                     | (Note A)                              | Investments accounted for using the equity method               | 104                                                                    | 531             | 1.00                        | -                                        |                                                                       |
|                                                        | Yu Ding Industry Co., Ltd.                               | (Note A)                              | Investments accounted for using the equity method               | 3,206                                                                  | 70,907          | 2.59                        | -                                        |                                                                       |
|                                                        | FEDS Asia Pacific Development Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method               | 10,650                                                                 | 132,390         | 5.00                        | -                                        |                                                                       |
|                                                        | Far Eastern Electronic Toll Collection Co., Ltd.         | (Note A)                              | Investments accounted for using the equity method               | 44,796                                                                 | 681,097         | 14.93                       | -                                        |                                                                       |
|                                                        | Far Eastern International Bank                           | (Note A)                              | Investments accounted for using the equity method               | 8,746                                                                  | 115,239         | 0.25                        | 94,019                                   |                                                                       |
|                                                        | Yuan Hsin Digital Payment Co., Ltd.                      | (Note A)                              | Investments accounted for using the equity method               | 11,052                                                                 | 84,440          | 16.22                       | -                                        |                                                                       |
|                                                        | Ding Ding Hotel Co., Ltd.                                | (Note A)                              | Investments accounted for using the equity method               | 102,509                                                                | 253,936         | 98.52                       | -                                        |                                                                       |
|                                                        | Far Eastern New Century Corporation                      | (Note D)                              | Financial assets at fair value through profit or loss - current | 779                                                                    | 22,836          | -                           | 22,836                                   |                                                                       |
| Ding Ding Integrated Marketing Service Co., Ltd.       | Yuanshi Digital Technology Co., Ltd.                     | (Note A)                              | Other liabilities - other                                       | 5                                                                      | (13)            | -                           | -                                        |                                                                       |
|                                                        | Yuan Hsin Digital Payment Co., Ltd.                      | (Note A)                              | Investments accounted for using the equity method               | 21,180                                                                 | 161,801         | 31.08                       | -                                        |                                                                       |
|                                                        | DDIM (Virgin Islands) Ltd.                               | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 19,967          | 46.13                       | -                                        |                                                                       |
|                                                        | Pacific SOGO Department Stores Co., Ltd.                 | (Note J)                              | Financial asset at FVTOCI - non-current                         | 1                                                                      | 37              | -                           | 37                                       |                                                                       |
| Far Eastern Technical Consultants Co., Ltd.            | Cosmos Foreign Exchange Intl. Co., Ltd.                  | -                                     | Financial asset at FVTOCI - non-current                         | 480                                                                    | 9,638           | 4.00                        | 9,638                                    |                                                                       |
| FET Consulting Engineers Co., Ltd.                     | DDIM (Virgin Islands) Ltd.                               | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 23,317          | 53.87                       | -                                        |                                                                       |
| YDC (Virgin Islands) Ltd.                              | Yuan Ding Integrated Information Service (Shanghai) Inc. | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 199             | 0.46                        | -                                        |                                                                       |
|                                                        | Speedy (Shanghai) digital Tech. Co., Ltd.                | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 59,701          | 100.00                      | -                                        |                                                                       |

(Continued)

| Holding Company Name                             | Type and Name of Marketable Securities                                   | Relationship with the Holding Company | Financial Statement Account                                     | December 31, 2021                                                      |                 |                             |                                          | Note                                                                |
|--------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|-----------------|-----------------------------|------------------------------------------|---------------------------------------------------------------------|
|                                                  |                                                                          |                                       |                                                                 | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) |                                                                     |
| DDIM (Virgin Islands) Ltd.                       | Yuan Ding Integrated Information Service (Shanghai) Inc.                 | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | \$ 43,143       | 99.54                       | \$ -                                     | 5,000 thousand shares pledged or mortgaged as collateral for loans. |
| YDT Technology International Co., Ltd.           | Everest Textile Corporation                                              | (Note A)                              | Investments accounted for using the equity method               | 101                                                                    | 842             | 0.01                        | 971                                      |                                                                     |
|                                                  | Far Eastern Department Stores Co., Ltd.                                  | (Note A)                              | Investments accounted for using the equity method               | 2,764                                                                  | 98,716          | 0.20                        | 59,285                                   |                                                                     |
|                                                  | Asia Cement Corporation                                                  | (Note A)                              | Investments accounted for using the equity method               | 61                                                                     | 2,453           | -                           | 2,681                                    |                                                                     |
|                                                  | YDC (Virgin Islands) Ltd.                                                | (Note A)                              | Investments accounted for using the equity method               | (Note G)                                                               | 50,205          | 82.30                       | -                                        |                                                                     |
|                                                  | Far Eastern International Bank                                           | (Note A)                              | Investments accounted for using the equity method               | 3,076                                                                  | 40,812          | 0.09                        | 33,062                                   |                                                                     |
|                                                  | 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                                                                 | 79,757          | 100.00                      | -                                        |                                                                     |
|                                                  | Millerful No.1 REIT                                                      | -                                     | Financial asset at FVTOCI - non-current                         | 47,010                                                                 | 487,029         | -                           | 487,029                                  |                                                                     |
|                                                  | Subordinated perpetual corporate bonds of Cathy Life Insurance Co., Ltd. | -                                     | Financial assets at amortized cost                              | 5,000                                                                  | 500,000         | -                           | -                                        |                                                                     |
| FETC International Co., Ltd.                     | FETC International (Thailand) Co., Ltd.                                  | (Note A)                              | Investments accounted for using the equity method               | 8,200                                                                  | 58,386          | 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                                                              | 28,436,062      | 100.00                      | -                                        |                                                                     |
|                                                  | ARCOA Communication Co., Ltd.                                            | (Note A)                              | Investments accounted for using the equity method               | 82,762                                                                 | 698,742         | 61.63                       | -                                        |                                                                     |
|                                                  | KGEX.com Co., Ltd.                                                       | (Note A)                              | Investments accounted for using the equity method               | 68,897                                                                 | 902,594         | 99.99                       | -                                        |                                                                     |
|                                                  | Yuanshi Digital Technology Co., Ltd.                                     | (Note A)                              | Other liabilities - other                                       | 107,004                                                                | (280,137)       | 96.18                       | -                                        |                                                                     |
|                                                  | Yuan Cing Co., Ltd.                                                      | (Note A)                              | Investments accounted for using the equity method               | 2,000                                                                  | 40,705          | 100.00                      | -                                        |                                                                     |
|                                                  | Far Eastern Info Service (Holding) Ltd.                                  | (Note A)                              | Investments accounted for using the equity method               | 1                                                                      | 4,883           | 100.00                      | -                                        |                                                                     |
|                                                  | Far EasTone Property Insurance Agent Co., Ltd.                           | (Note A)                              | Investments accounted for using the equity method               | 500                                                                    | 83,443          | 100.00                      | -                                        |                                                                     |
|                                                  | Far Eastern Electronic Toll Collection Co., Ltd.                         | (Note A)                              | Investments accounted for using the equity method               | 118,251                                                                | 1,403,595       | 39.42                       | -                                        |                                                                     |
|                                                  | Ding Ding Integrated Marketing Service Co., Ltd.                         | (Note A)                              | Investments accounted for using the equity method               | 5,447                                                                  | 36,924          | 15.00                       | -                                        |                                                                     |
|                                                  | Yuan Hsin Digital Payment Co., Ltd.                                      | (Note A)                              | Investments accounted for using the equity method               | 12,342                                                                 | 94,628          | 18.11                       | -                                        |                                                                     |
|                                                  | App Works Fund II Co., Ltd.                                              | (Note L)                              | Investments accounted for using the equity method               | 5,355                                                                  | 138,461         | 11.11                       | 138,461                                  |                                                                     |
|                                                  | CDIB Capital Innovation Accelerator Co., Ltd.                            | (Note L)                              | Financial asset at FVTOCI - non-current                         | 9,000                                                                  | 105,191         | 10.71                       | 105,191                                  |                                                                     |
|                                                  | LINE Bank Taiwan Limited                                                 | -                                     | Financial asset at FVTOCI - non-current                         | 50,000                                                                 | 396,910         | 5.00                        | 396,910                                  |                                                                     |
|                                                  | LI TV (Taiwan) Inc                                                       | -                                     | Financial asset at FVTOCI - non-current                         | 1,250                                                                  | 50,000          | 2.50                        | 50,000                                   |                                                                     |
|                                                  | Asia Pacific Telecom Co., Ltd.                                           | -                                     | Financial asset at FVTOCI - non-current                         | 500,000                                                                | 4,110,000       | 11.58                       | 4,110,000                                |                                                                     |
| ARCOA Communication Co., Ltd.                    | DataExpress Infotech Co., Ltd.                                           | (Note A)                              | Investments accounted for using the equity method               | 15,285                                                                 | 278,594         | 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                                                                 | 81,531          | 100.00                      | -                                        |                                                                     |
|                                                  | Information Security Service Digital United Inc.                         | (Note A)                              | Investments accounted for using the equity method               | 11,195                                                                 | 138,226         | 100.00                      | -                                        |                                                                     |
|                                                  | Digital United (Cayman) Ltd.                                             | (Note A)                              | Investments accounted for using the equity method               | 10,320                                                                 | 334,376         | 100.00                      | -                                        |                                                                     |
|                                                  | Yuanshi Digital Technology Co., Ltd.                                     | (Note A)                              | Other liabilities - other                                       | 750                                                                    | (1,963)         | 0.67                        | -                                        |                                                                     |
|                                                  | Ding Ding Integrated Marketing Service Co., Ltd.                         | (Note A)                              | Investments accounted for using the equity method               | 1,816                                                                  | 12,308          | 5.00                        | -                                        |                                                                     |
|                                                  | Prime EcoPower Co., Ltd.                                                 | (Note A)                              | Investments accounted for using the equity method               | 16,000                                                                 | 125,451         | 100.00                      | -                                        |                                                                     |
|                                                  | Drive Catalyst SPC-SP Tranche One                                        | (Note A)                              | Investments accounted for using the equity method               | 4                                                                      | 111,666         | 25.00                       | -                                        |                                                                     |
|                                                  | Drive Catalyst SPC-SP Tranche Two                                        | (Note A)                              | Investments accounted for using the equity method               | 4                                                                      | 116,861         | 25.00                       | -                                        |                                                                     |
|                                                  | Drive Catalyst SPC-SP Tranche Three                                      | (Note A)                              | Investments accounted for using the equity method               | 8                                                                      | 236,449         | 25.00                       | -                                        |                                                                     |
|                                                  | Nextlink Technology Co., Ltd.                                            | (Note A)                              | Investments accounted for using the equity method               | 3,430                                                                  | 455,473         | 70.00                       | -                                        |                                                                     |
|                                                  | Ju An Long-Age Co., Ltd.                                                 | (Note A)                              | Investments accounted for using the equity method               | 1,000                                                                  | 15,861          | 25.00                       | -                                        |                                                                     |
|                                                  | Yuan Hsin Digital Payment Co., Ltd.                                      | (Note A)                              | Investments accounted for using the equity method               | 4,236                                                                  | 32,476          | 6.22                        | -                                        |                                                                     |
|                                                  | Kaohsiung Rapid Transit Corporation                                      | (Note K)                              | Financial asset at FVTOCI - non-current                         | 8,858                                                                  | 44,645          | 3.18                        | 44,645                                   |                                                                     |
|                                                  | Bank Pro E-service Technology Co., Ltd.                                  | -                                     | Financial asset at FVTOCI - non-current                         | 600                                                                    | 4,500           | 3.33                        | 4,500                                    |                                                                     |
|                                                  | Changing.ai Inc.                                                         | -                                     | Financial asset at FVTOCI - non-current                         | 500                                                                    | 8,944           | 2.50                        | 8,944                                    |                                                                     |
|                                                  | Opas Fund Segregated Portfolio Tranche A                                 | (Note K)                              | Financial assets at fair value through profit or loss - current | 13                                                                     | 505,428         | -                           | 505,428                                  |                                                                     |
|                                                  | Opas Fund Segregated Portfolio Tranche B                                 | (Note K)                              | Financial assets at fair value through profit or loss - current | 5                                                                      | 193,746         | -                           | 193,746                                  |                                                                     |

(Continued)

| Holding Company Name               | Type and Name of Marketable Securities                                                                          | Relationship with the Holding Company | Financial Statement Account                       | December 31, 2021                                                      |                 |                             |                                           | Note |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------|------------------------------------------------------------------------|-----------------|-----------------------------|-------------------------------------------|------|
|                                    |                                                                                                                 |                                       |                                                   | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note II) |      |
| New Diligent Co., Ltd.             | Sino Lead Enterprise Limited<br>Far East New Diligent Company Ltd.<br>New Diligent Hong Kong Co., Ltd.          | (Note A)                              | Investments accounted for using the equity method | 30                                                                     | \$ 321          | 100.00                      | \$ -                                      |      |
|                                    |                                                                                                                 | (Note A)                              | Investments accounted for using the equity method | -                                                                      | 19,593          | 100.00                      | -                                         |      |
|                                    |                                                                                                                 | (Note A)                              | Investments accounted for using the equity method | (Note G)                                                               | 2,106           | 100.00                      | -                                         |      |
| DataExpress Infotech Co., Ltd.     | Home Master Technology Ltd.                                                                                     | (Note A)                              | Investments accounted for using the equity method | (Note G)                                                               | 42,860          | 100.00                      | -                                         |      |
| Nextlink Technology Co., Ltd.      | Microfusion Technology Co., Ltd.<br>Nextlink (HK) Technology Co., Ltd.<br>Microfusion (HK) Technology Co., Ltd. | (Note A)                              | Investments accounted for using the equity method | 2,900                                                                  | 47,314          | 100.00                      | -                                         |      |
|                                    |                                                                                                                 | (Note A)                              | Investments accounted for using the equity method | -                                                                      | 36,568          | 100.00                      | -                                         |      |
|                                    |                                                                                                                 | (Note A)                              | Investments accounted for using the equity method | -                                                                      | 2,825           | 100.00                      | -                                         |      |
| Digital United (Cayman) Ltd.       | Digital United Information Technology (Shanghai) Ltd.<br>TBCASoft, Inc.                                         | (Note A)                              | Other liabilities - other                         | (Note G)                                                               | 11,311          | 100.00                      | -                                         |      |
|                                    |                                                                                                                 | -                                     | Financial asset at FVTOCI - non-current           | 727                                                                    | 187,394         | 4.87                        | 187,394                                   |      |
| Nextlink (HK) Technology Co., Ltd. | Nextlink (Shanghai) Technology Co., Ltd.                                                                        | (Note A)                              | Investments accounted for using the equity method | (Note G)                                                               | 1,987           | 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.

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, 2021, 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, 2021, the relevant investment funds have not been remitted.

(Concluded)

TABLE 7

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NTS300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(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.'s common stock                    | Investments accounted for using the equity method                              | Cash capital increase | (Note A)     | 5,072                              | \$ 25,734,569 | 389                                | \$ 1,955,422 | -                                  | \$ -    | \$ -       | \$ -          | \$ 588,368                                | 5,461                              | \$ 28,278,359 |
| Yuan Ding Investment Co., Ltd.        | Everest Textile Corporation's common stock                              | Investments accounted for using the equity method                              | Cash capital increase | (Note B)     | 128,618                            | 831,947       | 65,055                             | 650,551      | 29,059                             | -       | -          | -             | 2,097                                     | 164,614                            | 1,484,595     |
| Far Eastern Investment (Holding) Ltd. | Far Eastern Polytex (Vietnam) Ltd.                                      | Investments accounted for using the equity method                              | Cash capital increase | (Note A)     | (Note C)                           | US\$ 262,696  | (Note C)                           | US\$ 68,700  | -                                  | -       | -          | -             | US\$ 13,766                               | (Note C)                           | US\$ 345,162  |
|                                       | Far Eastern New Apparel (Vietnam) Ltd.                                  | Investments accounted for using the equity method                              | Cash capital increase | (Note A)     | (Note C)                           | US\$ 5,257    | (Note C)                           | US\$ 15,000  | -                                  | -       | -          | -             | US\$ (5,268)                              | (Note C)                           | US\$ 14,989   |
|                                       | APG Polytech USA Holdings, Inc.'s common stock                          | Investments accounted for using the equity method                              | Cash capital increase | (Note A)     | 5                                  | US\$ 500,212  | 1                                  | US\$ 100,000 | -                                  | -       | -          | -             | US\$ 39,315                               | 6                                  | US\$ 639,527  |
| APG Polytech USA Holdings, Inc.       | Corpus Christi Polymers LLC                                             | Investments accounted for using the equity method                              | Cash capital increase | (Note D)     | (Note C)                           | US\$ 416,190  | (Note C)                           | US\$ 11,033  | -                                  | -       | -          | -             | US\$ (2,074)                              | (Note C)                           | US\$ 425,149  |
| Far Eastern General Contractor Inc    | CTBC Hwa-Win Money Market Fund                                          | Financial assets at fair value through profit or loss - current                | -                     | -            | 20,707                             | 230,002       | 29,419                             | 327,000      | 38,248                             | 425,124 | 424,940    | 184           | 109 (Note E)                              | 11,878                             | 132,171       |
| Yuan Tong Investment Co., Ltd.        | Far Eastern Department Stores Co., Ltd.'s common stock                  | Investments accounted for using the equity method                              | -                     | (Note B)     | 59,073                             | 1,776,669     | 18,662                             | 421,963      | -                                  | -       | -          | -             | (10,156)                                  | 77,735                             | 2,188,476     |
| Yuan Ding Co., Ltd.                   | Ding Ding Hotel Co., Ltd.'s common stock                                | Investments accounted for using the equity method                              | Cash capital increase | (Note A)     | 102,509                            | 81,826        | 98,522                             | 985,217      | 98,522                             | -       | -          | -             | (813,107)                                 | 102,509                            | 253,936       |
| Far EasTone Telecommunications Co.,   | Asia Pacific Telecom Co., Ltd.'s common stock through private placement | Financial assets at fair value through other comprehensive income - noncurrent | Cash capital increase | -            | -                                  | -             | 500,000                            | 5,000,000    | -                                  | -       | -          | -             | (890,000) (Note F)                        | 500,000                            | 4,110,000     |

Notes: A. Subsidiary.

B. Associates.

C. Company limited.

D. Joint operation entity.

E. Gain on financial asset at FVTPL.

F. Unrealized gain on financial asset at FVTOCI.

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

| Buyer                              | Property                            | Event Date   | Transaction Amount | Payment Status | Counterparty | Relationship          | Information on Previous Title Transfer If Counterparty Is A Related Party |                                                                    |                  |         | Pricing Reference | Purpose of Acquisition | Other Terms |
|------------------------------------|-------------------------------------|--------------|--------------------|----------------|--------------|-----------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------|------------------|---------|-------------------|------------------------|-------------|
|                                    |                                     |              |                    |                |              |                       | Property Owner                                                            | Relationship                                                       | Transaction Date | Amount  |                   |                        |             |
| Far Eastern Construction Co., Ltd. | Land in Xinyi District, Taipei City | October 2021 | \$813,984          | Paid in full   | John Hsu     | Other related parties | S.L. Hsu-Chu                                                              | First Class Relatives of directors of the consolidated corporation | October 2013     | Inherit | Valuation report  | Development and use    | None        |



**TABLE 9****FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEs**

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Seller                              | Property                                                             | Event Date | Original Acquisition Date | Carrying Amount | Transaction Amount | Collection   | Gain (Loss) on Disposal | Counterparty   | Relationship | Purpose of Disposal | Price Reference  | Other Terms |
|-------------------------------------|----------------------------------------------------------------------|------------|---------------------------|-----------------|--------------------|--------------|-------------------------|----------------|--------------|---------------------|------------------|-------------|
| New Century Infocomm Tech Co., Ltd. | Part of the real estate and equipment in Neihu District, Taipei City | July 2021  | June 2001                 | \$ 1,857,022    | \$ 3,242,924       | All received | \$ 1,281,483 (Note 1)   | Media Tek Inc. | None         | Activate assets     | Valuation report | None        |

Note: Related expenses were deducted from the gain on disposal.

TABLE 10

## 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, 2021  
(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           | Worldwide Polychem (HK) Limited                           | (Note A)               | Sale                 | \$ (3,863,170) | (8)        | Based on contract | -                     | -             | \$ -                        | -          | \$ 1,731,885                   | 23         |      |
|                                               | Far Eastern Industries (Shanghai) Ltd.                    | (Note A)               | Sale                 | (1,540,727)    | (3)        | Based on contract | -                     | -             | -                           | -          | 255,639                        | 3          |      |
|                                               | Far Eastern Polytex (Vietnam) Ltd.                        | (Note A)               | Sale                 | (648,435)      | (1)        | Based on contract | -                     | -             | -                           | -          | 165,100                        | 2          |      |
|                                               | Far Eastern Ishizuka Green Pet Corporation                | (Note A)               | Sale                 | (381,855)      | (1)        | Based on contract | -                     | -             | -                           | -          | 26,157                         | -          |      |
|                                               | Far Eastern Ishizuka Green Pet Corporation                | (Note A)               | Purchase             | 497,682        | 1          | Based on contract | -                     | -             | -                           | -          | (67,506)                       | (2)        |      |
|                                               | Far Eastern Apparel (Vietnam) Ltd.                        | (Note A)               | Sale                 | (154,492)      | -          | Based on contract | -                     | -             | -                           | -          | 41,832                         | 1          |      |
|                                               | Freudenberg Far Eastern Spunweb Co., Ltd.                 | (Note D)               | Sale                 | (508,692)      | (1)        | Based on contract | -                     | -             | -                           | -          | 69,053                         | 1          |      |
|                                               | Everest Textile Corporation                               | (Note D)               | Sale                 | (254,754)      | (1)        | Based on contract | -                     | -             | -                           | -          | 30,548                         | -          |      |
|                                               | Oriental Petrochemical (Taiwan) Corporation               | (Note A)               | Purchase             | 13,844,409     | 36         | Based on contract | -                     | -             | -                           | -          | (876,872)                      | (29)       |      |
|                                               | Oriental Green Materials Limited                          | (Note A)               | Purchase             | 1,320,106      | 3          | Based on contract | -                     | -             | -                           | -          | (135,540)                      | (5)        |      |
|                                               | Oriental Industries (Suzhou) Ltd.                         | (Note A)               | Purchase             | 115,584        | -          | Based on contract | -                     | -             | -                           | -          | (32,968)                       | (1)        |      |
|                                               | Oriental Union Chemical Corporation                       | (Note D)               | Purchase             | 1,562,845      | 4          | Based on contract | -                     | -             | -                           | -          | (103,155)                      | (3)        |      |
| Oriental Petrochemical (Taiwan) Corporation   | Far Eastern New Century Corporation                       | (Note B)               | Sale                 | (13,844,409)   | (42)       | Based on contract | -                     | -             | -                           | -          | 876,872                        | 24         |      |
|                                               | Far Eastern Polytex (Vietnam) Ltd.                        | (Note C)               | Sale                 | (5,738,676)    | (18)       | Based on contract | -                     | -             | -                           | -          | 1,177,238                      | 32         |      |
|                                               | Far Eastern Industries (Shanghai) Ltd.                    | (Note C)               | Sale                 | (493,676)      | (2)        | Based on contract | -                     | -             | -                           | -          | 291,474                        | 8          |      |
|                                               | Liquid Air Far East Co., Ltd.                             | (Note D)               | Purchase             | 102,903        | -          | Based on contract | -                     | -             | -                           | -          | (25,711)                       | (1)        |      |
| Oriental Green Materials Limited              | Far Eastern New Century Corporation                       | (Note B)               | Sale                 | (1,320,106)    | (96)       | Based on contract | -                     | -             | -                           | -          | 135,540                        | 99         |      |
| Far Eastern General Contractor Inc.           | Far Eastern Construction Co., Ltd.                        | (Note C)               | Construction revenue | (550,397)      | (7)        | Based on contract | -                     | -             | -                           | -          | 124,057                        | 18         |      |
|                                               | Far Eastern Resources Development Co., Ltd.               | (Note C)               | Construction revenue | (420,005)      | (5)        | Based on contract | -                     | -             | -                           | -          | -                              | -          |      |
|                                               | Chubei New Century Shopping Mall Co., Ltd.                | (Note E)               | Construction revenue | (105,723)      | (1)        | Based on contract | -                     | -             | -                           | -          | -                              | -          |      |
|                                               | Asia Eastern School Legal Person                          | (Note I)               | Construction revenue | (130,034)      | (2)        | Based on contract | -                     | -             | -                           | -          | 12,015                         | 2          |      |
|                                               | Ya Tung Ready-mixed Concrete Corporation                  | (Note E)               | Purchase             | 334,650        | 5          | Based on contract | -                     | -             | (30,689)                    | (5)        | (30,264)                       | (2)        |      |
|                                               | Ya-Li Precast Prestressed Concrete Industries Corporation | (Note E)               | Purchase             | 115,116        | 2          | Based on contract | -                     | -             | (5,265)                     | (1)        | (13,564)                       | (1)        |      |
| Far Eastern Construction Co., Ltd.            | Far Eastern General Contractor Inc.                       | (Note C)               | Purchase             | 575,788        | 43         | Based on contract | -                     | -             | -                           | -          | (124,057)                      | (42)       |      |
| Far Eastern Fibertech Ltd.                    | Far Eastern Industries (Shanghai) Ltd.                    | (Note C)               | Sale                 | (398,901)      | (15)       | Based on contract | -                     | -             | -                           | -          | 64,999                         | 27         |      |
|                                               | Everest Textile Corporation                               | (Note D)               | Sale                 | (326,715)      | (12)       | Based on contract | -                     | -             | -                           | -          | 34,395                         | 14         |      |
| FETC International Co., Ltd.                  | Far Eastern Electronic Toll Collection Co., Ltd.          | (Note C)               | Sale                 | (273,023)      | (74)       | Based on contract | -                     | -             | -                           | -          | 92,240                         | 71         |      |
| Oriental Petrochemical (Shanghai) Corporation | Far Eastern Industries (Shanghai) Ltd.                    | (Note C)               | Sale                 | (7,914,085)    | (63)       | Based on contract | -                     | -             | 104,429                     | 23         | 187,620                        | 100        |      |
|                                               | Shanghai Far Eastern Petrochemical Logistic Corporation   | (Note C)               | Purchase             | 101,467        | 1          | Based on contract | -                     | -             | -                           | -          | (50,426)                       | (3)        |      |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd.  | FE New Century Industrial (Singapore) Pte. Ltd.           | (Note C)               | Sale                 | (3,457,660)    | (61)       | Based on contract | -                     | -             | -                           | -          | 530,317                        | 52         |      |
|                                               | Far Eastern Apparel (Suzhou) Ltd.                         | (Note C)               | Sale                 | (507,260)      | (9)        | Based on contract | -                     | -             | -                           | -          | 95,736                         | 9          |      |
|                                               | Far Eastern Industries (Shanghai) Ltd.                    | (Note C)               | Purchase             | 752,205        | 15         | Based on contract | -                     | -             | -                           | -          | (152,146)                      | (17)       |      |
| Far Eastern Apparel (Suzhou) Ltd.             | Far Eastern Dyeing & Finishing (Suzhou) Ltd.              | (Note C)               | Purchase             | 507,260        | 23         | Based on contract | -                     | -             | -                           | -          | (95,736)                       | (25)       |      |
|                                               | FE New Century Industrial (Singapore) Pte. Ltd.           | (Note C)               | Sale                 | (637,815)      | (27)       | Based on contract | -                     | -             | -                           | -          | 110,888                        | 30         |      |

(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 Industries (Shanghai) Ltd.                  | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Sale                | \$ (1,815,196) | (8)        | Based on contract | -                     | -             | \$ -                        | -          | \$ 546,286                     | 22         |      |
|                                                         | Wuhan Far Eastern New Material Ltd.                           | (Note C)               | Sale                | (792,033)      | (4)        | Based on contract | -                     | -             | -                           | -          | 139,219                        | 5          |      |
|                                                         | Wuhan Far Eastern New Material Ltd.                           | (Note C)               | Purchase            | 490,123        | 2          | Based on contract | -                     | -             | -                           | -          | (117,141)                      | (7)        |      |
|                                                         | Far Eastern Dyeing & Finishing (Suzhou) Ltd.                  | (Note C)               | Sale                | (752,205)      | (3)        | Based on contract | -                     | -             | -                           | -          | 152,146                        | 6          |      |
|                                                         | Oriental Industries (Suzhou) Ltd.                             | (Note C)               | Sale                | (467,346)      | (2)        | Based on contract | -                     | -             | -                           | -          | 21,083                         | 1          |      |
|                                                         | Far Eastern Polytex (Vietnam) Ltd.                            | (Note B)               | Sale                | (197,251)      | (1)        | Based on contract | -                     | -             | -                           | -          | 64,608                         | 3          |      |
|                                                         | Far Eastern New Century Corporation                           | (Note C)               | Purchase            | 1,540,727      | 7          | Based on contract | -                     | -             | -                           | -          | (255,639)                      | (16)       |      |
|                                                         | Oriental Petrochemical (Taiwan) Corporation                   | (Note C)               | Purchase            | 493,676        | 2          | Based on contract | -                     | -             | -                           | -          | (291,474)                      | (18)       |      |
|                                                         | Far Eastern Fibertech Ltd.                                    | (Note C)               | Purchase            | 398,901        | 2          | Based on contract | -                     | -             | -                           | -          | (64,999)                       | (4)        |      |
|                                                         | Oriental Petrochemical (Shanghai) Corporation                 | (Note C)               | Purchase            | 7,914,085      | 38         | Based on contract | -                     | -             | (104,429)                   | (9)        | (187,620)                      | (12)       |      |
|                                                         | Far Eastern Union Petrochemical (Yangzhou) Corporation (Note) | (Note D)               | Purchase            | 173,373        | 1          | Based on contract | -                     | -             | -                           | -          | -                              | -          |      |
| Wuhan Far Eastern New Material Ltd.                     | Far Eastern Industries (Shanghai) Ltd.                        | (Note C)               | Sale                | (490,123)      | (38)       | Based on contract | -                     | -             | -                           | -          | 117,141                        | 48         |      |
|                                                         | Far Eastern Industries (Shanghai) Ltd.                        | (Note C)               | Purchase            | 792,033        | 68         | Based on contract | -                     | -             | -                           | -          | (139,219)                      | (90)       |      |
|                                                         | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Sale                | (111,905)      | (9)        | Based on contract | -                     | -             | -                           | -          | 39,134                         | 16         |      |
| Oriental Industries (Suzhou) Ltd.                       | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Sale                | (201,651)      | (2)        | Based on contract | -                     | -             | -                           | -          | 101,642                        | 6          |      |
|                                                         | Far Eastern New Century Corporation                           | (Note B)               | Sale                | (115,584)      | (1)        | Based on contract | -                     | -             | -                           | -          | 32,968                         | 2          |      |
|                                                         | Far Eastern Industries (Shanghai) Ltd.                        | (Note C)               | Purchase            | 467,346        | 6          | Based on contract | -                     | -             | -                           | -          | (21,083)                       | (4)        |      |
| Shanghai Far Eastern Petrochemical Logistic Corporation | Oriental Petrochemical (Shanghai) Corporation                 | (Note C)               | Sale                | (101,467)      | (81)       | Based on contract | -                     | -             | -                           | -          | 50,426                         | 90         |      |
| Far Eastern Polytex (Vietnam) Ltd.                      | Worldwide Polychem (HK) Limited                               | (Note C)               | Sale                | (2,400,101)    | (14)       | Based on contract | -                     | -             | -                           | -          | 1,244,497                      | 39         |      |
|                                                         | APG Polytech, LLC                                             | (Note C)               | Sale                | (267,356)      | (2)        | Based on contract | -                     | -             | -                           | -          | 264,217                        | 8          |      |
|                                                         | Far Eastern Apparel (Vietnam) Ltd.                            | (Note C)               | Sale                | (239,050)      | (1)        | Based on contract | -                     | -             | -                           | -          | 43,164                         | 1          |      |
|                                                         | Far Eastern New Apparel (Vietnam) Ltd.                        | (Note C)               | Sale                | (203,378)      | (1)        | Based on contract | -                     | -             | -                           | -          | 18,670                         | 1          |      |
|                                                         | Far Eastern New Century Corporation                           | (Note B)               | Purchase            | 648,435        | 4          | Based on contract | -                     | -             | -                           | -          | (165,100)                      | (7)        |      |
|                                                         | Oriental Petrochemical (Shanghai) Corporation                 | (Note C)               | Purchase            | 5,738,676      | 37         | Based on contract | -                     | -             | -                           | -          | (1,177,238)                    | (51)       |      |
|                                                         | Far Eastern Industries (Shanghai) Ltd.                        | (Note C)               | Purchase            | 197,251        | 1          | Based on contract | -                     | -             | -                           | -          | (64,608)                       | (3)        |      |
| Far Eastern Apparel (Vietnam) Ltd.                      | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Sale                | (1,766,328)    | (67)       | Based on contract | -                     | -             | -                           | -          | 364,747                        | 69         |      |
|                                                         | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Purchase            | 732,830        | 28         | Based on contract | -                     | -             | -                           | -          | (287,266)                      | (68)       |      |
|                                                         | Far Eastern New Century Corporation                           | (Note B)               | Purchase            | 154,492        | 6          | Based on contract | -                     | -             | -                           | -          | (41,832)                       | (10)       |      |
|                                                         | Far Eastern Polytex (Vietnam) Ltd.                            | (Note C)               | Purchase            | 239,050        | 9          | Based on contract | -                     | -             | -                           | -          | (43,164)                       | (10)       |      |
| Far Eastern New Apparel (Vietnam) Ltd.                  | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Sale                | (1,394,660)    | (92)       | Based on contract | -                     | -             | -                           | -          | 209,773                        | 79         |      |
|                                                         | FE New Century Industrial (Singapore) Pte. Ltd.               | (Note C)               | Purchase            | 165,932        | 11         | Based on contract | -                     | -             | -                           | -          | (18,225)                       | (45)       |      |
|                                                         | Far Eastern Polytex (Vietnam) Ltd.                            | (Note C)               | Purchase            | 203,378        | 13         | Based on contract | -                     | -             | -                           | -          | (18,670)                       | (46)       |      |
| FE New Century Industrial (Singapore) Pte. Ltd.         | Pet Far Eastern (M) Sdn. Bhd.                                 | (Note C)               | Sale                | (770,319)      | (8)        | Based on contract | -                     | -             | -                           | -          | 169,128                        | 12         |      |
|                                                         | Far Eastern Apparel (Vietnam) Ltd.                            | (Note C)               | Sale                | (732,830)      | (8)        | Based on contract | -                     | -             | -                           | -          | 287,266                        | 21         |      |
|                                                         | Far Eastern Apparel (Vietnam) Ltd.                            | (Note C)               | Purchase            | 1,766,328      | 19         | Based on contract | -                     | -             | -                           | -          | (364,747)                      | (19)       |      |
|                                                         | Far Eastern New Apparel (Vietnam) Ltd.                        | (Note C)               | Sale                | (165,932)      | (2)        | Based on contract | -                     | -             | -                           | -          | 18,225                         | 1          |      |
|                                                         | Far Eastern New Apparel (Vietnam) Ltd.                        | (Note C)               | Purchase            | 1,394,660      | 15         | Based on contract | -                     | -             | -                           | -          | (209,773)                      | (11)       |      |
|                                                         | Far Eastern Dyeing & Finishing (Suzhou) Ltd.                  | (Note C)               | Purchase            | 3,457,660      | 37         | Based on contract | -                     | -             | -                           | -          | (530,317)                      | (38)       |      |
|                                                         | Far Eastern Industries (Shanghai) Ltd.                        | (Note C)               | Purchase            | 1,815,196      | 19         | Based on contract | -                     | -             | -                           | -          | (546,286)                      | (29)       |      |
|                                                         | Far Eastern Apparel (Suzhou) Ltd.                             | (Note C)               | Purchase            | 637,815        | 7          | Based on contract | -                     | -             | -                           | -          | (110,888)                      | (8)        |      |
|                                                         | Wuhan Far Eastern New Material Ltd.                           | (Note C)               | Purchase            | 111,905        | 1          | Based on contract | -                     | -             | -                           | -          | (39,134)                       | (2)        |      |
|                                                         | Oriental Industries (Suzhou) Ltd.                             | (Note C)               | Purchase            | 201,651        | 2          | Based on contract | -                     | -             | -                           | -          | (101,642)                      | (7)        |      |
| Far Eastern Ishizuka Green Pet Corporation              | Far Eastern New Century Corporation                           | (Note B)               | Sale                | (497,682)      | (15)       | Based on contract | -                     | -             | -                           | -          | 67,506                         | 19         |      |
|                                                         | Far Eastern New Century Corporation                           | (Note B)               | Purchase            | 381,855        | 15         | Based on contract | -                     | -             | -                           | -          | (26,157)                       | (11)       |      |
| Worldwide Polychem (HK) Limited                         | Phoenix Technologies International, LLC                       | (Note C)               | Sale                | (289,145)      | (5)        | Based on contract | -                     | -             | -                           | -          | 18,089                         | 2          |      |
|                                                         | Far Eastern New Century Corporation                           | (Note B)               | Purchase            | 3,863,170      | 62         | Based on contract | -                     | -             | -                           | -          | (1,731,885)                    | (58)       |      |
|                                                         | Far Eastern Polytex (Vietnam) Ltd.                            | (Note C)               | Purchase            | 2,400,101      | 38         | Based on contract | -                     | -             | -                           | -          | (1,244,497)                    | (42)       |      |

(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 |          |
| Phoenix Technologies International, LLC        | APG Polytech, LLC                               | (Note C)               | Sale                                 | \$ (114,923) | (12)       | Based on contract | -                     | -             | \$ -                        | -          | \$ 13,425                      | 12         | (24)     |
|                                                | Worldwide Polychem (HK) Limited                 | (Note C)               | Purchase                             | 289,145      | 27         | Based on contract | -                     | -             | -                           | -          | (18,089)                       | (24)       |          |
| APG Polytech, LLC                              | Far Eastern Polytex (Vietnam) Ltd.              | (Note C)               | Purchase                             | 267,356      | 3          | Based on contract | -                     | -             | -                           | -          | (264,217)                      | (23)       | (1)      |
|                                                | Phoenix Technologies International, LLC         | (Note C)               | Purchase                             | 114,923      | 1          | Based on contract | -                     | -             | -                           | -          | (13,425)                       | (1)        |          |
| Pet Far Eastern (M) Sdn. Bhd.                  | FE New Century Industrial (Singapore) Pte. Ltd. | (Note C)               | Purchase                             | 770,319      | 87         | Based on contract | -                     | -             | -                           | -          | (169,128)                      | (100)      | (3)      |
| Far EasTone Telecommunications Co., Ltd.       | ARCOA Communication Co., Ltd.                   | (Note C)               | Cost of sales and marketing expenses | 6,773,686    | 13         | Based on contract | -                     | -             | -                           | -          | (558,920)                      | (3)        |          |
|                                                | ARCOA Communication Co., Ltd.                   | (Note C)               | Operating revenue                    | (981,828)    | (2)        | Based on contract | -                     | -             | -                           | -          | 245,441                        | 4          | (Note H) |
|                                                | New Century InfoComm Tech Co., Ltd.             | (Note C)               | Cost of sales                        | 2,139,527    | 5          | Based on contract | -                     | -             | -                           | -          | (504,895)                      | (2)        | (Note F) |
|                                                | New Century InfoComm Tech Co., Ltd.             | (Note C)               | Operating revenue                    | (159,398)    | -          | Based on contract | -                     | -             | -                           | -          | 12,530                         | -          | (50,098) |
|                                                | DataExpress Infotech Co., Ltd.                  | (Note C)               | Cost of sales and marketing expenses | 224,881      | -          | Based on contract | -                     | -             | -                           | -          | (50,098)                       | -          |          |
|                                                | Yuanshi Digital Technology Co., Ltd.            | (Note C)               | Operating revenue                    | (804,332)    | (1)        | Based on contract | -                     | -             | -                           | -          | 27,627                         | -          | (1)      |
|                                                | Far EasTone Property Insurance Agent Co., Ltd.  | (Note C)               | Operating revenue                    | (325,773)    | (1)        | Based on contract | -                     | -             | -                           | -          | 95,397                         | 1          |          |
| New Century InfoComm Tech Co., Ltd.            | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Operating revenue                    | (2,139,527)  | (22)       | Based on contract | -                     | -             | -                           | -          | 504,895                        | 30         | (2)      |
|                                                | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Cost of sales                        | 159,398      | 3          | Based on contract | -                     | -             | -                           | -          | (12,530)                       | (2)        |          |
|                                                | KGEx.com Co., Ltd.                              | (Note C)               | Cost of sales and rent expenses      | 135,262      | 2          | Based on contract | -                     | -             | -                           | -          | (25,775)                       | (2)        | 2        |
|                                                | Far Eastern International Bank                  | (Note D)               | Operating revenue                    | (104,788)    | 1)         | Based on contract | -                     | -             | -                           | -          | 25,988                         | 2          |          |
| ARCOA Communication Co., Ltd.                  | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Operating revenue                    | (6,773,686)  | (64)       | Based on contract | -                     | -             | -                           | -          | 558,920                        | 53         | (20)     |
|                                                | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Cost of sales                        | 981,828      | 10         | Based on contract | -                     | -             | -                           | -          | (245,441)                      | (20)       |          |
|                                                | Yuanshi Digital Technology Co., Ltd.            | (Note C)               | Operating revenue                    | (137,169)    | (1)        | Based on contract | -                     | -             | -                           | -          | 173,031                        | 16         | 11       |
|                                                | Home Master Technology Ltd.                     | (Note C)               | Operating revenue                    | (996,371)    | (9)        | Based on contract | -                     | -             | -                           | -          | 113,073                        | 11         |          |
| KGEx.com Co., Ltd.                             | New Century InfoComm Tech Co., Ltd.             | (Note C)               | Operating revenue                    | (135,262)    | (26)       | Based on contract | -                     | -             | -                           | -          | 25,775                         | 49         | 10       |
| DataExpress Infotech Co., Ltd.                 | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Operating revenue                    | (224,881)    | (4)        | Based on contract | -                     | -             | -                           | -          | 50,098                         | 10         |          |
|                                                | Yuanshi Digital Technology Co., Ltd.            | (Note C)               | Operating revenue                    | (101,262)    | (2)        | Based on contract | -                     | -             | -                           | -          | -                              | -          | 5        |
|                                                | Home Master Technology Ltd.                     | (Note C)               | Operating revenue                    | (103,632)    | (2)        | Based on contract | -                     | -             | -                           | -          | 22,760                         | 5          |          |
| Yuanshi Digital Technology Co., Ltd.           | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Cost of sales                        | 804,332      | 31         | Based on contract | -                     | -             | -                           | -          | (27,627)                       | (7)        | (46)     |
|                                                | ARCOA Communication Co., Ltd.                   | (Note C)               | Cost of sales                        | 137,169      | 5          | Based on contract | -                     | -             | -                           | -          | (173,031)                      | (46)       |          |
|                                                | DataExpress Infotech Co., Ltd.                  | (Note C)               | Cost of sales                        | 101,262      | 4          | Based on contract | -                     | -             | -                           | -          | -                              | -          | (72)     |
| Home Master Technology Ltd.                    | ARCOA Communication Co., Ltd.                   | (Note C)               | Cost of sales                        | 996,371      | 63         | Based on contract | -                     | -             | -                           | -          | (113,073)                      | (72)       |          |
|                                                | DataExpress Infotech Co., Ltd.                  | (Note C)               | Cost of sales                        | 103,632      | 7          | Based on contract | -                     | -             | -                           | -          | (22,760)                       | (15)       | (90)     |
| Far EasTone Property Insurance Agent Co., Ltd. | Far EasTone Telecommunications Co., Ltd.        | (Note C)               | Cost of sales                        | 325,773      | 83         | Based on contract | -                     | -             | -                           | -          | (95,397)                       | (90)       |          |
| Microfusion Technology                         | Nextlink (HK) Technology                        | (Note C)               | Operating revenue                    | (103,126)    | (13)       | Based on contract | -                     | -             | -                           | -          | 23,658                         | 13         | (5)      |
| Nextlink (HK) Technology                       | Microfusion Technology                          | (Note C)               | Cost of sales                        | 103,126      | 5          | Based on contract | -                     | -             | -                           | -          | (23,658)                       | (5)        |          |

Notes: A. Subsidiary.

B. Parent company.

C. Between subsidiaries

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

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

(Continued)

- 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.
- H. Part of the revenue from Yuanshi Digital Technology Co., Ltd. is collected by ARCOA Communication Co., Ltd. on behalf of Far EasTone Telecommunications Co., Ltd. and DataExpress Infotech Co., Ltd.
- I. Related party in substance.

(Concluded)

TABLE 11

## 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, 2021

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

| Company Name                                    | Related Party                                   | Relationship | Ending Balance<br>(Note 1) | Turnover Rate | Overdue |               | Amount<br>Received in<br>Subsequent<br>Period | Allowance for<br>Impairment<br>Loss |
|-------------------------------------------------|-------------------------------------------------|--------------|----------------------------|---------------|---------|---------------|-----------------------------------------------|-------------------------------------|
|                                                 |                                                 |              |                            |               | Amount  | Actions Taken |                                               |                                     |
| Far Eastern New Century Corporation             | Worldwide Polychem (HK) Ltd.                    | (Note B)     | \$ 1,731,885               | 3.04          | \$ -    | -             | \$ 605,193                                    | \$ -                                |
|                                                 | Far Eastern Industries (Shanghai) Ltd.          | (Note B)     | 255,639                    | 5.10          | -       | -             | 189,510                                       | -                                   |
|                                                 | Far Eastern Polytex (Vietnam) Ltd.              | (Note B)     | 165,100                    | 6.48          | -       | -             | 97,727                                        | -                                   |
| Oriental Petrochemical (Taiwan) Co., Ltd.       | Far Eastern Polytex (Vietnam) Ltd.              | (Note D)     | 1,177,238                  | 6.23          | -       | -             | 1,084,950                                     | -                                   |
|                                                 | Far Eastern New Century Corporation             | (Note C)     | 876,872                    | 20.22         | -       | -             | 876,872                                       | -                                   |
|                                                 | Far Eastern Industries (Shanghai) Ltd.          | (Note D)     | 291,474                    | 2.90          | -       | -             | 184,709                                       | -                                   |
| Oriental Green Material Ltd.                    | Far Eastern New Century Corporation             | (Note C)     | 135,540                    | 11.95         | -       | -             | 135,540                                       | -                                   |
| Far Eastern General Contractor Inc.             | Far Eastern Construction Co., Ltd.              | (Note D)     | 124,057                    | (Note 6)      | -       | -             | 124,057                                       | -                                   |
| Far Eastern Industries (Shanghai) Ltd.          | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 546,286                    | 2.89          | -       | -             | 299,361                                       | -                                   |
|                                                 | Far Eastern Dyeing & Finishing (Suzhou) Ltd.    | (Note D)     | 152,146                    | 5.20          | -       | -             | 69,500                                        | -                                   |
|                                                 | Wuhan Far Eastern New Material Ltd.             | (Note D)     | 139,219                    | 4.99          | -       | -             | 100,123                                       | -                                   |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd.    | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 530,317                    | 7.87          | -       | -             | 187,224                                       | -                                   |
| Oriental Petrochemical (Shanghai) Corporation   | Far Eastern Industries (Shanghai) Ltd.          | (Note D)     | 292,049                    | 20.54         | -       | -             | 187,620                                       | -                                   |
| Wuhan Far Eastern New Material Ltd.             | Far Eastern Industries (Shanghai) Ltd.          | (Note D)     | 117,141                    | 4.22          | -       | -             | 124                                           | -                                   |
| Far Eastern Apparel (Suzhou) Ltd.               | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 110,888                    | 11.05         | -       | -             | 110,888                                       | -                                   |
| Oriental Industries (Suzhou) Ltd.               | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 101,642                    | 2.32          | -       | -             | 52,055                                        | -                                   |
| Far Eastern Polytex (Vietnam) Ltd.              | Worldwide Polychem (HK) Ltd.                    | (Note D)     | 1,244,497                  | 2.32          | -       | -             | 330,582                                       | -                                   |
|                                                 | APG Polytech, LLC                               | (Note D)     | 264,217                    | 8.10          | -       | -             | 264,217                                       | -                                   |
| Far Eastern Apparel (Vietnam) Ltd.              | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 364,747                    | 4.51          | -       | -             | 170,029                                       | -                                   |
| Far Eastern New Apparel (Vietnam) Ltd.          | FE New Century Industrial (Singapore) Pte. Ltd. | (Note D)     | 209,773                    | 12.43         | -       | -             | 196,497                                       | -                                   |
| FE New Century Industrial (Singapore) Pte. Ltd. | Far Eastern Apparel (Vietnam) Ltd.              | (Note D)     | 287,266                    | 4.40          | -       | -             | 130,008                                       | -                                   |
|                                                 | Pet Far Eastern (M) Sdn. Bhd.                   | (Note D)     | 169,128                    | 5.13          | -       | -             | 74,098                                        | -                                   |

(Continued)

| Company Name                                      | Related Party                            | Relationship | Ending Balance<br>(Note 1) | Turnover Rate | Overdue |               | Amount<br>Received in<br>Subsequent<br>Period | Allowance for<br>Impairment<br>Loss |
|---------------------------------------------------|------------------------------------------|--------------|----------------------------|---------------|---------|---------------|-----------------------------------------------|-------------------------------------|
|                                                   |                                          |              |                            |               | Amount  | Actions Taken |                                               |                                     |
| Ding Ding Integrated Marketing Services Co., Ltd. | Pacific SOGO Department Stores Co., Ltd. | (Note E)     | \$ 115,731                 | (Note 7)      | \$ -    | -             | \$ 13,865                                     | \$ -                                |
| Far EasTone Telecommunications Co., Ltd.          | ARCOA Communication Co., Ltd.            | (Note D)     | 247,941                    | 7.91          | -       | -             | 180,840                                       | -                                   |
| New Century InfoComm Tech Co., Ltd.               | Far EasTone Telecommunications Co., Ltd. | (Note D)     | 569,416                    | (Note 8)      | -       | -             | 467,748                                       | -                                   |
| ARCOA Communication Co., Ltd.                     | Far EasTone Telecommunications Co., Ltd. | (Note D)     | 558,920                    | 9.45          | -       | -             | 558,920                                       | -                                   |
|                                                   | Yuanshi Digital Technology Co., Ltd.     | (Note D)     | 173,031                    | 6.41          | -       | -             | 172,877                                       | -                                   |
|                                                   | Home Master Technology Ltd.              | (Note D)     | 113,150                    | 4.50          | -       | -             | 28,794                                        | -                                   |

Notes: A. This table does not include the receivables from loans to related parties. For more details, refer to Table 4.

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

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

F. 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.

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, and the turnover rate was unavailable.

(Concluded)

TABLE 12

## 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, 2021

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

| Investor                            | Investee                                             | Location  | Main Businesses and Products                     | Investment Amount    |                      | Balance as of December 31, 2021 |                   |                    | Net Income<br>(Loss) of the<br>Investee | Share of Profit<br>(Loss) | Notes                                                                                                                                                                                |
|-------------------------------------|------------------------------------------------------|-----------|--------------------------------------------------|----------------------|----------------------|---------------------------------|-------------------|--------------------|-----------------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     |                                                      |           |                                                  | December 31,<br>2021 | December 31,<br>2020 | Shares<br>(Thousands)           | % of<br>Ownership | Carrying<br>Amount |                                         |                           |                                                                                                                                                                                      |
| Far Eastern New Century Corporation | Asia Cement Corporation                              | Taiwan    | Cement production                                | \$ 2,652,282         | \$ 2,652,282         | 750,511                         | 21.17             | \$ 19,942,978      | \$ 15,068,221                           | \$ 2,970,459              | 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             | 5,053,729          | 1,208,100                               | 206,102                   | (Note A)                                                                                                                                                                             |
|                                     | Oriental Union Chemical Corporation                  | Taiwan    | Petrochemical materials production               | 1,176,211            | 1,176,211            | 81,216                          | 9.17              | 1,190,073          | 1,266,274                               | 116,117                   | (Note A)                                                                                                                                                                             |
|                                     | Everest Textile Corporation                          | Taiwan    | Chemical fiber production                        | 1,689                | 1,689                | 108                             | 0.02              | 1,166              | 181,871                                 | 36                        | (Note A)                                                                                                                                                                             |
|                                     | Oriental Securities Corporation                      | Taiwan    | Brokering                                        | 159,823              | 159,823              | 141,961                         | 19.65             | 2,101,272          | 294,527                                 | 57,875                    | (Note A)                                                                                                                                                                             |
|                                     | Pacific Liu Tong Investment Co., Ltd.                | Taiwan    | Investment                                       | 810,000              | 810,000              | 135,000                         | 16.83             | 2,042,479          | 904,270                                 | 152,189                   | (Notes A and E)                                                                                                                                                                      |
|                                     | Far Eastern International Bank                       | Taiwan    | Deposit, loan and guarantee services             | 805,598              | 805,598              | 91,903                          | 2.62              | 1,209,972          | 2,939,122                               | 95,332                    | Including the adjustments of the difference between cost and net worth obtained \$18,327 (Note A)                                                                                    |
|                                     | Yuan Ding Investment Co., Ltd.                       | Taiwan    | Investment                                       | 100,052              | 100,052              | 1,822,822                       | 99.40             | 43,790,144         | 6,212,593                               | 6,176,379                 | Including the adjustments of the difference of investment properties between parent-company-only and consolidated and the transactions between subsidiaries \$1,062 (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            | 106,789,756        | 441,659                                 | 455,963                   | Including the adjustments of the transactions between subsidiaries \$14,304 (Note B)                                                                                                 |
|                                     | Far Eastern Polytex (Holding) Ltd.                   | Bermuda   | Investment                                       | 10,382,911           | 10,382,911           | 168                             | 100.00            | 9,415,124          | (163,337)                               | (163,337)                 | (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             | 7,683,110          | 127,467                                 | 93,102                    | (Note B)                                                                                                                                                                             |
|                                     | Yuan Tong Investment Co., Ltd.                       | Taiwan    | Investment                                       | 5,850,000            | 5,850,000            | 742,184                         | 100.00            | 8,871,338          | 674,324                                 | 684,230                   | Including the adjustments of the transactions between subsidiaries \$9,906 (Note B)                                                                                                  |
|                                     | Kai Yuan International Investment Co., Ltd.          | Taiwan    | Investment                                       | 999,993              | 999,993              | 369,417                         | 100.00            | 5,720,430          | 419,226                                 | 419,226                   | (Note B)                                                                                                                                                                             |
|                                     | Far Eastern Investment (Holding) Ltd.                | Bermuda   | Investment and sale of petrochemicals            | 26,303,433           | 24,348,011           | 5,461                           | 100.00            | 28,278,359         | 1,135,954                               | 1,135,954                 | (Note B)                                                                                                                                                                             |
|                                     | PET Far Eastern (Holding) Ltd.                       | Bermuda   | Investment                                       | 6,626,110            | 6,626,110            | 397                             | 91.95             | 4,056,695          | (446,215)                               | (406,242)                 | Including discounted amortization \$4,053 (Note B)                                                                                                                                   |
|                                     | Oriental Petrochemical (Taiwan) Corporation          | Taiwan    | PTA production and sales                         | 16,209,038           | 16,209,038           | 1,712,218                       | 75.56             | 7,683,250          | (1,866,804)                             | (1,375,834)               | Including the adjustments of the difference of investment properties between parent-company-only and consolidated and the transactions between subsidiaries \$34,723 (Notes B and H) |
|                                     | Far Eastern Construction Co., Ltd.                   | Taiwan    | Real estate construction and sales               | 143,450              | 143,450              | 245,829                         | 65.11             | 10,420,022         | 1,024,831                               | 657,877                   | Including the adjustments of the transactions between subsidiaries \$(9,390) (Note B)                                                                                                |
|                                     | Yuan Ding Co., Ltd.                                  | Taiwan    | Real estate leasing and hotel                    | 857,511              | 857,511              | 186,929                         | 37.13             | 3,201,935          | (223,500)                               | (76,107)                  | (Notes B and I)                                                                                                                                                                      |
|                                     | An Ho Garment Co., Ltd.                              | Taiwan    | Garment production and Investment                | 1,023                | 1,023                | 76,165                          | 100.00            | 2,182,745          | 240,119                                 | 240,221                   | Including the adjustments of the transactions between subsidiaries \$102 (Note B)                                                                                                    |
|                                     | Ding Yuan International Investment Co., Ltd.         | Taiwan    | Investment                                       | 2,000,062            | 2,000,062            | 256,906                         | 100.00            | 3,285,246          | 238,731                                 | 238,810                   | Including the adjustments of the transactions between subsidiaries \$79 (Note B)                                                                                                     |
| Yuan Ding Investment Co., Ltd.      | FEDP (Holding) Ltd.                                  | Bermuda   | Investment                                       | 676,315              | 676,315              | 244                             | 50.43             | 760,474            | (290,824)                               | (146,663)                 | (Note B)                                                                                                                                                                             |
|                                     | Fu Kwok Knitting & Garment Co., Ltd.                 | Taiwan    | Garment production                               | 9,205                | 9,205                | 4,000                           | 100.00            | 254,514            | 52,141                                  | 52,141                    | (Note B)                                                                                                                                                                             |
|                                     | Ding Ding Hotel Co., Ltd.                            | Taiwan    | Hotel                                            | 408,433              | 401,042              | 769                             | 0.74              | 8,984              | (831,406)                               | (6,152)                   | (Note B)                                                                                                                                                                             |
|                                     | Far Eastern Textile Ltd.                             | Taiwan    | Textile production                               | 13,000               | 1,000                | 1,300                           | 100.00            | 13,345             | (375)                                   | (375)                     | (Note B)                                                                                                                                                                             |
|                                     | FE Oriental Investment Holding (Singapore) Pte. Ltd. | Singapore | Investment                                       | 147,400              | 147,400              | 50                              | 100.00            | 161,991            | 1,582                                   | 1,582                     | (Note B)                                                                                                                                                                             |
|                                     | Asia Cement Corporation                              | Taiwan    | Cement production                                | 2,108,810            | 2,051,009            | 54,022                          | 1.52              | 2,302,354          | 15,068,221                              | -                         | (Note A)                                                                                                                                                                             |
|                                     | Oriental Union Chemical Corporation                  | Taiwan    | Petrochemical materials production               | 1,085,488            | 1,085,488            | 70,818                          | 8.00              | 1,213,818          | 1,266,274                               | -                         | (Note A)                                                                                                                                                                             |
|                                     | Far Eastern Department Stores Co., Ltd.              | Taiwan    | Department store operations                      | 3,288,166            | 3,288,166            | 139,785                         | 9.87              | 3,340,833          | 1,208,100                               | -                         | (Note A)                                                                                                                                                                             |
|                                     | Everest Textile Corporation                          | Taiwan    | Chemical fiber production                        | 1,120,654            | 470,103              | 164,614                         | 23.70             | 1,484,595          | 181,871                                 | -                         | (Note A)                                                                                                                                                                             |
|                                     | Far EasTone Telecommunications Co., Ltd.             | Taiwan    | Telecommunications                               | 2,723,598            | 2,723,598            | 1,066,658                       | 32.73             | 21,255,149         | 9,123,795                               | -                         | (Note B)                                                                                                                                                                             |
| Yuan Ding Investment Co., Ltd.      | Far Eastern International Bank                       | Taiwan    | Deposit, loan and guarantee services             | 1,095,981            | 1,095,981            | 125,030                         | 3.56              | 1,645,508          | 2,939,122                               | -                         | (Note A)                                                                                                                                                                             |
|                                     | Far Eastern Polychem Industries Ltd.                 | Bermuda   | Investment and sale of chemical fiber production | 1,392,692            | 1,392,692            | 306,644                         | 26.96             | 2,835,935          | 127,467                                 | -                         | (Note B)                                                                                                                                                                             |

(Continued)



| Investor                                     | Investee                                      | Location       | Main Businesses and Products                                                                         | Investment Amount |                   | Balance as of December 31, 2021 |                |                 | Net Income (Loss) of the Investee | Share of Profit (Loss) | Notes           |
|----------------------------------------------|-----------------------------------------------|----------------|------------------------------------------------------------------------------------------------------|-------------------|-------------------|---------------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|
|                                              |                                               |                |                                                                                                      | December 31, 2021 | December 31, 2020 | Shares (Thousands)              | % of Ownership | Carrying Amount |                                   |                        |                 |
| Far Eastern Investment (Holding) Ltd.        | Far Eastern Apparel (Holding) Ltd.            | Bermuda        | Investment and sale of textile                                                                       | \$ 2,179,442      | \$ 2,179,442      | 111                             | 100.00         | \$ 4,776,297    | \$ 481,379                        | \$ -                   | (Note B)        |
|                                              | Da Ju Fiber Co., Ltd.                         | Taiwan         | Sale of polychemical products                                                                        | 263,790           | 263,790           | 68,975                          | 41.86          | 2,444,058       | 368,146                           | -                      | (Note A)        |
|                                              | Far Eastern Apparel Co., Ltd.                 | Taiwan         | Sale of textiles, garments, and clothing                                                             | 587,984           | 387,984           | 44,772                          | 100.00         | 216,395         | (55,010)                          | -                      | (Note B)        |
|                                              | Yuan Faun Co., Ltd.                           | Taiwan         | Production management consulting                                                                     | 63,671            | 51,671            | 6,675                           | 100.00         | 200,249         | 6,732                             | -                      | (Note A)        |
|                                              | Yue Ming Corporation                          | Taiwan         | Trading                                                                                              | 97,852            | 97,852            | 4,745                           | 45.50          | 60,817          | 4,490                             | -                      | (Note A)        |
|                                              | Yuan Ding Leasing Corporation                 | Taiwan         | Real estate construction and sales                                                                   | 319,380           | 319,380           | 36,706                          | 46.20          | 398,361         | 20,500                            | -                      | (Note A)        |
|                                              | Far Eastern Fibertech Co., Ltd.               | Taiwan         | Nylon production                                                                                     | 585,000           | 585,000           | 91,000                          | 100.00         | 1,477,768       | 392,803                           | -                      | (Note B)        |
|                                              | Oriental Resources Development Co., Ltd.      | Taiwan         | Medical materials manufacturing                                                                      | 13,475            | 13,475            | 5,739                           | 100.00         | 136,185         | 67,544                            | -                      | (Note B)        |
|                                              | Liquid Air Far East Co., Ltd.                 | Taiwan         | Industrial gas production and sales                                                                  | 504,806           | 504,806           | 86,615                          | 35.00          | 3,002,641       | 2,430,760                         | -                      | (Note A)        |
|                                              | Freudenberg Far Eastern Spunweb Co., Ltd.     | Taiwan         | Production of nonwoven industrial fabrics                                                            | 144,786           | 144,786           | 33,003                          | 29.80          | 573,396         | 381,194                           | -                      | (Note A)        |
|                                              | Oriental Securities Corporation               | Taiwan         | Brokering                                                                                            | 255,424           | 255,424           | 187,470                         | 25.96          | 2,881,573       | 294,527                           | -                      | (Note A)        |
|                                              | Yuan Ding Co., Ltd.                           | Taiwan         | Real estate leasing and hotel                                                                        | 188,846           | 188,846           | 64,759                          | 12.86          | 1,120,252       | (223,500)                         | -                      | (Note B)        |
|                                              | Far Eastern International Leasing Corporation | Taiwan         | Leasing                                                                                              | 1,012,057         | 1,012,057         | 75,268                          | 16.87          | 949,137         | 155,262                           | -                      | (Note A)        |
|                                              | Oriental Textile (Holding) Ltd.               | Bermuda        | Investment and sale of textile                                                                       | 7,142,602         | 7,142,602         | 110                             | 100.00         | 8,462,639       | 554,482                           | -                      | (Note B)        |
|                                              | Pacific Liu Tong Investment Co., Ltd.         | Taiwan         | Investment                                                                                           | 796,491           | 796,491           | 119,653                         | 14.92          | 1,724,098       | 904,270                           | -                      | (Notes A and E) |
|                                              | Yu Yuan Investment Co., Ltd.                  | Taiwan         | Investment                                                                                           | 673,704           | 673,704           | 98,198                          | 18.96          | 1,043,459       | 761,867                           | -                      | (Note A)        |
|                                              | Far Eastern General Contractor Inc.           | Taiwan         | Real estate construction                                                                             | 14,682            | 14,682            | 1,490                           | 1.00           | 27,456          | 544,654                           | -                      | (Note B)        |
|                                              | Oriental Petrochemical (Taiwan) Corporation   | Taiwan         | PTA production and sales                                                                             | 779,399           | 779,399           | 117,746                         | 5.20           | 546,408         | (1,866,804)                       | -                      | (Note B)        |
|                                              | Oriental Green Materials Limited              | Taiwan         | waste recycling and processing                                                                       | 647,083           | 647,083           | 59,936                          | 100.00         | 678,459         | 72,347                            | -                      | (Note B)        |
|                                              | Filsyn Corporation                            | Philippines    | Polychemical products                                                                                | PESO 225,324      | PESO 225,324      | 45,066                          | 21.85          | -               | -                                 | -                      | (Note A)        |
|                                              | PET Far Eastern (M) Sdn. Bhd.                 | Malaysia       | Bottle production                                                                                    | MYR 8,000         | MYR 8,000         | (Note C)                        | 50.00          | 149,281         | 29,298                            | -                      | (Note B)        |
|                                              | Com2B                                         | Cayman Islands | E-business                                                                                           | US\$ 3,375        | US\$ 3,375        | 9,000                           | 20.00          | -               | -                                 | -                      | (Note A)        |
|                                              | Far Eastern Apparel (Vietnam) Ltd.            | Vietnam        | Clothing production                                                                                  | US\$ 9,000        | US\$ 9,000        | (Note D)                        | 100.00         | 801,007         | (113,895)                         | -                      | (Note B)        |
|                                              | Worldwide Polychem (HK) Ltd.                  | Hong Kong      | Foreign trade                                                                                        | US\$ 3,500        | US\$ 3,500        | 2,700                           | 100.00         | 141,311         | 35,134                            | -                      | (Note B)        |
|                                              | Opas Fund Segregated Portfolio Company        | Cayman Islands | Investment                                                                                           | US\$ 51           | US\$ 51           | (Note D)                        | 34.00          | 1,544           | 10                                | -                      | (Note A)        |
|                                              | Far Eastern Polytex (Vietnam) Ltd.            | Vietnam        | Chemical fiber and Textile production                                                                | US\$ 308,700      | US\$ 240,000      | (Note D)                        | 100.00         | 9,554,071       | 385,570                           | -                      | (Note B)        |
|                                              | Far Eastern New Apparel (Vietnam) Ltd.        | Vietnam        | Garment production                                                                                   | US\$ 33,000       | US\$ 18,000       | (Note D)                        | 100.00         | 414,889         | (147,557)                         | -                      | (Note B)        |
|                                              | Magna View Sdn. Bhd.                          | Malaysia       | Investment                                                                                           | US\$ 3,465        | US\$ 3,465        | 3,000                           | 100.00         | 149,523         | 14,548                            | -                      | (Note B)        |
|                                              | Malaysia Garment Manufacturers Pte. Ltd.      | Singapore      | Garment production and Investment                                                                    | US\$ 15,849       | US\$ 15,849       | 30                              | 37.92          | 437,031         | (311)                             | -                      | (Note B)        |
|                                              | Drive Catalyst SPC                            | Cayman Islands | Investment                                                                                           | US\$ 17           | US\$ 17           | (Note D)                        | 34.00          | 482             | 4                                 | -                      | (Note A)        |
|                                              | APG Polytech USA Holdings, Inc.               | America        | Investment                                                                                           | US\$ 606,467      | US\$ 506,467      | 6                               | 100.00         | 17,702,104      | 1,101,175                         | -                      | (Note B)        |
|                                              | Drive Catalyst SPC-SP Tranche One             | Cayman Islands | Investment                                                                                           | US\$ 4,000        | US\$ 4,000        | 4                               | 25.00          | 111,714         | (332)                             | -                      | (Note A)        |
|                                              | Drive Catalyst SPC-SP Tranche Two             | Cayman Islands | Investment                                                                                           | US\$ 4,000        | -                 | 4                               | 25.00          | 116,887         | 25,833                            | -                      | (Note A)        |
|                                              | Drive Catalyst SPC-SP Tranche Three           | Cayman Islands | Investment                                                                                           | US\$ 8,000        | US\$ 4,000        | 8                               | 25.00          | 236,331         | 425                               | -                      | (Note A)        |
|                                              | Far Eastern International Garments            | Philippines    | Garment production                                                                                   | US\$ 1            | US\$ 1            | 59                              | 41.00          | (11,402)        | -                                 | -                      | (Note A)        |
|                                              | Cemtex Apparel Inc.                           | Philippines    | Clothing O.E.M.                                                                                      | US\$ 1            | US\$ 1            | 90                              | 50.00          | (10,580)        | -                                 | -                      | (Note A)        |
| APG Polytech USA Holdings, Inc.              | Corpus Christi Polymers LLC                   | America        | Petrochemical materials production and polychemical products production                              | US\$ 433,833      | US\$ 422,800      | (Note D)                        | 33.33          | 11,768,125      | (174,243)                         | -                      | (Note K)        |
|                                              | APG Polytech, LLC                             | America        | Polychemical products production                                                                     | US\$ 90,000       | US\$ 90,000       | (Note D)                        | 100.00         | 4,114,262       | 1,345,066                         | -                      | (Note B)        |
|                                              | Phoenix Technologies International, LLC       | America        | Production and sale of recycled plastic resins and their waste and general industrial waste handling | US\$ 21,500       | US\$ 16,500       | (Note D)                        | 100.00         | 257,422         | (112,996)                         | -                      | (Note B)        |
| Magna View Sdn. Bhd.                         | PET Far Eastern (M) Sdn. Bhd.                 | Malaysia       | Bottle production                                                                                    | MYR 8,000         | MYR 8,000         | (Note C)                        | 50.00          | 149,281         | 29,298                            | -                      | (Note B)        |
| Ding Yuan International Investment Co., Ltd. | Asia Cement Corporation                       | Taiwan         | Cement production                                                                                    | 342,758           | 339,088           | 12,369                          | 0.35           | 474,866         | 15,068,221                        | -                      | (Note A)        |
|                                              | Far Eastern Department Stores Co., Ltd.       | Taiwan         | Department store operations                                                                          | 258,946           | 258,946           | 11,983                          | 0.85           | 277,725         | 1,208,100                         | -                      | (Note A)        |
|                                              | Everest Textile Corporation                   | Taiwan         | Chemical fiber production                                                                            | 92,860            | 34,561            | 6,447                           | 0.93           | 61,954          | 181,871                           | -                      | (Note A)        |
|                                              | Oriental Union Chemical Corporation           | Taiwan         | Petrochemical materials production                                                                   | 677,665           | 677,665           | 27,365                          | 3.09           | 637,191         | 1,266,274                         | -                      | (Note A)        |
|                                              | Far EasTone Telecommunications Co., Ltd.      | Taiwan         | Telecommunications                                                                                   | 38,457            | 38,457            | 920                             | 0.03           | 40,567          | 9,123,795                         | -                      | (Note B)        |
|                                              | Pacific Liu Tong Investment Co., Ltd.         | Taiwan         | Investment                                                                                           | 90,000            | 90,000            | 18,000                          | 2.24           | 253,883         | 904,270                           | -                      | (Notes A and E) |
|                                              | Yu Ding Industry Co., Ltd.                    | Taiwan         | Department store operations                                                                          | 95,624            | 95,624            | 16,320                          | 13.20          | 445,994         | 216,906                           | -                      | (Note A)        |
|                                              | Far Eastern International Bank                | Taiwan         | Deposit, loan and guarantee services                                                                 | 814,399           | 814,399           | 92,907                          | 2.64           | 1,222,002       | 2,939,122                         | -                      | (Note A)        |
| Kai Yuan International Investment Co., Ltd.  | Asia Cement Corporation                       | Taiwan         | Cement production                                                                                    | 732,627           | 732,627           | 25,312                          | 0.71           | 1,021,426       | 15,068,221                        | -                      | (Note A)        |
|                                              | Far EasTone Telecommunications Co., Ltd.      | Taiwan         | Telecommunications                                                                                   | 880,911           | 803,672           | 35,558                          | 1.09           | 1,110,165       | 9,123,795                         | -                      | (Note B)        |
|                                              | Everest Textile Corporation                   | Taiwan         | Chemical fiber production                                                                            | 45,376            | -                 | 4,211                           | 0.61           | 44,631          | 181,871                           | -                      | (Note A)        |
|                                              | Oriental Union Chemical Corporation           | Taiwan         | Petrochemical materials production                                                                   | 742,702           | 742,702           | 32,474                          | 3.67           | 636,245         | 1,266,274                         | -                      | (Note A)        |
|                                              | Far Eastern Department Stores Co., Ltd.       | Taiwan         | Department store operations                                                                          | 519,473           | 519,473           | 20,672                          | 1.46           | 595,100         | 1,208,100                         | -                      | (Note A)        |
|                                              | Kowloon Cement Corporation                    | Hong Kong      | Cement production                                                                                    | 226,896           | 226,896           | 1,127                           | 49.00          | 446,736         | 23,510                            | -                      | (Note A)        |
|                                              | Far Eastern International Leasing Corporation | Taiwan         | Leasing                                                                                              | 1,026,489         | 1,026,489         | 74,970                          | 16.80          | 950,075         | 155,262                           | -                      | (Note A)        |
|                                              | Pacific Liu Tong Investment Co., Ltd.         | Taiwan         | Investment                                                                                           | 90,000            | 90,000            | 18,000                          | 2.24           | 254,084         | 904,270                           | -                      | (Notes A and E) |
|                                              | Far Eastern International Bank                | Taiwan         | Deposit, loan and guarantee services                                                                 | 988,714           | 988,714           | 112,793                         | 3.21           | 1,484,241       | 2,939,122                         | -                      | (Note A)        |

(Continued)

| Investor                                             | Investee                                          | Location               | Main Businesses and Products                                                                                                      | Investment Amount |                   | Balance as of December 31, 2021 |                |                 | Net Income (Loss) of the Investee | Share of Profit (Loss) | Notes           |
|------------------------------------------------------|---------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|---------------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|
|                                                      |                                                   |                        |                                                                                                                                   | December 31, 2021 | December 31, 2020 | Shares (Thousands)              | % of Ownership | Carrying Amount |                                   |                        |                 |
| Far Eastern Polychem Industries Ltd.                 | PET Far Eastern (Holding) Ltd.                    | Bermuda                | Investment                                                                                                                        | US\$ 17,622       | US\$ 17,622       | 35                              | 8.05           | \$ 355,154      | \$ (446,215)                      | \$ -                   | (Note B)        |
|                                                      | FEDP (Holding) Ltd.                               | Bermuda                | Investment                                                                                                                        | US\$ 29,240       | US\$ 29,240       | 240                             | 49.57          | 747,506         | (290,824)                         | -                      | (Note B)        |
|                                                      | Far Eastern Ishizuka Green Pet Corporation        | Japan                  | Production and sale of recycled plastic resins and their waste and general industrial waste handling                              | JPY 2,991,678     | JPY 2,991,678     | 3,578                           | 90.00          | 1,307,740       | 369,565                           | -                      | (Note B)        |
| Far Eastern Construction Co., Ltd.                   | Asia Cement Corporation                           | Taiwan                 | Cement production                                                                                                                 | 216,959           | 216,959           | 17,726                          | 0.50           | 622,021         | 15,068,221                        | -                      | (Note A)        |
|                                                      | Far Eastern General Contractor Inc.               | Taiwan                 | Real estate construction                                                                                                          | 271,587           | 271,587           | 147,413                         | 98.95          | 2,524,301       | 544,654                           | -                      | (Note B)        |
| Far Eastern Apparel Co., Ltd.                        | Asia Cement Corporation                           | Taiwan                 | Cement production                                                                                                                 | 16,246            | 16,246            | 469                             | 0.01           | 16,601          | 15,068,221                        | -                      | (Note A)        |
|                                                      | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications                                                                                                                | 6,353             | 6,353             | 90                              | -              | 5,964           | 9,123,795                         | -                      | (Note B)        |
|                                                      | Yu Ding Industry Co., Ltd.                        | Taiwan                 | Department store operations                                                                                                       | 29                | 29                | 12                              | 0.01           | 163             | 216,906                           | -                      | (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           | 7,153           | 11,428                            | -                      | (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          | (37)            | -                                 | -                      | (Note B)        |
| An Ho Garment Co., Ltd.                              | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications                                                                                                                | 748,158           | 748,158           | 40,818                          | 1.25           | 991,113         | 9,123,795                         | -                      | (Note B)        |
|                                                      | Asia Cement Corporation                           | Taiwan                 | Cement production                                                                                                                 | 206,551           | 206,551           | 6,094                           | 0.17           | 260,546         | 15,068,221                        | -                      | (Note A)        |
|                                                      | Oriental Union Chemical Corporation               | Taiwan                 | Petrochemical materials production                                                                                                | 287,121           | 287,121           | 11,204                          | 1.26           | 248,877         | 1,266,274                         | -                      | (Note A)        |
|                                                      | Far Eastern Department Stores Co., Ltd.           | Taiwan                 | Department store operations                                                                                                       | 10,483            | 10,483            | 370                             | 0.03           | 11,942          | 1,208,100                         | -                      | (Note A)        |
|                                                      | Oriental Securities Corporation                   | Taiwan                 | Brokerage                                                                                                                         | 122,732           | 122,420           | 8,754                           | 1.21           | 123,937         | 294,527                           | -                      | (Note A)        |
|                                                      | Yu Ding Industry Co., Ltd.                        | Taiwan                 | Department store operations                                                                                                       | 111,997           | 111,997           | 19,373                          | 15.66          | 430,992         | 216,906                           | -                      | (Note A)        |
|                                                      | Pacific Liu Tong Investment Co., Ltd.             | Taiwan                 | Investment                                                                                                                        | 67,285            | 67,285            | 9,681                           | 1.21           | 141,950         | 904,270                           | -                      | (Notes A and E) |
|                                                      | Yuan Ding Investment Co., Ltd.                    | Taiwan                 | Investment                                                                                                                        | 148,994           | 148,994           | 5,502                           | 0.30           | 175,807         | 6,212,593                         | -                      | (Note B)        |
|                                                      | Far Eastern International Bank                    | Taiwan                 | Deposit, loan and guarantee services                                                                                              | 202,798           | 202,798           | 23,135                          | 0.66           | 304,597         | 2,939,122                         | -                      | (Note A)        |
|                                                      |                                                   |                        |                                                                                                                                   |                   |                   |                                 |                |                 |                                   |                        |                 |
| Yuan Faun Co., Ltd.                                  | Yuan Cheng Human Resources Consultant Corporation | Taiwan                 | Personnel recruitment                                                                                                             | 7,214             | 7,214             | 745                             | 55.19          | 12,314          | 1,483                             | -                      | (Note B)        |
|                                                      | Far Eastern International Bank                    | Taiwan                 | Deposit, loan and guarantee services                                                                                              | 42,973            | 42,973            | 4,903                           | 0.14           | 64,577          | 2,939,122                         | -                      | (Note A)        |
| Fu Kwok Knitting & Garment Co., Ltd.                 | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications                                                                                                                | 19,663            | 19,663            | 520                             | 0.02           | 18,693          | 9,123,795                         | -                      | (Note B)        |
| Yuan Tong Investment Co., Ltd.                       | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications                                                                                                                | 2,246,035         | 2,246,035         | 100,237                         | 3.08           | 2,606,635       | 9,123,795                         | -                      | (Note B)        |
|                                                      | Far Eastern Department Stores Co., Ltd.           | Taiwan                 | Department store operations                                                                                                       | 2,054,200         | 1,632,237         | 77,735                          | 5.49           | 2,188,476       | 1,208,100                         | -                      | (Note A)        |
|                                                      | Everest Textile Corporation                       | Taiwan                 | Chemical fiber production                                                                                                         | 59,045            | -                 | 5,394                           | 0.78           | 58,109          | 181,871                           | -                      | (Note A)        |
|                                                      | Oriental Union Chemical Corporation               | Taiwan                 | Petrochemical materials production                                                                                                | 1,759,501         | 1,755,017         | 49,905                          | 5.63           | 1,633,224       | 1,266,274                         | -                      | (Note A)        |
|                                                      | Asia Cement Corporation                           | Taiwan                 | Cement production                                                                                                                 | 1,067,775         | 1,067,775         | 32,465                          | 0.92           | 1,367,022       | 15,068,221                        | -                      | (Note A)        |
|                                                      | Pacific Liu Tong Investment Co., Ltd.             | Taiwan                 | Investment                                                                                                                        | 90,000            | 90,000            | 18,000                          | 2.24           | 252,886         | 904,270                           | -                      | (Notes A and E) |
|                                                      | Far Eastern Electronic Toll Collection Co., Ltd.  | Taiwan                 | Electronic toll collection services                                                                                               | 787,104           | 787,104           | 35,934                          | 11.98          | 550,768         | 293,364                           | -                      | (Note B)        |
|                                                      | Liquid Air Far East Co., Ltd.                     | Taiwan                 | Industrial gas production and sales                                                                                               | 20                | 20                | 1                               | -              | 43              | 2,430,760                         | -                      | (Note A)        |
|                                                      | Sino Belgium (Holding) Ltd.                       | Bermuda                | Investment                                                                                                                        | 2,255,510         | 2,255,510         | 36                              | 90.88          | (818,678)       | (87,715)                          | -                      | (Note B)        |
|                                                      | Freudenberg Far Eastern Spunweb Co., Ltd.         | Taiwan                 | Production of nonwoven industrial fabrics                                                                                         | 34                | 34                | 3                               | -              | 53              | 381,194                           | -                      | (Note A)        |
|                                                      | Malaysia Garment Manufactures Pte. Ltd.           | Singapore              | Garment production and Investment                                                                                                 | SGD 7,354         | SGD 7,354         | 10                              | 13.00          | 149,826         | (311)                             | -                      | (Note B)        |
|                                                      | Far Eastern International Bank                    | Taiwan                 | Deposit, loan and guarantee services                                                                                              | 986,735           | 986,735           | 112,567                         | 3.20           | 1,480,777       | 2,939,122                         | -                      | (Note A)        |
| FE Oriental Investment Holding (Singapore) Pte. Ltd. | FE New Century Industrial (Singapore) Pte. Ltd.   | Singapore              | Textile product sales                                                                                                             | US\$ 4,900        | US\$ 4,900        | 49                              | 100.00         | 159,811         | 2,029                             | -                      | (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         | 267,642         | 11,893                            | -                      | (Note B)        |
|                                                      | Ding Ding Integrated Marketing Service Co., Ltd.  | Taiwan                 | Marketing                                                                                                                         | 558,000           | 558,000           | 21,787                          | 60.00          | 148,459         | (16,349)                          | -                      | (Note B)        |
|                                                      | Far Eastern Technical Consultants Co., Ltd.       | Taiwan                 | Real estate development business consulting and management                                                                        | 45,182            | 45,182            | 4,550                           | 91.00          | 71,113          | 11,428                            | -                      | (Note B)        |
|                                                      | YDC (Virgin Islands) Ltd.                         | British Virgin Islands | Investment                                                                                                                        | US\$ 200          | US\$ 200          | (Note D)                        | 17.70          | 10,798          | 3,688                             | -                      | (Note B)        |
|                                                      | Yuanshi Digital Technology Co., Ltd.              | Taiwan                 | Electronic information providing services                                                                                         | 566,896           | 566,896           | 1,499                           | 1.35           | (3,932)         | (222,069)                         | -                      | (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           | 2,500                           | 100.00         | 46,754          | (3,731)                           | -                      | (Note B)        |
|                                                      |                                                   |                        |                                                                                                                                   |                   |                   |                                 |                |                 |                                   |                        |                 |
|                                                      | Asia Cement Corporation                           | Taiwan                 | Cement production                                                                                                                 | 136,037           | 136,037           | 5,329                           | 0.15           | 217,164         | 15,068,221                        | -                      | (Note A)        |
|                                                      | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications                                                                                                                | 100,412           | 100,412           | 4,164                           | 0.13           | 105,078         | 9,123,795                         | -                      | (Note B)        |

(Continued)

| Investor                                         | Investee                                         | Location               | Main Businesses and Products                                                       | Investment Amount |                   | Balance as of December 31, 2021 |                |                 | Net Income (Loss) of the Investee | Share of Profit (Loss) | Notes           |
|--------------------------------------------------|--------------------------------------------------|------------------------|------------------------------------------------------------------------------------|-------------------|-------------------|---------------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|
|                                                  |                                                  |                        |                                                                                    | December 31, 2021 | December 31, 2020 | Shares (Thousands)              | % of Ownership | Carrying Amount |                                   |                        |                 |
|                                                  | Yu Yuan Investment Co., Ltd.                     | Taiwan                 | Investment                                                                         | \$ 411,187        | \$ 411,187        | 129,637                         | 25.02          | \$ 2,164,434    | \$ 761,867                        | \$ -                   | (Note A)        |
|                                                  | Yue Ming Corporation                             | Taiwan                 | Trading                                                                            | 787               | 787               | 104                             | 1.00           | 531             | 4,490                             | -                      | (Note A)        |
|                                                  | Yu Ding Industry Co., Ltd.                       | Taiwan                 | Department store operations                                                        | 22,676            | 22,676            | 3,206                           | 2.59           | 70,907          | 216,906                           | -                      | (Note A)        |
|                                                  | FEDS Asia Pacific Development Co., Ltd.          | Taiwan                 | Department store operations                                                        | 100,000           | 100,000           | 10,650                          | 5.00           | 132,390         | 73,257                            | -                      | (Note A)        |
|                                                  | Far Eastern Electronic Toll Collection Co., Ltd. | Taiwan                 | Electronic toll collection services                                                | 977,650           | 977,650           | 44,796                          | 14.93          | 681,097         | 293,364                           | -                      | (Note B)        |
|                                                  | Far Eastern International Bank                   | Taiwan                 | Deposit, loan and guarantee services                                               | 76,665            | 76,665            | 8,746                           | 0.25           | 115,239         | 2,939,122                         | -                      | (Note A)        |
|                                                  | Yuan Hsin Digital Payment Co., Ltd.              | Taiwan                 | Electronic stored value cards                                                      | 428,239           | 400,000           | 11,052                          | 16.22          | 84,440          | (161,626)                         | -                      | (Note B)        |
|                                                  | Ding Ding Hotel Co., Ltd.                        | Taiwan                 | Hotel                                                                              | 3,615,455         | 2,630,238         | 102,509                         | 98.52          | 253,936         | (831,406)                         | -                      | (Note B)        |
| Ding Ding Integrated Marketing Service Co., Ltd. | Yuanshi Digital Technology Co., Ltd.             | Taiwan                 | Electronic information providing services                                          | 1,828             | 1,828             | 5                               | -              | (13)            | (222,069)                         | -                      | (Note B)        |
|                                                  | Yuan Hsin Digital Payment Co., Ltd.              | Taiwan                 | Electronic stored value cards                                                      | 500,200           | 500,200           | 21,180                          | 31.08          | 161,801         | (161,626)                         | -                      | (Note B)        |
|                                                  | DDIM (Virgin Islands) Ltd.                       | British Virgin Islands | Investment                                                                         | US\$ 11,000       | US\$ 11,000       | (Note D)                        | 46.13          | 19,967          | (6,899)                           | -                      | (Note B)        |
| FET Consulting Engineers Co., Ltd.               | DDIM (Virgin Islands) Ltd.                       | British Virgin Islands | Investment                                                                         | 384,970           | 384,970           | (Note D)                        | 53.87          | 23,317          | (6,899)                           | -                      | (Note B)        |
| YDT Technology International Co., Ltd.           | Everest Textile Corporation                      | Taiwan                 | Chemical fiber production                                                          | 2,451             | 2,451             | 101                             | 0.01           | 842             | 181,871                           | -                      | (Note A)        |
|                                                  | Far Eastern Department Stores Co., Ltd.          | Taiwan                 | Department store operations                                                        | 51,673            | 51,673            | 2,764                           | 0.20           | 98,716          | 1,208,100                         | -                      | (Note A)        |
|                                                  | Asia Cement Corporation                          | Taiwan                 | Cement production                                                                  | 862               | 862               | 61                              | -              | 2,453           | 15,068,221                        | -                      | (Note A)        |
|                                                  | YDC (Virgin Islands) Ltd.                        | British Virgin Islands | Investment                                                                         | US\$ 930          | US\$ 930          | (Note D)                        | 82.30          | 50,205          | 3,688                             | -                      | (Note B)        |
| Far Eastern Electronic Toll Collection Co., Ltd. | Far Eastern International Bank                   | Taiwan                 | Deposit, loan and guarantee services                                               | 26,960            | 26,960            | 3,076                           | 0.09           | 40,812          | 2,939,122                         | -                      | (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         | 79,757          | 39,256                            | -                      | (Note B)        |
| FETC International Co., Ltd.                     | FETC International (Thailand) Co., Ltd.          | Thailand               | Dispatched labor, procuring equipment, and sales agent services                    | THB 82,000        | THB 8,250         | 8,200                           | 100.00         | 58,386          | (9,239)                           | -                      | (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         | 28,436,062      | 4,044,557                         | -                      | (Note B)        |
|                                                  | ARCOA Communication Co., Ltd.                    | Taiwan                 | Telecommunications services, sales of communications products and office equipment | 1,305,802         | 1,305,802         | 82,762                          | 61.63          | 698,742         | 179,883                           | -                      | (Note B)        |
|                                                  | KGEx.com Co., Ltd.                               | Taiwan                 | Type II telecommunications services                                                | 2,340,472         | 2,340,472         | 68,897                          | 99.99          | 902,594         | 143,712                           | -                      | (Note B)        |
|                                                  | Yuanshi Digital Technology Co., Ltd.             | Taiwan                 | Electronic information providing services                                          | 1,686,169         | 1,686,169         | 107,004                         | 96.18          | (280,137)       | (222,069)                         | -                      | (Note B)        |
|                                                  | Yuan Qing Co., Ltd.                              | Taiwan                 | Call center services                                                               | -                 | -                 | 2,000                           | 100.00         | 40,705          | 14,693                            | -                      | (Notes B and J) |
|                                                  | Far Eastern Info Service (Holding) Ltd.          | Bermuda                | Investment                                                                         | 92,616            | 92,616            | 1                               | 100.00         | 4,883           | 109                               | -                      | (Note B)        |
|                                                  | Yuan Bao Fintech Co., Ltd.                       | Taiwan                 | Type II telecommunications services                                                | -                 | 60,000            | -                               | -              | -               | (6,574)                           | -                      | (Note B and N)  |
|                                                  | Far EasTone Property Insurance Agent Co., Ltd.   | Taiwan                 | Property insurance agent                                                           | 5,000             | 5,000             | 500                             | 100.00         | 83,443          | 72,481                            | -                      | (Note B)        |
|                                                  | Far Eastern Electronic Toll Collection Co., Ltd. | Taiwan                 | Electronic toll collection services                                                | 2,542,396         | 2,542,396         | 118,251                         | 39.42          | 1,403,595       | 293,364                           | -                      | (Note B)        |
|                                                  | Ding Ding Integrated Marketing Service Co., Ltd. | Taiwan                 | Marketing                                                                          | 139,500           | 139,500           | 5,447                           | 15.00          | 36,924          | (16,349)                          | -                      | (Note B)        |
|                                                  | Yuan Hsin Digital Payment Co., Ltd.              | Taiwan                 | Electronic stored value cards                                                      | 600,000           | 600,000           | 12,342                          | 18.11          | 94,628          | (161,626)                         | -                      | (Note B)        |
| ARCOA Communication Co., Ltd.                    | DataExpress Infotech Co., Ltd.                   | Taiwan                 | Electronic information providing services                                          | 141,750           | 141,750           | 15,285                          | 70.00          | 278,594         | 111,496                           | -                      | (Note B)        |
| New Century InfoComm Tech Co., Ltd.              | New Diligent Co., Ltd.                           | Taiwan                 | Investment                                                                         | 540,000           | 540,000           | 54,000                          | 100.00         | 81,531          | (390)                             | -                      | (Note B)        |
|                                                  | Information Security Service Digital United Inc. | Taiwan                 | Security and monitoring service via internet                                       | 148,777           | 148,777           | 11,195                          | 100.00         | 138,226         | 18,243                            | -                      | (Note B)        |
|                                                  | Digital United (Cayman) Ltd.                     | Cayman Islands         | Investment                                                                         | 317,446           | 317,446           | 10,320                          | 100.00         | 334,376         | 4,266                             | -                      | (Note B)        |
|                                                  | Yuanshi Digital Technology Co., Ltd.             | Taiwan                 | Electronic information providing services                                          | 20,000            | 20,000            | 750                             | 0.67           | (1,963)         | (222,069)                         | -                      | (Note B)        |
|                                                  | Ding Ding Integrated Marketing Service Co., Ltd. | Taiwan                 | Marketing                                                                          | 46,500            | 46,500            | 1,816                           | 5.00           | 12,308          | (16,349)                          | -                      | (Note B)        |
|                                                  | Prime EcoPower Co., Ltd.                         | Taiwan                 | Energy technology services                                                         | 160,000           | 160,000           | 16,000                          | 100.00         | 125,451         | (1,979)                           | -                      | (Note B)        |
|                                                  | Drive Catalyst SPC-SP Tranche One                | Cayman Islands         | Investment                                                                         | 123,220           | 123,220           | 4                               | 25.00          | 111,666         | (332)                             | -                      | (Note A)        |
|                                                  | Drive Catalyst SPC-SP Tranche Two                | Cayman Islands         | Investment                                                                         | 114,140           | -                 | 4                               | 25.00          | 116,861         | 25,833                            | -                      | (Note A)        |
|                                                  | Drive Catalyst SPC-SP Tranche Three              | Cayman Islands         | Investment                                                                         | 236,440           | 122,300           | 8                               | 25.00          | 236,449         | 425                               | -                      | (Note A)        |
|                                                  | Nextlink Technology Co., Ltd.                    | Taiwan                 | Electronic information providing services                                          | 420,000           | 420,000           | 3,430                           | 70.00          | 455,473         | 56,260                            | -                      | (Note B)        |
|                                                  | JuAn Long-Age., Ltd.                             | Taiwan                 | Electronic information providing services                                          | 15,500            | -                 | 1,000                           | 25.00          | 15,861          | 931                               | -                      | (Note B)        |
|                                                  | Yuan Hsin Digital Payment Co., Ltd.              | Taiwan                 | Electronic stored value cards                                                      | 42,358            | -                 | 4,236                           | 6.22           | 32,476          | (161,626)                         | -                      | (Note B)        |
|                                                  | Sino Lead Enterprise Limited                     | Hong Kong              | Telecommunication services                                                         | 125               | 125               | 30                              | 100.00         | 321             | 31                                | -                      | (Note B)        |
|                                                  | Far East New Diligent Company Ltd.               | British Virgin Islands | Investment                                                                         | 330,598           | 330,598           | -                               | 100.00         | 19,593          | (321)                             | -                      | (Note B)        |
|                                                  | New Diligent Hong Kong Co., Ltd.                 | Hong Kong              | Investment                                                                         | 3,051             | 3,051             | -                               | 100.00         | 2,106           | (186)                             | -                      | (Note B)        |
| DataExpress Infotech Co., Ltd.                   | Home Master Technology Ltd.                      | Taiwan                 | Electronic information providing services                                          | 10,000            | 10,000            | (Note D)                        | 100.00         | 42,860          | 20,814                            | -                      | (Note B)        |
| Nextlink Technology Co., Ltd.                    | Microfusion Technology Co., Ltd.                 | Taiwan                 | Electronic information providing services                                          | 17,000            | 17,000            | 2,900                           | 100.00         | 47,314          | 17,105                            | -                      | (Note B)        |
|                                                  | Nextlink (HK) Technology Co., Ltd.               | Hong Kong              | Electronic information providing services                                          | 973               | 973               | -                               | 100.00         | 36,368          | 28,616                            | -                      | (Note B)        |
|                                                  | Microfusion (HK) Technology Co., Ltd.            | Hong Kong              | Electronic information providing services                                          | 1,494             | 1,494             | -                               | 100.00         | 2,825           | 1,762                             | -                      | (Note B)        |

(Continued)

- Notes:
- A. Equity-method investee.
  - B. Subsidiary.
  - C. Including 5,000 thousand common stock and 3,000 thousand preferred shares.
  - D. Company limited.
  - E. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tong Investment Co., Ltd.
  - F. Shares in thousands.
  - G. For investments in mainland China, refer to Table 13.
  - H. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corporation (TWSE), the Company recognized these items as investment properties in its parent-company-only financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the parent-company-only financial statements and the consolidated financial statements.
  - I. The effects from the adjustments of FENC shares which are held by Yuan Ding Co., Ltd. and the transactions between subsidiaries amounted to \$6,879 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, 2021, 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, 2021, the relevant investment funds have not been remitted.
  - N. Far EasTone Telecommunications Co., Ltd. merged with Yuan Bao Fintech Co., Ltd. on September 15, 2021. Far EasTone Telecommunications Co., Ltd. was the surviving company and Yuan Bao Fintech Co., Ltd. was the dissolved company.

(Concluded)

TABLE 13

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

| Investee Company                                  | Main Businesses and Products                                                                                                                                                                                                              | Paid-in Capital<br>(Note T)              | Method of<br>Investment<br>(Note A) | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>January 1, 2021 | Investment Flows |        | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>December 31,<br>2021 | Net Income<br>(Loss) of the<br>Investee | % Ownership<br>of Direct or<br>Indirect<br>Investment | Investment<br>Gain (Loss) | Carrying<br>Amount as of<br>December 31,<br>2021<br>(Note B) | Accumulated<br>Repatriation of<br>Investment<br>Income as of<br>December 31,<br>2021 | 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                                                          | \$ 8,168,455<br>(RMB 1,880,399 thousand) | 2                                   | \$ 3,700,967                                                                                   | \$ -             | \$ -   | \$ 3,700,967                                                                                        | \$ 33,598                               | 100.00                                                | \$ 33,598                 | \$ 8,589,538                                                 | \$ 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                                                                                                                       | 888,683<br>(RMB 204,577 thousand)        | 2                                   | 1,010,901                                                                                      | -                | -      | 1,010,901                                                                                           | (65,609)                                | 100.00                                                | (65,509)                  | 1,523,594                                                    | 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                                                                                                                       | 1,032,215<br>(RMB 237,619 thousand)      | 3                                   | -                                                                                              | -                | -      | -                                                                                                   | 16,988                                  | 100.00                                                | 16,988                    | 1,085,716                                                    | -                                                                                    |               |
| Far Eastern Industries (Wuxi) Ltd.                | Production and marketing of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, griever woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics | 2,091,508<br>(RMB 481,471 thousand)      | 2                                   | 2,018,430                                                                                      | -                | -      | 2,018,430                                                                                           | 73,877                                  | 100.00                                                | 73,877                    | 2,817,795                                                    | 313,458                                                                              | Notes H and I |
| Oriental Petrochemical (Shanghai) Corporation     | Manufacture and distribution of PTA and its by-products                                                                                                                                                                                   | 7,791,353<br>(RMB 1,793,590 thousand)    | 2                                   | 3,791,007                                                                                      | -                | -      | 3,791,007                                                                                           | (1,209,099)                             | 61.35                                                 | (741,782)                 | 2,010,978                                                    | 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                                                                                             | 1,604,122<br>(RMB 369,273 thousand)      | 2                                   | 1,342,854                                                                                      | -                | -      | 1,342,854                                                                                           | 401,883                                 | 100.00                                                | 401,833                   | 3,684,219                                                    | 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                                                       | 1,713,142<br>(RMB 394,370 thousand)      | 2                                   | 1,765,319                                                                                      | -                | -      | 1,765,319                                                                                           | 20,370                                  | 100.00                                                | 20,730                    | 1,303,824                                                    | -                                                                                    | 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                                                                                                                                   | 743,031<br>(RMB 171,048 thousand)        | 2                                   | 724,110                                                                                        | -                | -      | 724,110                                                                                             | 7,396                                   | 100.00                                                | 7,396                     | 941,637                                                      | -                                                                                    |               |

(Continued)

| Investee Company                                         | Main Businesses and Products                                                                                  | Paid-in Capital<br>(Note T)                 | Method of<br>Investment<br>(Note A) | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>January 1, 2021 | Investment Flows |        | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>December 31,<br>2021 | Net Income<br>(Loss) of the<br>Investee | % Ownership<br>of Direct or<br>Indirect<br>Investment | Investment<br>Gain (Loss) | Carrying<br>Amount as of<br>December 31,<br>2021<br>(Note B) | Accumulated<br>Repatriation of<br>Investment<br>Income as of<br>December 31,<br>2021 | Note   |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------|------------------|--------|-----------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|---------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------|--------|
|                                                          |                                                                                                               |                                             |                                     |                                                                                                | Outflow          | Inflow |                                                                                                     |                                         |                                                       |                           |                                                              |                                                                                      |        |
| Oriental Industries (Suzhou) Ltd.                        | Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn | \$ 4,756,014<br>(RMB 1,094,847<br>thousand) | 2                                   | \$ 4,957,248                                                                                   | \$ -             | \$ -   | \$ 4,957,248                                                                                        | \$ 408,237                              | 100.00                                                | \$ 408,237                | \$ 6,379,069                                                 | \$ -                                                                                 | Note H |
| Far Eastern New Century (China) Investment Co., Ltd.     | Investment                                                                                                    | 4,648,304<br>(RMB 1,070,052<br>thousand)    | 2                                   | 4,794,027                                                                                      | -                | -      | 4,794,027                                                                                           | (129,922)                               | 100.00                                                | (129,922)                 | 3,718,389                                                    | -                                                                                    |        |
| Sino Belgium Beer (Suzhou) Ltd.                          | Beer brewing                                                                                                  | 1,655,751<br>(RMB 381,158<br>thousand)      | 2                                   | 1,763,952                                                                                      | -                | -      | 1,763,952                                                                                           | (26,523)                                | 100.00                                                | (26,523)                  | (757,695)                                                    | -                                                                                    | Note L |
| Martens Beers (Shanghai) Ltd.                            | Beer brewing                                                                                                  | 324,307<br>(RMB 74,656<br>thousand)         | 2                                   | 231,475                                                                                        | -                | -      | 231,475                                                                                             | (8,751)                                 | 100.00                                                | (8,751)                   | 6,052                                                        | -                                                                                    | Note L |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation   | PA and its by-product production and sale                                                                     | 6,313,358<br>(RMB 1,453,351<br>thousand)    | 2                                   | 4,181,323                                                                                      | -                | -      | 4,181,323                                                                                           | 718                                     | 60.00                                                 | 431                       | 3,815,870                                                    | -                                                                                    |        |
| Far Eastern Industries (Yangzhou) Ltd.                   | PA and its by-product production                                                                              | 1,341,872<br>(RMB 308,902<br>thousand)      | 2                                   | 1,436,190                                                                                      | -                | -      | 1,436,190                                                                                           | 6,884                                   | 100.00                                                | 6,884                     | 1,380,577                                                    | -                                                                                    |        |
| Far Eastern Union Petrochemical (Yangzhou) Corporation   | PA and its by-product production                                                                              | 8,216,076<br>(RMB 1,891,362<br>thousand)    | 2                                   | 2,983,397                                                                                      | -                | -      | 2,983,397                                                                                           | 649,263                                 | 44.20                                                 | 286,974                   | 3,081,595                                                    | -                                                                                    |        |
| Shanghai Yuan Zi Information Technology Co., Ltd.        | Software development, equipment maintenance and consulting                                                    | 55,212<br>(RMB 12,710<br>thousand)          | 3                                   | -                                                                                              | -                | -      | -                                                                                                   | 299                                     | 100.00                                                | 299                       | 58,047                                                       | -                                                                                    |        |
| Shanghai Far Eastern Petrochemical Logistic Corporation  | Transportation                                                                                                | 82,536<br>(RMB 19,000<br>thousand)          | 3                                   | -                                                                                              | -                | -      | -                                                                                                   | 4,635                                   | 100.00                                                | 4,635                     | 149,896                                                      | -                                                                                    |        |
| Suzhou An Ho Apparel Ltd.                                | Garment production                                                                                            | 4,344<br>(RMB 1,000<br>thousand)            | 3                                   | -                                                                                              | -                | -      | -                                                                                                   | 1,035                                   | 100.00                                                | 1,035                     | 59,701                                                       | -                                                                                    |        |
| Yuan Ding Enterprise (Shanghai) Limited                  | Liquid oxygen, oxygen, nitrogen and hydrogen warehousing                                                      | 7,660,318<br>(RMB 1,763,425<br>thousand)    | 3                                   | -                                                                                              | -                | -      | -                                                                                                   | (161,323)                               | 40.00                                                 | (65,429)                  | 2,712,437                                                    | -                                                                                    |        |
| Yuan Ding Integrated Information Service (Shanghai) Inc. | Computer software and internet software design and development                                                | 654,416<br>(RMB 150,648<br>thousand)        | 2                                   | 598,270                                                                                        | -                | -      | 598,270                                                                                             | (6,863)                                 | 100.00                                                | (6,863)                   | 43,342                                                       | -                                                                                    | Note M |
| Speedy (Shanghai) digital Tech. Co., Ltd.                | Intelligent control equipment and security monitoring products and services                                   | 28,407<br>(RMB 6,539<br>thousand)           | 2                                   | 24,220                                                                                         | -                | -      | 24,220                                                                                              | 3,787                                   | 100.00                                                | 3,787                     | 59,701                                                       | -                                                                                    | Note N |

(Continued)

| Investee Company                                      | Main Businesses and Products                                                     | Paid-in Capital<br>(Note T)        | Method of<br>Investment<br>(Note A) | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>January 1, 2021 | Investment Flows |        | Accumulated<br>Outward<br>Remittance for<br>Investment from<br>Taiwan as of<br>December 31,<br>2021 | Net Income<br>(Loss) of the<br>Investee | % Ownership<br>of Direct or<br>Indirect<br>Investment | Investment<br>Gain (Loss) | Carrying<br>Amount as of<br>December 31,<br>2021<br>(Note B) | Accumulated<br>Repatriation of<br>Investment<br>Income as of<br>December 31,<br>2021 | Note   |
|-------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------|------------------|--------|-----------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|---------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------|--------|
|                                                       |                                                                                  |                                    |                                     |                                                                                                | Outflow          | Inflow |                                                                                                     |                                         |                                                       |                           |                                                              |                                                                                      |        |
| Digital United Information Technology (Shanghai) Ltd. | Research and design of computer systems                                          | \$ 85,808<br>(US\$ 3,100 thousand) | 2                                   | \$ 85,808                                                                                      | \$ -             | \$ -   | \$ 85,808                                                                                           | \$ 5,365                                | 100.00                                                | \$ 5,365                  | \$ 6,653                                                     | \$ -                                                                                 | Note O |
| Nextlink (Shanghai) Technology Co., Ltd.              | Computer software, data processing and provision of network information services | 1,993<br>(US\$ 72 thousand)        | 2                                   | 1,993                                                                                          | -                | -      | 1,993                                                                                               | 756                                     | 70.00                                                 | 756                       | 2,133                                                        | -                                                                                    | Note P |

| Investee Company                                   | Accumulated Outward<br>Remittance for Investment<br>in Mainland China as of<br>December 31, 2021 | Investment Amounts<br>Authorized by Investment<br>Commission, MOEA | Upper Limit on the Amount<br>of Investment Stipulated by<br>Investment Commission,<br>MOEA |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Far Eastern New Century Corporation (Note S and T) | \$ 22,653,879                                                                                    | \$ 23,380,678                                                      | \$ -                                                                                       |

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., and Far Eastern Union Petrochemical (Yangzhou) Corporation.
2. Others: Far Eastern Industries (Suzhou) Ltd., Far Eastern Innovation Apparel (Suzhou) Co., 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), Speedy (Shanghai) digital Tech. Co., Ltd., and Nextlink (Shanghai) Technology Co., Ltd.

C. The ending balance of long term investment.

D. As of December 31, 2021, 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, 2021, 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, 2021, 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, 2021, 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, 2021, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2021, 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, 2021, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation remitted through FENC's subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.

K. As of December 31, 2021, 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, 2021, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.

(Continued)

- M. As of December 31, 2021, 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, 2021, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.
- O. As of December 31, 2021, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.
- P. As of December 31, 2021, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.
- Q. As of December 31, 2021, 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.
- R. Investment amounts authorized by the Investment Commission of the MOEA include US\$843,627 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\$1:27.68 and RMB1:4.344.
- S. Based on MOEA Approval Letter No. 10920434850, there is no limitation on the amount of the Company's investment in China.
- T. The paid-in capital was calculated based on the ending exchange rate of RMB1:4.344 and US\$1:27.68.

(Concluded)



TABLE 13-1

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA - INVESTMENT TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(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                                                                 |
|                                                   |                                           |            |                          | PET Far Eastern (Holding) Ltd.         |                          |                                |                                                                              |                                                           |                                                                       |
|                                                   | Yuan Ding Investment Co., Ltd.            | 2009.11.17 | No. 09800408160 (Note C) | Far Eastern Polychem Industries Ltd.   | 6,592                    |                                |                                                                              |                                                           | 6,592                                                                 |
|                                                   |                                           |            |                          | PET Far Eastern (Holding) Ltd.         |                          |                                |                                                                              |                                                           |                                                                       |
|                                                   | Far Eastern New Century Corporation       | 2008.06.27 | No. 09700163430          | PET Far Eastern (Holding) Ltd.         | 49,500                   | 49,500                         |                                                                              |                                                           |                                                                       |
|                                                   | Far Eastern New Century Corporation       | 2008.04.18 | No. 09700045500          | Far Eastern Polychem Industries Ltd.   | 4,800                    | 4,800                          |                                                                              |                                                           |                                                                       |
|                                                   |                                           |            |                          | PET Far Eastern (Holding) Ltd.         | 2,936                    |                                |                                                                              |                                                           |                                                                       |
|                                                   |                                           |            |                          |                                        | (Note F)                 |                                |                                                                              |                                                           |                                                                       |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd.      | Far Eastern New Century Corporation       | 2009.12.25 | No. 09800456740          | PET Far Eastern (Holding) Ltd.         | 41,171                   | 41,171                         |                                                                              |                                                           |                                                                       |
|                                                   | Far Eastern New Century Corporation       | 2017.09.18 | No. 10630056570          | PET Far Eastern (Holding) Ltd.         | 27,000                   | 27,000                         |                                                                              |                                                           |                                                                       |
|                                                   |                                           |            |                          |                                        |                          |                                |                                                                              |                                                           |                                                                       |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd.      | Yuan Ding Investment Co., Ltd.            | 2003.10.31 | No. 092033525            | Far Eastern Apparel (Holding) Ltd.     | 20,000                   | 20,000                         |                                                                              |                                                           |                                                                       |
|                                                   | Yuan Ding Investment Co., Ltd.            | 2008.10.13 | No. 09700348610          | Far Eastern Apparel (Holding) Ltd.     | 30,000                   | 30,000                         |                                                                              |                                                           |                                                                       |
| Far Eastern Industries (Suzhou) Ltd.              | Yuan Ding Investment Co., Ltd.            | 2002.11.26 | No. 091035216            | Far Eastern Polychem Industries Ltd.   | 9,352                    |                                |                                                                              |                                                           | 9,352                                                                 |
|                                                   |                                           |            |                          | FEDP (Holding) Ltd.                    |                          |                                |                                                                              |                                                           |                                                                       |
|                                                   | Far Eastern New Century Corporation       | 2004.10.11 | No. 093025506            | Far Eastern Polychem Industries Ltd.   | 1,569                    |                                |                                                                              | 1,569                                                     |                                                                       |
|                                                   |                                           |            |                          | FEDP (Holding) Ltd.                    |                          |                                |                                                                              |                                                           |                                                                       |
|                                                   | Far Eastern New Century Corporation       | 2004.10.14 | No. 093030298            | Far Eastern Polychem Industries Ltd.   | 713                      |                                |                                                                              |                                                           | 713                                                                   |
| Far Eastern Industries (Suzhou) Ltd.              |                                           |            |                          | FEDP (Holding) Ltd.                    |                          |                                |                                                                              |                                                           |                                                                       |
|                                                   | Far Eastern New Century Corporation       | 2010.10.12 | No. 09900403430 (Note H) | FEDP (Holding) Ltd.                    | 5,288                    | 5,288                          |                                                                              |                                                           |                                                                       |

(Continued)

| Investee Company                                              | Authorized by Investment Commission, MOEA |            |                          |                                                                                         |                          | Investment Type                |                                                                              |                                                           |                                                                       |
|---------------------------------------------------------------|-------------------------------------------|------------|--------------------------|-----------------------------------------------------------------------------------------|--------------------------|--------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------|
|                                                               | Investor Company                          | Date       | MOEA Approval Letter No. | Through Investor Company in Third Area                                                  | Investment Amount (US\$) | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Oriental Industries (Suzhou) Ltd.                             | Far Eastern New Century Corporation       | 2006.11.01 | No. 09500287850          | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.                                | \$ 4,524                 | \$ 4,524                       |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2008.04.18 | No. 09700045510          | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.                                | 4,800<br>754<br>(Note G) | 4,800                          |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2010.12.29 | No. 09900470520 (Note I) | FEDP (Holding) Ltd.                                                                     | 18,224                   | 18,224                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Ding Investment Co., Ltd.            | 2005.08.01 | No. 094015006            | Oriental Textile (Holding) Ltd.                                                         | 19,800                   | 19,800                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Ding Investment Co., Ltd.            | 2006.02.09 | No. 094037416            | Oriental Textile (Holding) Ltd.                                                         | 30,200                   | 30,200                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Ding Investment Co., Ltd.            | 2007.10.02 | No. 09600280400          | Oriental Textile (Holding) Ltd.                                                         | 23,000                   | 23,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Ding Investment Co., Ltd.            | 2008.09.01 | No. 09700172130          | Oriental Textile (Holding) Ltd.                                                         | 32,500                   | 32,500                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Ding Investment Co., Ltd.            | 2013.04.29 | No. 10200127470          | Oriental Textile (Holding) Ltd.                                                         | 8,000                    | 8,000                          |                                                                              |                                                           |                                                                       |
| Wuhan Far Eastern New Material Ltd.                           | Yuan Ding Investment Co., Ltd.            | 2014.09.11 | No. 10300223190 (Note K) | Oriental Textile (Holding) Ltd.                                                         | 43,000                   | 43,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2006.05.19 | No. 09500090070          | Far Eastern Polytex (Holding) Ltd.                                                      | 12,000                   | 12,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2009.06.29 | No. 09800135640          | Far Eastern Polytex (Holding) Ltd.                                                      | 10,000                   | 10,000                         |                                                                              |                                                           |                                                                       |
| Far Eastern New Century (China) Investment Co., Ltd. (Note A) | Far Eastern New Century Corporation       | 2010.12.21 | No. 09900470530          | Far Eastern Polytex (Holding) Ltd.                                                      | RMB 6,695                |                                |                                                                              |                                                           | RMB 6,695                                                             |
|                                                               | Far Eastern New Century Corporation       | 2006.08.01 | No. 09500124430          | Far Eastern Polytex (Holding) Ltd.                                                      | 48,000                   | 48,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       |            |                          | Far Eastern Polytex (Holding) Ltd.                                                      |                          |                                |                                                                              |                                                           |                                                                       |
| Sino Belgium Beer (Suzhou) Ltd.                               | Yuan Tong Investment Co., Ltd.            | 2007.08.02 | No. 09600248620          | Sino Belgium (Holding) Ltd.                                                             | 18,000                   | 18,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2008.02.21 | No. 09600451060          | Sino Belgium (Holding) Ltd.                                                             | 12,000                   | 12,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2014.04.24 | No. 10300091010 (Note L) | Sino Belgium (Holding) Ltd.                                                             | 16,000                   | 16,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2014.12.19 | No. 10300249370 (Note O) | Sino Belgium (Holding) Ltd.                                                             | 10,000                   | 10,000                         |                                                                              |                                                           |                                                                       |
| Martens Beers (Shanghai) Ltd.                                 | Yuan Tong Investment Co., Ltd.            | 2008.12.10 | No. 09700456110          | Sino Belgium (Holding) Ltd.                                                             | 3,800                    | 3,800                          |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2010.07.29 | No. 09900284200          | Bockhold N.V. Martens HK Ltd.                                                           | 4,304                    |                                |                                                                              |                                                           | 4,304                                                                 |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2014.04.24 | No. 10300091010 (Note L) | Sino Belgium (Holding) Ltd.                                                             | 1,500                    | 1,500                          |                                                                              |                                                           |                                                                       |
|                                                               | Yuan Tong Investment Co., Ltd.            | 2013.11.28 | No. 10200451570 (Note N) | Sino Belgium (Holding) Ltd.                                                             | 1,100                    | 1,100                          |                                                                              |                                                           |                                                                       |
| Far Eastern Tech-Info Ltd. (Shanghai)                         | Yuan Tong Investment Co., Ltd.            | 2014.12.19 | No. 10300249370 (Note O) | Sino Belgium (Holding) Ltd.                                                             | 1,000                    | 1,000                          |                                                                              |                                                           |                                                                       |
|                                                               | Far EastTone Telecommunications Co., Ltd. | 2004.08.26 | No. 093018811            | Far Eastern Info Service (Holding) Limited                                              | 2,500                    | 2,500                          |                                                                              |                                                           |                                                                       |
|                                                               | Far EastTone Telecommunications Co., Ltd. |            |                          | Far Eastern Info Service (Holding) Limited                                              |                          |                                |                                                                              |                                                           |                                                                       |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation        | Far Eastern New Century Corporation       | 2011.06.23 | No. 10000021360 (Note J) | Far Eastern Polytex (Holding) Ltd.                                                      | 166,000                  | 166,000                        |                                                                              |                                                           |                                                                       |
| Far Eastern Industries (Yangzhou) Ltd.                        | Far Eastern New Century Corporation       | 2012.03.30 | No. 10100043080          | Far Eastern Polychem Industries Ltd.                                                    | 49,000                   | 49,000                         |                                                                              |                                                           |                                                                       |
| Far Eastern Union Petrochemical (Yangzhou) Corporation        | Far Eastern New Century Corporation       | 2012.08.31 | No. 10300210860 (Note M) | PET Far Eastern (Holding) Ltd.                                                          | 66,000                   | 66,000                         |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2020.08.20 | No. 10900223750 (Note T) | PET Far Eastern (Holding) Ltd.                                                          | 9,250                    | 9,250                          |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2020.11.23 | No. 10900267610 (Note U) | PET Far Eastern (Holding) Ltd.                                                          | 32,824                   | 32,824                         |                                                                              |                                                           |                                                                       |
| Yuan Ding Enterprise (Shanghai) Limited                       | Far Eastern New Century Corporation       | 2013.11.08 | No. 10200399280          | Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd. | 1,000                    | 1,000                          |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2019.08.02 | No. 10800190930 (Note S) | Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd. | 74,335                   | 74,335                         |                                                                              |                                                           |                                                                       |
|                                                               | Far Eastern New Century Corporation       | 2019.11.26 | No. 10800217150          | Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd. | 32,000                   | 32,000                         |                                                                              |                                                           |                                                                       |
| Tong Da Air Industry (Yangzhou) Co., Ltd.                     | Far Eastern New Century Corporation       | 2014.09.05 | No. 10300203670 (Note P) | PET Far Eastern (Holding) Ltd.                                                          | 33,500                   | 33,500                         |                                                                              |                                                           |                                                                       |

(Continued)

| Investee Company                                                 | Authorized by Investment Commission, MOEA                                                                                        |                                        |                                                       |                                                                                            |                          | Investment Type                |                                                                              |                                                           |                                                                       |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------|--------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------|
|                                                                  | Investor Company                                                                                                                 | Date                                   | MOEA Approval Letter No.                              | Through Investor Company in Third Area                                                     | Investment Amount (US\$) | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Yuan Ding Integrated Information Service (Shanghai) Inc.         | YDT Technology International Co., Ltd.<br>FET Consulting Engineers Co., Ltd.<br>Ding Ding Integrated Marketing Service Co., Ltd. | 2011.10.19<br>2011.11.03<br>2015.08.11 | No. 10000429550<br>No. 10000439470<br>No. 10400179060 | YDC (Virgin Islands) Ltd.<br>DDIM (Virgin Islands) Ltd.<br>DDIM (Virgin Islands) Ltd.      | \$ 110<br>8,100<br>1,100 | \$ 110<br>8,100<br>1,100       |                                                                              |                                                           |                                                                       |
| Speedy (Shanghai) digital Tech. Co., Ltd.                        | YDT Technology International Co., Ltd.                                                                                           | 2004.02.11<br>2005.02.05               | No. 093003471<br>No. 094003122                        | YDC (Virgin Islands) Ltd.<br>YDC (Virgin Islands) Ltd.                                     | 300<br>500               | 300<br>500                     |                                                                              |                                                           |                                                                       |
| Far Eastern Tech-Info Ltd. (Shanghai)                            | Far EasTone Telecommunications Co., Ltd.<br>New Diligent Co., Ltd.                                                               | 2004.08.26<br>2014.01.29               | No. 093018811<br>No. 10300022990                      | Far Eastern Info Service (Holding) Ltd.<br>Far East New Diligent Company Ltd.              | 2,500<br>3,500           | 2,500<br>3,500                 |                                                                              |                                                           |                                                                       |
| Far Eastern Tech-Info Ltd. (Shanghai)                            | New Century InfoComm Tech Co., Ltd.<br>New Century InfoComm Tech Co., Ltd.                                                       | 2002.10.07<br>2013.08.09               | No. 091041498<br>No. 10200302730                      | Digital United (Cayman) Ltd.<br>Digital United (Cayman) Ltd.                               | 3,100<br>1,000           | 1,000                          |                                                                              |                                                           | \$ 3,100                                                              |
| Digital United Information Technology (Shanghai) Ltd.            | Nextlink Technology Co., Ltd.                                                                                                    | 2019.03.28                             | No. 10830010930                                       | Nextlink (HK) Technology Co., Ltd.                                                         | 72                       | 72                             |                                                                              |                                                           |                                                                       |
| New Diligence Corporation (Shanghai)                             | New Diligent Co., Ltd.                                                                                                           | 2007.08.08                             | No. 09600261870                                       | New Diligent Co., Ltd. (Note Q)                                                            | 1,127                    | 1,127                          |                                                                              |                                                           |                                                                       |
| Far Eastern New Century Information Technology (Beijing) Limited | New Diligent Co., Ltd.                                                                                                           | 2012.11.19                             | No. 10100496420                                       | Far East New Diligent Company Ltd. (Note R)                                                | 10,300                   | 10,300                         |                                                                              |                                                           |                                                                       |
| Far Eastern Innovation Apparel (Anhui) Co., Ltd.                 | Far Eastern New Century Corporation<br>Yuan Ding Investment Co., Ltd.                                                            | 2021.09.02<br>2021.09.02               | No. 11000195650<br>No. 11000195640                    | Far Eastern Polytex (Holding) Ltd. (Note V)<br>Far Eastern Apparel (Holding) Ltd. (Note W) | 8,739<br>5,651           |                                | \$ 8,739<br>5,651                                                            |                                                           |                                                                       |

- Notes: A. Far Eastern New Century (China) Investment Co., Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Corporation, and the other US\$2,000 thousand was held by Far Eastern New Century (China) Investment Co., Ltd.
- B. Document No. 092035971 had been canceled and replaced with document No. 09800408170.
- C. Document No. 092035970 had been canceled and replaced with document No. 09800408160.
- D. The approved amount of US\$12,000 thousand on September 18, 2009 as stated in document No. 09800283970, had been changed to US\$11,500 thousand and updated to document No. 09900142680 on April 19, 2010 while completed the-review process.
- E. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.
- F. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.
- G. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.
- H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly through Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd., under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only though FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).
- I. After obtaining MOEA approval (No. 09900470520), FENC received FEDP (Holding) Ltd. from Yuan Tong Investment Co., Ltd., for US\$18,224 thousand (MOEA approval No. 09600243260).
- J. After modifying MOEA approval from No. 10000021360 to No. 11100012810, FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., amended to indirectly invest US\$138,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. After obtaining MOEA approval (No. 11100014610), FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$12,000 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.

(Continued)

- 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.
- 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. 11000095860), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$32,824 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- V. The Company was approved to indirectly invest in Far Eastern Innovation Apparel (Anhui) Co., Ltd. in Mainland China through Far Eastern Polytex (Holding) Ltd., by obtaining MOEA approval (No. 11000195650), but as of December 30, 2021, the relevant investment funds have not been remitted.
- W. Yuan Ding Investment Co., Ltd. was approved to indirectly invest in Far Eastern Innovation Apparel (Anhui) Co., Ltd. in Mainland China through Far Eastern Polytex (Holding) Ltd., by obtaining MOEA approval (No. 11000195640), but as of December 30, 2021, the relevant investment funds have not been remitted.

(Concluded)

**TABLE 14****FAR EASTERN NEW CENTURY CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2021**

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

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

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

# FAR EASTERN NEW CENTURY CORPORATION

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**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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| <b>Item</b>                    | <b>Maturity</b>       | <b>Annual Rate (%)</b> | <b>Amount</b>        |
|--------------------------------|-----------------------|------------------------|----------------------|
| Cash                           |                       |                        |                      |
| Cash on hand                   |                       |                        | \$ 2,000             |
| Petty cash                     |                       |                        | <u>4,302</u>         |
| Cash in banks                  |                       |                        |                      |
| Checking accounts              |                       |                        | 11,121,025           |
| Demand deposits (Note A)       |                       |                        | <u>2,661,150</u>     |
|                                |                       |                        | <u>13,782,175</u>    |
| Cash equivalents               |                       |                        |                      |
| Repurchase of commercial paper | 2021.12.24-2022.01.13 | 0.31-0.315             | <u>4,099,378</u>     |
|                                |                       |                        | <u>\$ 17,887,855</u> |

Note A: Including US\$23,731 thousand, JPY874,370 thousand, RMB18,669 thousand and EUR3,812 thousand.

Note B: Based on the exchange rate of US\$1:NT\$27.68, JPY1:NT\$0.2405, RMB1:NT\$4.344 and EUR1:NT\$31.32, respectively.

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

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| <b>Client Name</b>                    | <b>Amount</b>       |
|---------------------------------------|---------------------|
| Worldwide Polychem (HK) Ltd.          | \$ 1,731,885        |
| Others (Note)                         | <u>6,076,384</u>    |
|                                       | 7,808,269           |
| Less: Allowance for doubtful accounts | <u>58,996</u>       |
| Notes and accounts receivable, net    | <u>\$ 7,749,273</u> |

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



**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF INVENTORIES****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>                        | <b>Amount</b>       |                                |
|------------------------------------|---------------------|--------------------------------|
|                                    | <b>Cost</b>         | <b>Market Value<br/>(Note)</b> |
| Finished goods                     | \$ 1,941,650        | \$ 1,774,614                   |
| Work in progress                   | 2,434,272           | 2,581,791                      |
| Raw materials                      | 2,092,962           | 1,983,966                      |
| Supplies                           | 463,367             | 413,541                        |
| Materials in transit               | <u>252,674</u>      | <u>252,674</u>                 |
|                                    | 7,184,925           | <u>\$ 7,006,586</u>            |
| Less: Allowance for valuation loss | <u>528,772</u>      |                                |
| Inventories, net                   | <u>\$ 6,656,153</u> |                                |

Note: Market value is net realizable value.

## FAR EASTERN NEW CENTURY CORPORATION

## STATEMENT OF CHANGES IN EQUITY METHOD INVESTMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Except Par Value and Unit Price is in New Taiwan Dollars)

| Investees                                            | Par Value | Balance, January 1, 2021 |           | Annual Changes        |                       |                       |        | Increase (Decrease) in Using the Equity Method Amount (Note A) | Balance, December 31, 2021 |        |                     | Market Value or Net Assets Value |                   | Pledged Shares (In Thousands) (Note B) | Notes                 |              |       |    |                       |        |                    |
|------------------------------------------------------|-----------|--------------------------|-----------|-----------------------|-----------------------|-----------------------|--------|----------------------------------------------------------------|----------------------------|--------|---------------------|----------------------------------|-------------------|----------------------------------------|-----------------------|--------------|-------|----|-----------------------|--------|--------------------|
|                                                      |           | Shares (In Thousands)    | Amount    | Shares (In Thousands) | Amount                | Decrease              |        |                                                                | Shares (In Thousands)      | Amount | %                   | Amount                           | Unit Price (NT\$) |                                        |                       | Total Amount |       |    |                       |        |                    |
|                                                      |           |                          |           |                       |                       | Shares (In Thousands) | Amount |                                                                |                            |        |                     |                                  |                   |                                        |                       |              |       |    |                       |        |                    |
| <u>Shares</u>                                        |           |                          |           |                       |                       |                       |        |                                                                |                            |        |                     |                                  |                   |                                        |                       |              |       |    |                       |        |                    |
| Investments accounted for using the equity method    |           |                          |           |                       |                       |                       |        |                                                                |                            |        |                     |                                  |                   |                                        |                       |              |       |    |                       |        |                    |
| Publicly traded companies                            |           |                          |           |                       |                       |                       |        |                                                                |                            |        |                     |                                  |                   |                                        |                       |              |       |    |                       |        |                    |
| Asia Cement Corporation                              | \$        | 10                       | 750,511   | \$                    | 19,555,827            | -                     | \$     | -                                                              | -                          | \$     | 387,151             | 750,511                          | 21.17             | \$                                     | 19,942,978            | \$           | 44.30 | \$ | 33,247,652            | 19,900 | (Notes C and D)    |
| Far Eastern Department Stores Co., Ltd.              |           | 10                       | 241,770   |                       | 5,078,558             | -                     |        | -                                                              | -                          |        | (24,829)            | 241,770                          | 17.06             |                                        | 5,053,729             |              | 21.45 |    | 5,185,960             | -      | (Notes C and D)    |
| Far Eastern International Bank                       |           | 10                       | 90,180    |                       | 1,166,486             | 1,723                 |        | -                                                              | -                          |        | 43,486              | 91,903                           | 2.62              |                                        | 1,209,972             |              | 10.75 |    | 987,956               | -      | (Notes C, D and F) |
| Oriental Union Chemical Corporation                  |           | 10                       | 81,216    |                       | 1,095,081             | -                     |        | -                                                              | -                          |        | 94,992              | 81,216                           | 9.17              |                                        | 1,190,073             |              | 22.40 |    | 1,819,239             | -      | (Notes C and D)    |
| Everest Textile Corporation                          |           | 10                       | 140       |                       | 1,180                 | -                     |        | -                                                              | (32)                       |        | (14)                | 108                              | 0.02              |                                        | 1,166                 |              | 9.63  |    | 1,042                 | -      | (Notes C, D and G) |
|                                                      |           |                          |           |                       | <u>26,897,132</u>     |                       |        | <u>-</u>                                                       |                            |        | <u>500,786</u>      |                                  |                   |                                        | <u>27,397,918</u>     |              |       |    | <u>41,241,849</u>     |        |                    |
| Private companies                                    |           |                          |           |                       |                       |                       |        |                                                                |                            |        |                     |                                  |                   |                                        |                       |              |       |    |                       |        |                    |
| Far Eastern Resources Development Co., Ltd.          |           | 10                       | 775,836   |                       | 106,334,081           | -                     |        | -                                                              | -                          |        | 455,675             | 775,836                          | 100.00            |                                        | 106,789,756           |              |       |    | 106,814,786           | -      | (Note D)           |
| Yuan Ding Investment Co., Ltd.                       |           | 10                       | 1,822,822 |                       | 41,433,997            | -                     |        | -                                                              | -                          |        | 2,356,147           | 1,822,822                        | 99.40             |                                        | 43,790,144            |              |       |    | 44,116,453            | -      | (Note D)           |
| Far Eastern Investment (Holding) Ltd.                | US\$      | 0.01                     | 5,072     |                       | 25,734,569            | 389                   |        | 1,955,422                                                      | -                          |        | 588,368             | 5,461                            | 100.00            |                                        | 28,278,359            |              |       |    | 28,278,359            | -      | (Notes D and E)    |
| Far Eastern Construction Co., Ltd.                   |           | 10                       | 245,829   |                       | 9,956,499             | -                     |        | -                                                              | -                          |        | 463,523             | 245,829                          | 65.11             |                                        | 10,420,022            |              |       |    | 10,505,868            | -      | (Note D)           |
| Far Eastern Polytex (Holding) Ltd.                   | US\$      | 0.01                     | 168       |                       | 9,647,375             | -                     |        | -                                                              | -                          |        | (232,251)           | 168                              | 100.00            |                                        | 9,415,124             |              |       |    | 9,418,823             | -      | (Note D)           |
| Oriental Petrochemical (Taiwan) Corporation          |           | 10                       | 1,712,218 |                       | 9,057,496             | -                     |        | -                                                              | -                          |        | (1,374,246)         | 1,712,218                        | 75.56             |                                        | 7,683,250             |              |       |    | 7,948,479             | -      | (Note D)           |
| Yuan Tong Investment Co., Ltd.                       |           | 10                       | 739,953   |                       | 8,737,914             | 2,231                 |        | -                                                              | -                          |        | 133,424             | 742,184                          | 100.00            |                                        | 8,871,338             |              |       |    | 9,176,864             | -      | (Notes D and F)    |
| Far Eastern Polychem Industries Ltd.                 | HK\$      | 0.0001                   | 830,815   |                       | 7,739,405             | -                     |        | -                                                              | -                          |        | (56,295)            | 830,815                          | 73.04             |                                        | 7,683,110             |              |       |    | 7,683,110             | -      | (Note D)           |
| Kai Yuan International Investment Co., Ltd.          |           | 10                       | 367,143   |                       | 5,582,758             | 2,274                 |        | -                                                              | -                          |        | 137,672             | 369,417                          | 100.00            |                                        | 5,720,430             |              |       |    | 5,720,570             | -      | (Notes D and F)    |
| PET Far Eastern (Holding) Ltd.                       | US\$      | 0.01                     | 397       |                       | 4,497,126             | -                     |        | -                                                              | -                          |        | (440,431)           | 397                              | 91.95             |                                        | 4,056,695             |              |       |    | 4,056,695             | -      | (Note D)           |
| Yuan Ding Co., Ltd.                                  |           | 10                       | 186,929   |                       | 3,243,038             | -                     |        | -                                                              | -                          |        | (41,103)            | 186,929                          | 37.13             |                                        | 3,201,935             |              |       |    | 3,318,764             | -      | (Note D)           |
| Ding Yuan International Investment Co., Ltd.         |           | 10                       | 255,031   |                       | 3,088,477             | 1,875                 |        | -                                                              | -                          |        | 196,769             | 256,966                          | 100.00            |                                        | 3,285,246             |              |       |    | 3,305,664             | -      | (Notes D and F)    |
| An Ho Garment Co., Ltd.                              |           | 10                       | 75,704    |                       | 2,109,554             | 461                   |        | -                                                              | -                          |        | 73,191              | 76,165                           | 100.00            |                                        | 2,182,745             |              |       |    | 2,258,047             | -      | (Notes D and F)    |
| Oriental Securities Corporation                      |           | 10                       | 141,961   |                       | 2,024,150             | -                     |        | -                                                              | -                          |        | 77,122              | 141,961                          | 19.65             |                                        | 2,101,272             |              |       |    | 2,093,081             | -      | (Note D)           |
| Pacific Liu Tong Investment Co., Ltd.                |           | 10                       | 135,000   |                       | 2,009,899             | -                     |        | -                                                              | -                          |        | 32,580              | 135,000                          | 16.83             |                                        | 2,042,479             |              |       |    | 1,950,485             | -      | (Note D)           |
| FEDP (Holding) Ltd.                                  | US\$      | 0.01                     | 244       |                       | 913,226               | -                     |        | -                                                              | -                          |        | (152,752)           | 244                              | 50.43             |                                        | 760,474               |              |       |    | 760,474               | -      | (Note D)           |
| Fu Kwok Knitting & Garment Co., Ltd.                 |           | 10                       | 4,000     |                       | 211,101               | -                     |        | -                                                              | -                          |        | 43,413              | 4,000                            | 100.00            |                                        | 254,514               |              |       |    | 253,355               | -      | (Note D)           |
| FE Oriental Investment Holding (Singapore) Pte. Ltd. | US\$      | 0.01                     | 50        |                       | 165,064               | -                     |        | -                                                              | -                          |        | (3,073)             | 50                               | 100.00            |                                        | 161,991               |              |       |    | 161,991               | -      | (Note D)           |
| Ding Ding Hotel Co., Ltd.                            |           | 10                       | 769       |                       | 7,700                 | 739                   |        | 7,391                                                          | (739)                      |        | (6,107)             | 769                              | 0.74              |                                        | 8,984                 |              |       |    | 2,002                 | -      | (Notes D, E and G) |
| Far Eastern Textile Ltd.                             |           | 10                       | 100       |                       | 1,720                 | 1,200                 |        | 12,000                                                         | -                          |        | (375)               | 1,300                            | 100.00            |                                        | 13,345                |              |       |    | 13,345                | -      | (Notes D and E)    |
|                                                      |           |                          |           |                       | <u>242,495,149</u>    |                       |        | <u>1,974,813</u>                                               |                            |        | <u>2,251,251</u>    |                                  |                   |                                        | <u>246,721,213</u>    |              |       |    | <u>247,837,215</u>    |        |                    |
|                                                      |           |                          |           |                       | <u>\$ 269,392,281</u> |                       |        | <u>\$ 1,974,813</u>                                            |                            |        | <u>\$ 2,752,037</u> |                                  |                   |                                        | <u>\$ 274,119,131</u> |              |       |    | <u>\$ 289,079,064</u> |        |                    |

Note A: Including:

- Current net profit of investee recognized based on the percentage of shares
- Current cash dividends distributed by investee
- Changes in capital surplus of investee
- Changes in unappropriated earnings of investee
- Changes in exchange differences arising on translation of foreign operations
- Unrealized gain on financial assets at FVTOCI
- Hedging instrument of investee
- Changes in remeasurement of defined benefit plans of investee
- Changes in gain on property revaluations of investee
- Cash dividends distributed to subsidiaries

\$ 11,578,885  
(8,073,232)  
85,477  
148,972  
(1,551,733)  
254,421  
3,920  
21,396  
282,879  
1,052  
\$ 2,752,037

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

Note C: The market value is calculated based on the share's closing market price on December 31, 2021 from Taiwan Stock Exchange.

Note D: The amount is calculated by the percentage of holding shares based on the audited financial statement as of December 31, 2021.

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

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

Note G: There was a decrease in shares because the investee reduce the capital to upset the accumulate deficits.

## FAR EASTERN NEW CENTURY CORPORATION

## STATEMENT OF SHORT-TERM LOANS

DECEMBER 31, 2021

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

| Type                  | Contract Period       | Interest Rates (%) | Original Currency (In thousands of USD) | In New Taiwan Dollars |
|-----------------------|-----------------------|--------------------|-----------------------------------------|-----------------------|
| Bank loans            |                       |                    |                                         |                       |
| First Commercial Bank | 2021.10.19-2022.03.30 | 0.78-0.84          | \$ 14,733                               | \$ 407,817            |
| Bank of America       | 2021.11.09-2022.04.19 | 0.77-0.78          | 2,265                                   | 62,692                |
| Hua Nan Bank          | 2021.07.26-2022.03.22 | 0.78-0.80          | 8,202                                   | 227,021               |
| DBS Bank              | 2021.09.01-2022.02.24 | 0.72-0.82          | 45,539                                  | 1,260,527             |
| United Overseas Bank  | 2021.10.29-2022.02.25 | 0.77               | 136                                     | 3,761                 |
| Mitsubishi UFJ        | 2021.09.02-2022.03.01 | 0.69-0.81          | 35,871                                  | 992,921               |
| Mizuho Bank           | 2021.11.22-2022.06.21 | 0.69               | 14,908                                  | 412,647               |
| Taishin Bank          | 2021.09.09-2022.03.16 | 0.79               | 3,253                                   | 90,046                |
| E.SUN Bank            | 2021.12.21-2022.01.21 | 0.67               | 11,396                                  | <u>315,436</u>        |
|                       |                       |                    |                                         | <u>\$ 3,772,868</u>   |

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF NOTES AND ACCOUNTS PAYABLE****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

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| <b>Vendor Name</b>                     | <b>Amount</b>       |
|----------------------------------------|---------------------|
| Nan Ya Plastics Corporation            | \$ 242,828          |
| Formosa Chemicals & Fibre Corp.        | 205,543             |
| China American Petrochemical Co., Ltd. | 163,113             |
| XIN HENG RONG (HK) LIMITED             | 136,616             |
| Usi Corporation                        | 84,224              |
| Others (Note)                          | <u>837,863</u>      |
|                                        | <u>\$ 1,670,187</u> |

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

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF OTHER PAYABLES****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>                   | <b>Amount</b>       |
|-------------------------------|---------------------|
| Director remuneration payable | \$ 1,361,132        |
| Payroll and bonus payable     | 1,288,537           |
| Export shipping payable       | 369,450             |
| Employee compensation payable | 345,347             |
| Interest payable              | 310,991             |
| Commission payable            | 271,998             |
| Others (Note)                 | <u>1,154,184</u>    |
|                               | <u>\$ 5,101,639</u> |

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

## FAR EASTERN NEW CENTURY CORPORATION

## STATEMENT OF LONG-TERM BORROWINGS

DECEMBER 31, 2021

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

| Type/Creditor Bank                            | Repayment (Note)                                                                | Interest Rate (%) | Original Currency | Balance                                    |                      | Total Amount  | Collateral                                                                                                           |
|-----------------------------------------------|---------------------------------------------------------------------------------|-------------------|-------------------|--------------------------------------------|----------------------|---------------|----------------------------------------------------------------------------------------------------------------------|
|                                               |                                                                                 |                   |                   | In New Taiwan Dollars<br>Expired in A Year | Expired after A Year |               |                                                                                                                      |
| Bank loans                                    |                                                                                 |                   |                   |                                            |                      |               |                                                                                                                      |
| Secured loans                                 |                                                                                 |                   |                   |                                            |                      |               |                                                                                                                      |
| Taiwan Cooperative Bank                       | 2021.12.20-2024.06.24, lump sum repayment on maturity                           | 0.8800            | -                 | -                                          | \$ 1,900,000         | \$ 1,900,000  | Building and land in Banqiao Xingya section, Zhongxiao section, Guanyin Guangxing section and Bade Yung-Feng section |
| Credit loans                                  |                                                                                 |                   |                   |                                            |                      |               |                                                                                                                      |
| First Commercial Bank                         | 2021.09.29-2023.03.29, lump sum repayment on maturity, interest payment monthly | 0.8800            | -                 | -                                          | 730,000              | 730,000       | 19,900 thousand of Asia Cement Corporation shares                                                                    |
| Bank of Taiwan                                | 2020.08.27-2024.02.27, lump sum repayment on maturity, interest payment monthly | 0.8562            | -                 | -                                          | 2,500,000            | 2,500,000     | Building and land in Xindu Far Eastern section and Shuichetou section                                                |
| Bank of Taiwan                                | 2021.11.19-2025.05.19, lump sum repayment on maturity, interest payment monthly | 0.8562            | -                 | -                                          | 700,000              | 700,000       |                                                                                                                      |
| Mizuho Bank                                   | 2020.09.30-2023.09.30, lump sum repayment on maturity, interest payment monthly | 0.8600            | -                 | -                                          | 3,000,000            | 3,000,000     |                                                                                                                      |
| Mizuho Bank                                   | 2021.12.27-2023.06.22, lump sum repayment on maturity                           | 0.8500            | -                 | -                                          | 2,000,000            | 2,000,000     |                                                                                                                      |
| Crédit Agricole Corporate and Investment Bank | 2021.12.29-2023.09.21, lump sum repayment on maturity                           | 1.1949            | -                 | -                                          | 1,000,000            | 1,000,000     |                                                                                                                      |
| Sumitomo Mitsui Banking Corporation           | 2021.12.27-2023.05.26, lump sum repayment on maturity                           | 0.6800            | -                 | -                                          | 2,000,000            | 2,000,000     |                                                                                                                      |
| The Bank of Tokyo-Mitsubishi UFJ              | 2021.12.29-2023.03.30, lump sum repayment on maturity                           | 0.8100            | -                 | -                                          | 1,500,000            | 1,500,000     |                                                                                                                      |
| Bangkok Bank                                  | 2021.12.27-2023.03.17, lump sum repayment on maturity                           | 1.2000            | -                 | -                                          | 100,000              | 100,000       |                                                                                                                      |
| Bank of Taiwan                                | 2021.12.29-2023.10.21, lump sum repayment on maturity                           | 1.1000            | -                 | -                                          | 1,000,000            | 1,000,000     |                                                                                                                      |
| Hua Nan Commercial Bank                       | 2021.12.29-2023.12.29, lump sum repayment on maturity                           | 1.1900            | -                 | -                                          | 1,000,000            | 1,000,000     |                                                                                                                      |
| Taiwan Cooperative Bank                       | 2021.12.20-2024.06.24, lump sum repayment on maturity                           | 0.8800            | -                 | -                                          | 100,000              | 100,000       |                                                                                                                      |
| Land Bank of Taiwan                           | 2021.12.29-2023.11.23, lump sum repayment on maturity                           | 1.2000            | -                 | -                                          | 700,000              | 700,000       |                                                                                                                      |
| Fubon Bank                                    | 2021.12.20-2023.09.02, lump sum repayment on maturity                           | 0.877494          | -                 | -                                          | 500,000              | 500,000       |                                                                                                                      |
| E.SUN Commercial Bank                         | 2021.12.27-2023.06.15, lump sum repayment on maturity                           | 1.0000            | -                 | -                                          | 100,000              | 100,000       |                                                                                                                      |
| Chang Hwa Commercial Bank                     | 2021.12.29-2023.12.29, lump sum repayment on maturity                           | 1.3000            | -                 | -                                          | 700,000              | 700,000       |                                                                                                                      |
| Mega International Commercial Bank            | 2021.03.09-2023.08.26, lump sum repayment on maturity                           | 0.821-0.824       | US\$362 thousand  | -                                          | 10,021               | 10,021        |                                                                                                                      |
| Bank loan                                     |                                                                                 |                   |                   | -                                          | 17,640,021           | 17,640,021    |                                                                                                                      |
| Commercial paper                              |                                                                                 |                   |                   | -                                          | 19,540,021           | 19,540,021    |                                                                                                                      |
| IBFC                                          | 2021.03.18-2023.03.24, Interest prepayment, lump sum repayment on maturity      | 0.9180            | -                 | -                                          | 1,696,708            | 1,696,708     |                                                                                                                      |
| IBFC                                          | 2021.09.08-2023.03.24, Interest prepayment, lump sum repayment on maturity      | 0.9180            | -                 | -                                          | 1,299,804            | 1,299,804     |                                                                                                                      |
| IBFC                                          | 2021.10.13-2023.04.22, Interest prepayment, lump sum repayment on maturity      | 0.9880            | -                 | -                                          | 1,497,198            | 1,497,198     |                                                                                                                      |
| IBFC                                          | 2021.10.13-2023.04.22, Interest prepayment, lump sum repayment on maturity      | 0.9980            | -                 | -                                          | 599,820              | 599,820       |                                                                                                                      |
| IBFC                                          | 2021.12.22-2025.06.27, Interest prepayment, lump sum repayment on maturity      | 0.6600            | -                 | -                                          | 2,995,606            | 2,995,606     |                                                                                                                      |
| IBFC                                          | 2021.12.23-2025.06.27, Interest prepayment, lump sum repayment on maturity      | 0.6600            | -                 | -                                          | 2,496,293            | 2,496,293     |                                                                                                                      |
| CBFC                                          | 2021.06.29-2025.06.27, Interest prepayment, lump sum repayment on maturity      | 0.6580            | -                 | -                                          | 1,999,784            | 1,999,784     |                                                                                                                      |
| E.SUN Commercial Bank                         | 2021.12.23-2025.06.27, Interest prepayment, lump sum repayment on maturity      | 0.6600            | -                 | -                                          | 1,497,776            | 1,497,776     |                                                                                                                      |
| Ta Ching                                      | 2021.10.13-2023.09.19, Interest prepayment, lump sum repayment on maturity      | 0.9180            | -                 | -                                          | 999,723              | 999,723       |                                                                                                                      |
| Ta Ching                                      | 2021.10.15-2023.10.26, Interest prepayment, lump sum repayment on maturity      | 0.9780            | -                 | -                                          | 899,686              | 899,686       |                                                                                                                      |
| Grand Bills                                   | 2021.11.22-2023.09.21, Interest prepayment, lump sum repayment on maturity      | 1.0470            | -                 | -                                          | 699,016              | 699,016       |                                                                                                                      |
| TFC                                           | 2021.11.22-2023.09.21, Interest prepayment, lump sum repayment on maturity      | 1.0470            | -                 | -                                          | 699,016              | 699,016       |                                                                                                                      |
| Mega Bills                                    | 2021.12.17-2023.09.24, Interest prepayment, lump sum repayment on maturity      | 0.9180            | -                 | -                                          | 1,999,346            | 1,999,346     |                                                                                                                      |
| TFC                                           | 2021.12.13-2024.06.21, Interest prepayment, lump sum repayment on maturity      | 0.9080            | -                 | -                                          | 1,497,388            | 1,497,388     |                                                                                                                      |
| Commercial paper                              |                                                                                 |                   |                   |                                            | 20,877,164           | 20,877,164    |                                                                                                                      |
|                                               |                                                                                 |                   |                   |                                            | \$ 40,417,185        | \$ 40,417,185 |                                                                                                                      |

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

## FAR EASTERN NEW CENTURY CORPORATION

## STATEMENT OF BONDS PAYABLE

DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars)

| Period                   | Trustee   | Maturity              | Repayment                                                                                                                                                                                                                                                                                            | Annual Rate (%) | Original Currency | Issued Amount | Repayment Paid | Unamortized Bonds Discounts | Outstanding Balance   |                      |              | Collateral |
|--------------------------|-----------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------|---------------|----------------|-----------------------------|-----------------------|----------------------|--------------|------------|
|                          |           |                       |                                                                                                                                                                                                                                                                                                      |                 |                   |               |                |                             | Expired Within A Year | Expired After A Year | Total Amount |            |
| Ordinary Bonds No. 106-1 | Unsecured | 2017.05.17-2022.05.17 | The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually. | 1.15            |                   | \$ 5,000,000  | \$ 2,500,000   | \$ 750                      | \$ 2,499,250          | \$ -                 | \$ 2,499,250 | -          |
| No. 106-2                | Unsecured | 2018.01.08-2023.01.08 | The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.                                                                                                  | 0.95            |                   | 3,000,000     | -              | 1,226                       | -                     | 2,998,774            | 2,998,774    | -          |
| No. 107-1                | Unsecured | 2018.05.18-2023.05.18 | The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually. | 0.92            |                   | 6,000,000     | -              | 3,306                       | 2,999,093             | 2,997,601            | 5,996,694    | -          |
| No. 107-2                | Unsecured | 2018.07.18-2023.07.18 | The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually. | 0.90            |                   | 8,000,000     | -              | 4,942                       | 3,998,256             | 3,996,802            | 7,995,058    | -          |
| No. 108-1                | Unsecured | 2019.04.29-2024.04.29 | The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.                                                                                                  | 0.93            |                   | 8,000,000     | -              | 7,444                       | -                     | 7,992,556            | 7,992,556    | -          |
| No. 108-2                | Unsecured | 2019.08.08-2024.08.08 | The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.                                                                                                  | 0.79            |                   | 6,000,000     | -              | 6,246                       | -                     | 5,993,754            | 5,993,754    | -          |
| No. 109-1                | Unsecured | 2020.04.22-2025.04.22 | The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.                                                                                                  | 0.66            |                   | 6,000,000     | -              | 7,941                       | -                     | 5,992,059            | 5,992,059    | -          |
| No. 109-2-A              | Unsecured | 2020.06.10-2025.06.10 | The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.                                                                                                  | 0.77            |                   | 2,200,000     | -              | 1,846                       | -                     | 2,198,154            | 2,198,154    | -          |
| No. 109-2-B              | Unsecured | 2020.06.10-2027.06.10 | The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.                                                                                                  | 0.85            |                   | 3,000,000     | -              | 3,979                       | -                     | 2,996,021            | 2,996,021    | -          |
| No. 109-3                | Unsecured | 2020.09.17-2027.09.17 | The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.                                                                                                  | 0.83            |                   | 5,500,000     | -              | 6,733                       | -                     | 5,493,267            | 5,493,267    | -          |
| No. 109-4                | Unsecured | 2020.12.21-2025.12.21 | The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.                                                                                                  | 0.54            |                   | 3,800,000     | -              | 4,529                       | -                     | 3,795,471            | 3,795,471    | -          |

(Continued)

| Period    | Trustee   | Maturity              | Repayment                                                                                                                                                                                           | Annual Rate<br>(%) | Original<br>Currency | Issued Amount        | Repayment<br>Paid   | Unamortized<br>Bonds<br>Discounts | Outstanding Balance      |                         |                      | Collateral |
|-----------|-----------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------|----------------------|---------------------|-----------------------------------|--------------------------|-------------------------|----------------------|------------|
|           |           |                       |                                                                                                                                                                                                     |                    |                      |                      |                     |                                   | Expired Within<br>A Year | Expired After<br>A Year | Total Amount         |            |
| No. 110-1 | Unsecured | 2021.04.28-2026.04.28 | The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually. | 0.67               |                      | \$ 9,500,000         | \$ -                | \$ 12,323                         | \$ -                     | \$ 9,487,677            | \$ 9,487,677         | -          |
| No. 110-2 | Unsecured | 2021.05.24-2026.05.24 | The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually. | 0.52               |                      | 1,200,000            | -                   | 1,582                             | -                        | 1,198,418               | 1,198,418            | -          |
| No. 110-3 | Unsecured | 2021.09.27-2026.09.27 | The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually. | 0.63               |                      | <u>6,500,000</u>     | <u>-</u>            | <u>9,243</u>                      | <u>-</u>                 | <u>6,490,757</u>        | <u>6,490,757</u>     | -          |
|           |           |                       |                                                                                                                                                                                                     |                    |                      | <u>\$ 73,700,000</u> | <u>\$ 2,500,000</u> | <u>\$ 72,090</u>                  | <u>\$ 9,496,599</u>      | <u>\$ 61,631,311</u>    | <u>\$ 71,127,910</u> |            |

(Concluded)



**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF OPERATING REVENUE****FOR THE YEAR ENDED DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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| <b>Item</b>      | <b>Quality</b> | <b>Amount</b>        |
|------------------|----------------|----------------------|
| Sales of goods   |                |                      |
| PET              | 620,760 tones  | \$ 20,737,007        |
| Polyester cotton | 170169 tones   | 7,299,455            |
| Knitted fabrics  | 10,152 tones   | 2,783,364            |
| DTY              | 36,552 tones   | 2,606,428            |
| Others (Note)    |                | <u>12,100,982</u>    |
|                  |                | <u>\$ 45,527,236</u> |

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

## FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF COST OF OPERATING REVENUE  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (In Thousands of New Taiwan Dollars)

| Item                                | Amount               |
|-------------------------------------|----------------------|
| Cost of goods sold                  |                      |
| Raw material, beginning of year     | \$ 1,393,708         |
| Raw material purchased              | 29,490,801           |
| Less: Raw materials, end of year    | <u>(2,345,636)</u>   |
| Raw materials consumption           | 28,538,873           |
| Supplies consumption                | <u>1,164,701</u>     |
| Direct labor                        | <u>1,688,773</u>     |
| Manufacturing expenses              |                      |
| Depreciation                        | 1,999,485            |
| Payroll                             | 1,682,191            |
| Electricity                         | 1,154,401            |
| Outsourcing processing fees         | 1,141,542            |
| Repair costs                        | 695,789              |
| Fuel expense                        | 631,760              |
| Others                              | <u>1,221,698</u>     |
|                                     | <u>8,526,866</u>     |
| Manufacturing cost                  | 39,919,213           |
| Work in process, beginning of year  | 1,702,205            |
| Work in process, end of year        | <u>(2,434,272)</u>   |
| Cost of finished goods              | 39,187,146           |
| Finished goods, beginning of year   | 1,323,284            |
| Finished goods, end of year         | <u>(1,941,650)</u>   |
|                                     | 38,568,780           |
| Transferred cost to related parties | (411,994)            |
| Write-down of inventories           | 121,694              |
| Idle capacity                       | <u>314,057</u>       |
|                                     | <u>\$ 38,592,537</u> |

## FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF OPERATING EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (In Thousands of New Taiwan Dollars)

| Item                                 | Selling<br>Expenses | General and<br>Administrative<br>Expenses | Research and<br>Development<br>Expenses | Expected<br>Credit Loss |
|--------------------------------------|---------------------|-------------------------------------------|-----------------------------------------|-------------------------|
| Transportation expense               | \$ 3,901,093        | \$ -                                      | \$ -                                    | \$ -                    |
| Payroll and bonus expense            | 438,441             | 1,045,846                                 | 369,858                                 | -                       |
| Contract fee                         | -                   | 263,194                                   | -                                       | -                       |
| Remuneration of directors            | -                   | 180,847                                   | -                                       | -                       |
| Expected credit loss                 | -                   | -                                         | -                                       | 22,361                  |
| Depreciation expense                 | -                   | 163,759                                   | 88,018                                  | -                       |
| Commission                           | 293,968             | -                                         | -                                       | -                       |
| Computer processing fees             | -                   | 119,846                                   | -                                       | -                       |
| Research and development<br>expenses | -                   | -                                         | 72,524                                  | -                       |
| Utility bills                        | -                   | -                                         | 36,781                                  | -                       |
| Others (Note)                        | <u>214,886</u>      | <u>132,523</u>                            | <u>145,692</u>                          | <u>-</u>                |
|                                      | <u>\$ 4,848,388</u> | <u>\$ 1,906,015</u>                       | <u>\$ 712,873</u>                       | <u>\$ 22,361</u>        |

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

## FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES  
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
 (In Thousands of New Taiwan Dollars)

|                                 | 2021                |                     |                     | 2020                |                     |                     |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                 | Operating Costs     | Operating Expenses  | Total               | Operating Costs     | Operating Expenses  | Total               |
| Employee benefits expense       |                     |                     |                     |                     |                     |                     |
| Salary                          | \$ 2,966,096        | \$ 1,854,145        | \$ 4,820,241        | \$ 2,901,353        | \$ 1,510,355        | \$ 4,411,708        |
| Insurance                       | 265,908             | 136,360             | 402,268             | 251,396             | 108,424             | 359,820             |
| Pension expense                 | 101,385             | 75,740              | 177,125             | 104,062             | 66,627              | 170,689             |
| Remuneration of directors       | -                   | 182,267             | 182,267             | -                   | 147,233             | 147,233             |
| Other employee benefits expense | 144,921             | 75,883              | 220,804             | 104,206             | 71,637              | 175,843             |
|                                 | <u>\$ 3,478,310</u> | <u>\$ 2,324,395</u> | <u>\$ 5,802,705</u> | <u>\$ 3,361,017</u> | <u>\$ 1,904,276</u> | <u>\$ 5,265,293</u> |
| Depreciation expense            | <u>\$ 1,999,485</u> | <u>\$ 312,063</u>   | <u>\$ 2,311,548</u> | <u>\$ 2,019,262</u> | <u>\$ 337,738</u>   | <u>\$ 2,357,000</u> |
| Amortization expense            | <u>\$ 2,165</u>     | <u>\$ 7,064</u>     | <u>\$ 9,229</u>     | <u>\$ 5,270</u>     | <u>\$ 6,811</u>     | <u>\$ 12,081</u>    |

Notes: 1. The average number of employees for this year and the previous year were 4,379 and 4,576 respectively, of which the number of directors who did not serve concurrently was 9 and 8 respectively.

2. a. The average employee benefit expenses for the year were \$1,286 thousand and \$1,120 thousand respectively. (Total employee benefit expenses - Total director's remuneration/Number of employees - Number of directors who are not part-time employees).
- b. The average employee salary expenses for the year were \$1,103 thousand and \$966 thousand respectively. (Total salary expenses/Number of employees - Number of directors who are not part-time employees).
- c. The average employee salary expense this year increased by 14% compared to last year. (Average employee salary expense of the current year - Average employee salary expense of the previous year/Average employee salary expense of the previous year).
3. a. Pursuant to the Company Act and Article 26 of the "Articles of Incorporation of Far Eastern New Century Corporation", 2% to 3.5% of profit of the current year should be distributed as employees' compensation and not more than 2.5% of profit of the current year should be distributed as directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by the board of directors, determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares distributable as employees' compensation; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The remuneration paid to independent directors is a fixed amount. The actual ratio and amount of the profit distributable as directors' remuneration shall also be determined by the board of directors in accordance with the "Board Performance Evaluation Rule", and a report of such distribution shall be submitted to the shareholders' meeting. The remuneration of directors, presidents, executive vice presidents, and managers was paid according to not only the peer standards but also the correlations with the personnel assessment, operational performance, and future risks. The remaining compensation is determined based on the business results of the whole company and each department; meanwhile, results of market survey on the general salary level of TWSE-listed companies and reports by professional consulting companies will also be used as references. In addition, the remuneration committee of the Company regularly (at least once a year) reviews and evaluates the remuneration policies, systems, standards and structures of directors and managers, and presents its recommendations to the board of directors for discussion in order to balance the Company's sustainability and risk control.
- b. The salary of employees includes monthly salary and remuneration paid by the company based on annual profitability. The Company determines the total amount of performance bonuses and remunerations based on the company's operating results and with reference to the level of domestic industry distribution. The amount each employee receives depends on their position, contribution, and performance.

## VII. Review and Analysis of the Financial Condition, Performance and Risk Management

### 1. Review and Analysis of Financial Conditions

#### Financial Conditions Analysis (on a consolidated basis)

Unit: NT\$ thousands

| Item \ Year                                                                                                                                                                                                                                                                                                     | 2021        | 2020        | Variance     |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|--------------|---------|
|                                                                                                                                                                                                                                                                                                                 |             |             | Amount       | %       |
| Current assets                                                                                                                                                                                                                                                                                                  | 144,073,658 | 111,246,067 | 32,827,591   | 29.51   |
| Property, plant and equipment                                                                                                                                                                                                                                                                                   | 165,089,960 | 162,659,904 | 2,430,056    | 1.49    |
| Intangible assets                                                                                                                                                                                                                                                                                               | 87,572,942  | 93,617,166  | (6,044,224)  | (6.46)  |
| Other assets                                                                                                                                                                                                                                                                                                    | 238,591,025 | 249,432,133 | (10,841,108) | (4.35)  |
| Total assets                                                                                                                                                                                                                                                                                                    | 635,327,585 | 616,955,270 | 18,372,315   | 2.98    |
| Current liabilities                                                                                                                                                                                                                                                                                             | 124,141,318 | 107,025,470 | 17,115,848   | 15.99   |
| Non-current liabilities                                                                                                                                                                                                                                                                                         | 241,771,349 | 240,505,160 | 1,266,189    | 0.53    |
| Total liabilities                                                                                                                                                                                                                                                                                               | 365,912,667 | 347,530,630 | 18,382,037   | 5.29    |
| Common stock                                                                                                                                                                                                                                                                                                    | 53,528,751  | 53,528,751  | -            | -       |
| Capital surplus                                                                                                                                                                                                                                                                                                 | 3,403,003   | 3,320,137   | 82,866       | 2.50    |
| Retained earnings                                                                                                                                                                                                                                                                                               | 153,067,440 | 150,115,757 | 2,951,683    | 1.97    |
| Other equity                                                                                                                                                                                                                                                                                                    | (3,925,396) | (2,910,395) | (1,015,001)  | (34.88) |
| Treasury stocks                                                                                                                                                                                                                                                                                                 | (25,063)    | (25,063)    | -            | -       |
| Total equity attributable to owners of the Company                                                                                                                                                                                                                                                              | 206,048,735 | 204,029,187 | 2,019,548    | 0.99    |
| Non-controlling interests                                                                                                                                                                                                                                                                                       | 63,366,183  | 65,395,453  | (2,029,270)  | (3.10)  |
| Total equity                                                                                                                                                                                                                                                                                                    | 269,414,918 | 269,424,640 | (9,722)      | -       |
| <b>Analysis of variation exceeding 20% and NT\$10 million of the numbers in the previous year:</b><br>Current assets increased: mainly due to "inventories-construction in progress" increased.<br>Other equity decreased: mainly due to the decrease of "Exchange Difference on Translating Foreign Operation" |             |             |              |         |

## 2. Review and Analysis of Financial Performances

Unit: NT\$ thousands

| Item                                                                                                                                                                                                                                                             | Year | 2021        | 2020        | Variance    |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------|-------------|-------------|----------|
|                                                                                                                                                                                                                                                                  |      |             |             | Amount      | %        |
| Operating revenues                                                                                                                                                                                                                                               |      | 238,806,217 | 206,769,281 | 32,036,936  | 15.49    |
| Operating costs                                                                                                                                                                                                                                                  |      | 192,320,517 | 166,373,605 | 25,946,912  | 15.60    |
| Gross profit                                                                                                                                                                                                                                                     |      | 46,485,700  | 40,395,676  | 6,090,024   | 15.08    |
| Realized construction income                                                                                                                                                                                                                                     |      | 555         | 555         | -           | -        |
| Operating expenses                                                                                                                                                                                                                                               |      | 34,993,397  | 30,393,920  | 4,599,477   | 15.13    |
| Operating income                                                                                                                                                                                                                                                 |      | 11,711,538  | 10,002,311  | 1,709,227   | 17.09    |
| Nonoperating income (expenses)                                                                                                                                                                                                                                   |      | 6,115,767   | 6,121,173   | (5,406)     | (0.09)   |
| Income before income tax                                                                                                                                                                                                                                         |      | 17,827,305  | 16,123,484  | 1,703,821   | 10.57    |
| Income tax expenses                                                                                                                                                                                                                                              |      | 2,982,820   | 3,142,945   | (160,125)   | (5.09)   |
| Net income                                                                                                                                                                                                                                                       |      | 14,844,485  | 12,980,539  | 1,863,946   | 14.36    |
| Other comprehensive income (net of income tax)                                                                                                                                                                                                                   |      | (979,731)   | 258,469     | (1,238,200) | (479.05) |
| Total comprehensive income                                                                                                                                                                                                                                       |      | 13,864,754  | 13,239,008  | 625,746     | 4.73     |
| <b>1. Analysis of variance:</b><br>Other comprehensive income (net of income tax): mainly due to the decrease of "Exchange Difference on Translating Foreign Operation"                                                                                          |      |             |             |             |          |
| <b>2. Expected sales volume in next one year and the reason for such expectation. The impact of such expectation on the Company's financial situation and operational performances, and the Company's plan:</b><br>Please refer to the "Letter to Shareholders". |      |             |             |             |          |

## 3. Review and Analysis of Cash Flow

Unit: NT\$ thousands

| Cash and cash equivalents - Beginning balance                                                                                                                                                                                                                                                                                                                                                                                                                     | Total cash inflows from operating activities     | Total cash outflows     | Cash and cash equivalents - Ending balance             | Remedy plans for negative balance of cash and cash equivalents |                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------|--------------------------------------------------------|----------------------------------------------------------------|----------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                  |                         |                                                        | Investment plan                                                | Financing plan |
| 35,198,619                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 36,524,107                                       | (57,174,442)            | 14,548,284                                             | 4,012,190                                                      | 15,984,489     |
| <b>1. Cash flow analysis for year 2021:</b><br>(1) Operating activities: mainly the inflow of operating activities and cash dividends received from invested companies.<br>(2) Investing activities: mainly the capital expenditures, equity investments and disposal of fixed assets.<br>(3) Financing activities: mainly the cash dividend payout, repayments of bonds payable and bank loans.                                                                  |                                                  |                         |                                                        |                                                                |                |
| Cash and cash equivalents - Beginning balance (1)                                                                                                                                                                                                                                                                                                                                                                                                                 | Total cash inflows from operating activities (2) | Total cash outflows (3) | Cash and cash equivalents - Ending balance (1)+(2)-(3) | Remedy plans for negative balance of cash and cash equivalents |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                  |                         |                                                        | Investment plan                                                | Financing plan |
| 34,544,963                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 40,740,952                                       | (56,846,083)            | 18,439,832                                             | -                                                              | 16,100,000     |
| <b>2. 2022 estimated cash flow analysis of variance in cash flow balance:</b><br>(1) Operating activities: The Company expects the cash inflow generated from Production Business and cash dividends received from its subsidiaries in 2022 may be higher than those in 2021.<br>(2) Investing activities: To support the planned capital expenditures.<br>(3) Financing activities: Plan to issue corporate bonds, borrow from banks and pay out cash dividends. |                                                  |                         |                                                        |                                                                |                |

## 4. Major Capital Expenditures in Recent Years and Impacts on Financial and Operational Situations

### 4.1 Major Capital Expenditures and Sources of Funding

Unit: NT\$ thousands

| Plan Item                                                      | Actual or estimated source of capital | Actual or estimated project completion date | Total capital needed (Note) | Capital utilization schedule |         |           |         |        |
|----------------------------------------------------------------|---------------------------------------|---------------------------------------------|-----------------------------|------------------------------|---------|-----------|---------|--------|
|                                                                |                                       |                                             |                             | Actual                       |         | Estimated |         |        |
|                                                                |                                       |                                             |                             | Before 2020                  | 2021    | 2022      | 2023    | 2024   |
| Vietnam vertical integration plant                             | Retained earnings and bank borrowings | Jun 2023                                    | 18,332,236                  | 17,794,128                   | 78,338  | 316,544   | 143,226 | -      |
| Vietnam green material recycling                               |                                       | May 2023                                    | 1,120,352                   | -                            | 873,651 | 134,665   | 112,036 | -      |
| Vietnam polyester staple fiber production line                 |                                       | Dec 2022                                    | 888,243                     | -                            | 617,821 | 270,422   | -       | -      |
| Fully Drawn Yarn production line                               |                                       | Oct 2022                                    | 143,434                     | 18,050                       | 60,778  | 51,227    | 13,379  | -      |
| FENV in-house printing factory                                 |                                       | Oct 2022                                    | 399,529                     | 345,384                      | 46,154  | 7,991     | -       | -      |
| FIGP 2 <sup>nd</sup> plant for bottle grade recycled PET resin |                                       | Oct 2021                                    | 2,267,556                   | 2,210,097                    | 57,459  | -         | -       | -      |
| Bottle grade PET recycled chip project                         |                                       | Mar 2022                                    | 248,000                     | 198,400                      | 18,600  | 31,000    | -       | -      |
| Aquafabric production line                                     |                                       | Dec 2024                                    | 128,194                     | 83,910                       | -       | -         | -       | 44,284 |

Note: Working capital is excluded.

### 4.2 Expected Benefit

Production Volume, Sales Volume, and Revenue Expected to Increase:

Unit: NT\$ thousands

| Year | Item                            | Unit   | Production volume | Sales volume         | Revenue              |
|------|---------------------------------|--------|-------------------|----------------------|----------------------|
| 2022 | Polyester filament              | MT     | 19,485            | 6,200                | 442,175              |
|      | Panel printing fabrics          | Dozens | 720,000           | Internal consumption | Internal consumption |
|      | Fully drawn yarn                | MT     | 1,625             | 1,625                | 98,150               |
|      | Bottle grade recycled PET resin | MT     | 52,581            | 51,734               | 2,385,481            |
|      | Recycled PET resin              | MT     | 27,000            | Internal consumption | Internal consumption |
| 2023 | Polyester filament              | MT     | 97,300            | 57,300               | 4,014,697            |
|      | Recycling PET                   | MT     | 14,400            | 14,400               | 626,400              |
|      | Polyester staple fiber          | MT     | 35,000            | 35,000               | 1,372,431            |
|      | Panel printing fabrics          | Dozens | 720,000           | Internal consumption | Internal consumption |
|      | Fully drawn yarn                | MT     | 3,900             | 3,900                | 235,560              |
|      | Bottle grade recycled PET resin | MT     | 52,600            | 52,000               | 2,630,000            |
|      | Recycled PET resin              | MT     | 35,000            | Internal consumption | Internal consumption |

## 5. Investment Policies in Recent Years

### 5.1 Investment Policies

The Company co-ordinates all resources in the Far Eastern Group to achieve two targets: 1) explore new business opportunities and extend the business territory of the Group; 2) upgrade and improve the existing affiliates and subsidiaries to achieve a sustainable growth of earnings.

### 5.2 Reasons for Profit/Loss in Recent Years and Plans for Improvement

The total affiliate earnings booked through equity method by the Company in 2021 was NT\$ 7.2 billion, and the profit generated by invested subsidiaries remained stable.

### 5.3 Future Investment Plan: (Please refer to page 88-89)

## 6. Sources of Risks and Evaluations

### 6.1 The Impacts of Fluctuations in Interest/Exchange Rates and Inflation on the Company's Profits and Losses and Corresponding Measures

6.1.1 The year 2021 saw a rebound in economic activities as global vaccination rates continued to go up. Meanwhile, governments throughout the world also implemented relief packages. These two factors combined contributed to significant economic growth from the previous year in major countries and regions. According to the report published by the Directorate General of Budget, Accounting and Statistics in February 2022, Taiwan's GDP growth in 2021 was 6.45%, and CPI was up 1.96%. Its projected GDP growth in 2022 is 4.42% with CPI up 1.93%. A new wave of challenges is coming in 2022 on the heels of a rapid rebound in the global economy, including war-induced inflation, evolving COVID-19 pandemic, central banks' monetary tightening, and US-China trade disputes. The economy is likely to recover in the shadow of the aforementioned uncertainties. In response to future economic changes, Taiwan's central bank is expected to tighten monetary policy; interest rates are expected to rise at a moderate pace to keep prices and the overall financial system stable.

Faced with the pressure of rising inflation on a global scale, central banks around the world, one after another, have been tightening money supply and raising interest rates to keep inflation in check. The Company has been undertaking short-term operations with investments of various durations. It also applies mid-term, long-term and fixed-rate financing instruments to hedge against potential losses incurred from rising financing rates, thereby preventing fluctuations of interest rates from pushing up the Company's financing costs. The Company will continue to monitor the trend of interest rates, keeping its overall capital cost low with both short and long-term financial instruments.

6.1.2 The foreign-denominated assets and liabilities of the Company and its consolidated subsidiaries derived from international trade are hedged by the Finance Department with spot or forward transactions, executed with considerations of the original FX costs of the foreign-denominated assets and liabilities and the trends of the related foreign currencies. Going forward, this policy will remain in place in order to minimize the impact of FX risks on the earnings of the Company and its consolidated subsidiaries.



## **6.2 Policies Governing High-Risk and Hyper-leveraged Investments, Loaning of Funds, Endorsement/Guarantee and Derivative Transactions; Major Causes of Loss and Profit and Corresponding Measures**

- 6.2.1 The Company and its consolidated subsidiaries do not engage in any high-risk or hyper-leveraged investment. Derivative transactions are undertaken to hedge against volatility in interest and foreign exchange rates. Under this principle, all positions of derivative products are covered by physical holdings of assets and liabilities owned by the Company and its consolidated subsidiaries; in other words, these positions are not naked positions. Therefore, the risks of trading derivatives are minimized and can be effectively controlled. Profits or losses, if any, often result from investment horizon mismatches, and are therefore little and negligible. The Company and its consolidated subsidiaries will uphold this principle and will not proactively engage in naked positions of high-risk or hyper-leveraged derivative products. All trading of derivative products will be managed in accordance with the "Procedures for Acquisition and Disposition of Assets" approved by the Board of Directors and Shareholders' Meeting.
- 6.2.2 The Company and its consolidated subsidiaries have instituted a bylaw on the "Procedures for Lending of Capital to Others" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the competent authorities in Taiwan. It has been submitted to each company's Board of Directors and approved at the Shareholders' Meetings. All matters regarding fund lending to others must be executed in full compliance with the aforementioned bylaw to avoid negative impacts on the Company and its consolidated subsidiaries.
- 6.2.3 The Company and its consolidated subsidiaries have instituted a bylaw on the "Procedures for Endorsements and Guarantees" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the competent authorities in Taiwan. It has been submitted to each company's Board of Directors and approved at the Shareholders' Meetings. All matters regarding making endorsements/guarantees must be executed in full compliance with the aforementioned bylaw to avoid negative impacts on the Company and its consolidated subsidiaries.

## **6.3 R&D Plans and Estimated Expenses in Coming Years**

### **6.3.1 The R&D projects for the Polyester Material Division :**

The projected R&D expenses for 2022 are approximately NT\$ 70.568 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

**6.3.2 The R&D projects for the Fibers &Textile Division:**

The projected R&D expenses for 2022 are approximately NT\$ 103.685 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

**6.3.3 The R&D projects for the New Green Materials & Application Division:**

The projected R&D expenses for 2022 are approximately NT\$ 108.157 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

**6.4 Impacts and Responses of the Company in Regard to Material Changes of Policies and Regulations in Taiwan and Foreign Countries**

The management team closely monitors and evaluates the changes and impacts of policies and regulations in domestic and overseas markets on the Company. Responsive measures will be planned and implemented accordingly.

**6.5 Technology Developments and Impacts on the Company**

The innovation and breakthrough of technology have changed the world in several ways, be it good or bad. The innovation of plastics is one such example. Plastic products provide convenience in our daily lives, but generate pollution as well, stemming from inappropriate disposals of plastic wastes. Therefore, developing a new material that is as convenient as plastic but more environmentally friendly is one of the most popular research projects in the world, and may also be the most important trend in the future of material development.

Given that the usage of plastic products is constrained by the Taiwanese government while green products are being promoted in globally, the Company believes that the applications of conventional petrochemical products will be limited. Therefore, the Company vows to be a pioneer to create more environmentally friendly materials, in hopes of enjoying the first-mover advantages. The Company has already engaged in the production of several bio-based or bio-degradable products such as polylactic acid (PLA), a material made from the fermentation process of corn. A wide range of product mix has been created via this or similar technologies and more applications are currently being innovated.

## **Review and Analysis of the Financial Condition, Performance, and Risk Management**

Currently, non-textile products account for more than 60% of the Company's sales, just to name but a few, PLA materials, shoes materials, diapers, bio-degradable heat shrinkable films, bio-degradable shopping bags, health care products, special industrial yarns, PET bottles, PET packaging sheets, and etc. These recycled, bio-based or bio-degradable products are widely used for textile, packaging, bottling, and bio-medical dressing. In the future, the Company aims to be one of the largest providers of these products.

The Company considers information security management system to be very important. It has adopted ISO 27001 since 2014, and ensures that information security engineers' capabilities are consistently up-to-date and ready for their duties. As China's Cyber Security Law came into effect in June 2017, the Company had put together a taskforce in charge of information security management for business operations in China. This team integrates the information security management measures for all the production sites in compliance with the law. They have an IT audit trail system in place, and also promote the management protocol for information security, making the Company's management and maintenance of information security solid and comprehensive. To raise employees' awareness of information security, an introductory course has also been built into the Company's online learning program. The information security risk management framework, information security policy, specific management plan and resources invested of the Company please refer to page 101-102.

### **6.6 Changes of Corporate Image and Impacts on the Company's Crisis Management:**

None

### **6.7 Expected Benefits and Risks from Mergers and Acquisitions:** None

### **6.8 Expected Benefits and Risks from Plant Expansion:** Please refer to page 138

### **6.9 Risks from Concentration in Supply and Sales and Measures the Company Undertake:**

In order to secure the supplies of raw materials, the Company invested in Oriental Petrochemical (Shanghai) Corporation and Oriental Petrochemical (Taiwan) Co., Ltd. and actively integrated upward its production process; the Company's products are sold worldwide with a diversified client portfolio.

### **6.10 Impacts and Risks from Changes in Directors, Supervisors and Shareholders with Greater than 10% Shareholding or Their Selling of a Large Number of Shares in Recent Years until the Annual Report Being Published:**

The change is mainly due to the individual financial behaviors of Directors and there is no significant influence on the Company's operations.

### **6.11 Impact and Risks from Change of Ownership in Recent Year until the Annual Report Being Published:** None

### **6.12 Material Impacts on Shareholders' Equity or Share Price from Litigations, Non-Litigations or Administrative Actions in Directors, Supervisors, Chairman, President, Shareholders with Greater than 10% Shareholding and Subsidiaries in Recent Year until the Annual Report being Published:** None

### 6.13 Other Major Risks:

Since Russia invaded Ukraine in Feb 2022, the fear of rising oil prices, increasing inflation, and high risks in trading with Ukraine or Russia has escalated globally. The Company immediately launched the risk management systems of "Procedures of Country-Level Risk Monitoring and Management" and "Policies and Risk Control Measures towards Russia-Ukraine war". Despite that, the Company has proactively cooperated with the brand customers (such as Coca-Cola, NIKE, Adidas, Bridgestone, etc.), following the international trade policies and practices, to mitigate its trading risks with these two countries. Overall, the Company has early risk warning systems and appropriate follow-up responses to the events and there are no significant impacts on the Company's operations from the Russia-Ukraine war. The Company also looks for new business opportunities for further collaboration with international brands after the war.

## 7. Others

### 7.1 Valuation techniques and Assumptions Applied to Measure Fair Value of the Company and Subsidiaries:

- 7.1.1 The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined by referring to quoted market prices. If these prices are not available, valuation techniques are applied.
- 7.1.2 The fair values of derivative instruments are calculated using quoted prices. If these prices are not available, a discounted cash flow analysis is made using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.
- 7.1.3 The fair values of other financial assets and financial liabilities (i.e., excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- 7.1.4 Categories of financial instruments:
  - (1) Financial assets: Financial assets at fair value through profit or loss, financial assets for hedging, financial assets at amortized cost, and financial assets at fair value through other comprehensive income
  - (2) Financial liabilities: Financial liabilities at fair value through profit or loss, financial liabilities for hedging, and financial liabilities at amortized cost.

### 7.2 Estimated Impairment of Notes and Accounts Receivable:

When there is objective evidence of impairment loss, the Company and subsidiaries take into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If the actual future cash flows are less than expected, a material impairment loss may arise.

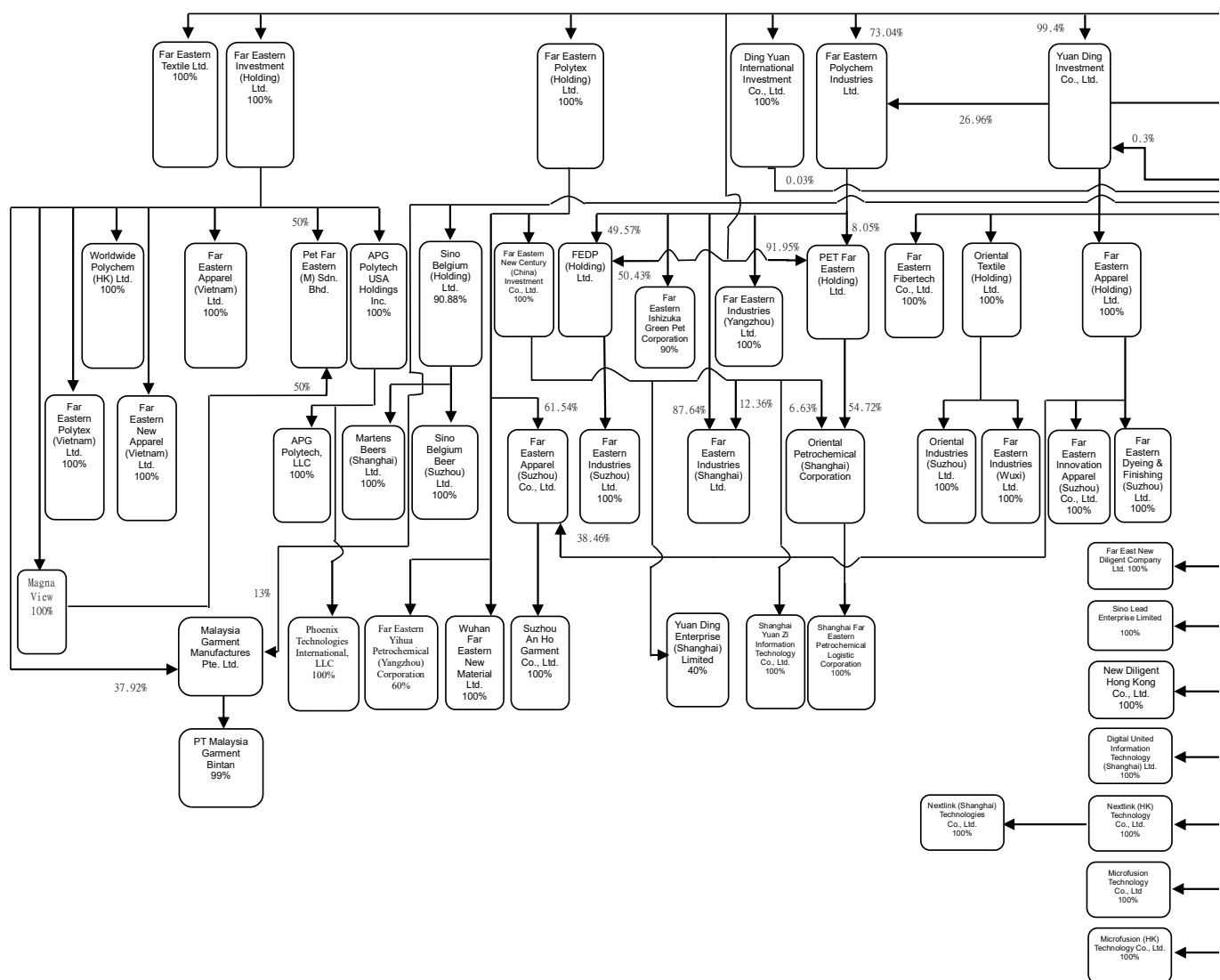
## Special Disclosure

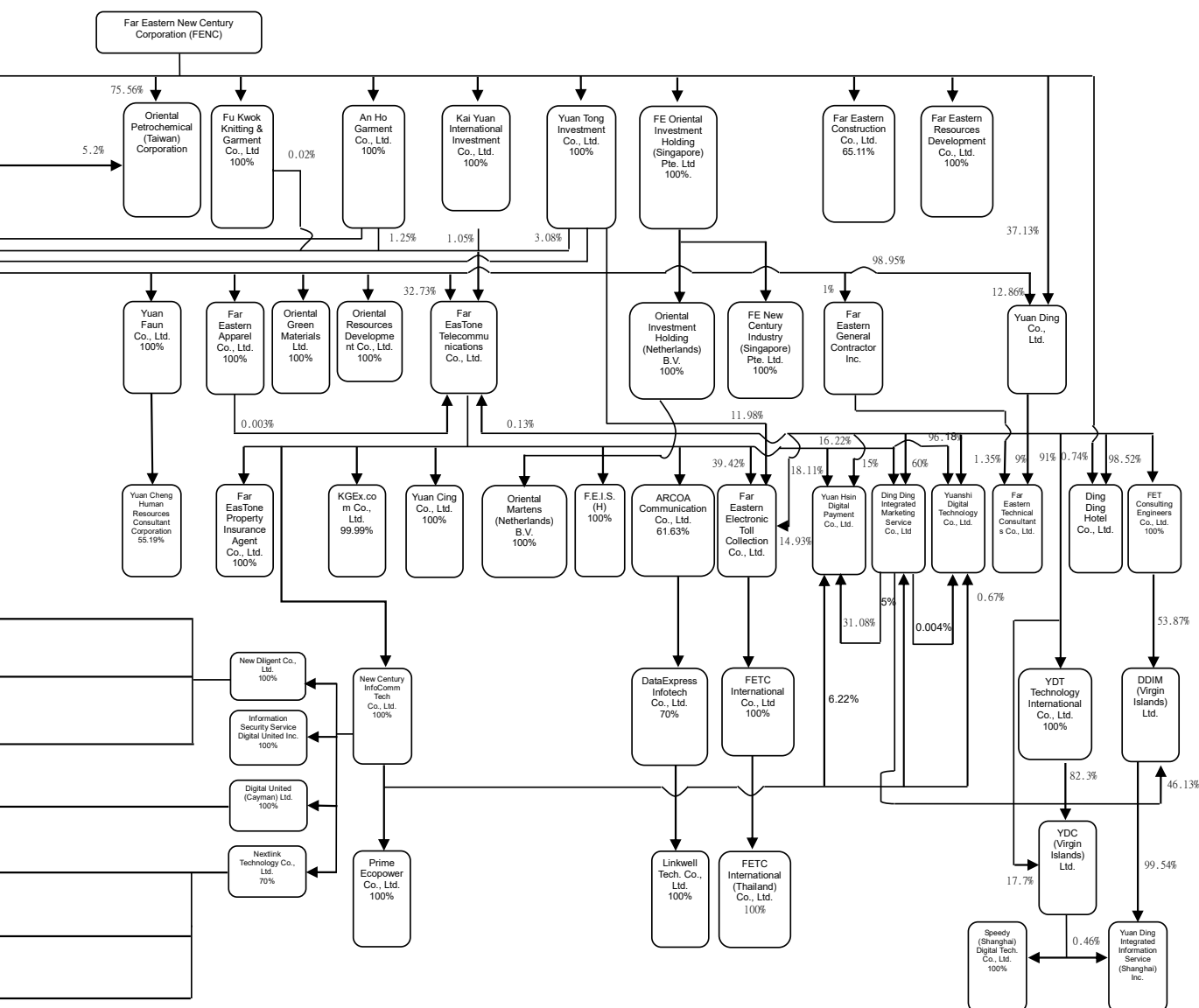
## VIII. Special Disclosure

## 1. Affiliated Companies

## 1.1 Subsidiaries and Affiliated Companies in the Consolidated Financial Report

### 1.1.1 Holding Structure of the Organization





## Special Disclosure

### 1.1.2 Information of Far Eastern New Century and Subsidiaries and Affiliates:

Unit: NT\$ thousands, unless stated otherwise

|    | Company                                      | Date of Incorporation | Address                                                                                 | Paid-in Capital  | Major Business Activities                                                                                 |
|----|----------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------|
| 0  | Far Eastern New Century Corp.                | 1954/1/13             | 36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 53,528,751       | Petrochemical and polyester materials, semi-finished products, finished goods, woven and knitted garments |
| 1  | Yuan Ding Investment Co., Ltd.               | 1986/11/7             | 34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 18,338,262       | Investment                                                                                                |
| 2  | Oriental Petrochemical (Taiwan) Co., Ltd.    | 1987/1/26             | 47, Jingjian 4th Road, Guanyin Industrial Park, Guanyin, Taoyuan City, Taiwan           | 22,660,930       | Production and sales of PTA                                                                               |
| 3  | Yuan Tong Investment Co., Ltd.               | 1999/12/3             | 34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 7,421,838        | Investment                                                                                                |
| 4  | Far Eastern Resources Development Co., Ltd.  | 2003/9/30             | 34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 7,758,355        | Development, sales and lease of real estates                                                              |
| 5  | Far Eastern Construction Co., Ltd.           | 1978/9/4              | 5F, 267, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                 | 3,775,655        | Construction contractor for residential housings; broker of housing rental and sales service              |
| 6  | Kai Yuan International Investment Co., Ltd.  | 1998/10/6             | 34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 3,694,174        | Investment                                                                                                |
| 7  | Ding Yuan International Investment Co., Ltd. | 1998/10/2             | 34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 2,569,058        | Investment                                                                                                |
| 8  | Far Eastern General Contractor Inc.          | 1982/10/4             | 5F, 267, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                 | 1,489,776        | Construction of housing and public infrastructures.                                                       |
| 9  | Far Eastern Fibertech Co., Ltd.              | 1995/4/10             | 17, Gongye 5th Rd., Guanyin Industrial Park, Guanyin, Taoyuan City, Taiwan              | 910,000          | Production of nylon fibers                                                                                |
| 10 | An Ho Garment Co., Ltd.                      | 1977/1/24             | 34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 761,647          | Investment                                                                                                |
| 11 | Oriental Resources Development Co., Ltd.     | 1988/6/27             | 34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 57,385           | Production and wholesale of medical supplies                                                              |
| 12 | Oriental Green Materials Ltd.                | 2019/9/19             | 34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 599,361          | Waste recycling and re-processing                                                                         |
| 13 | Far Eastern Apparel Co., Ltd.                | 1976/2/27             | 36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 447,723          | Sales of textile, garments, and clothing                                                                  |
| 14 | Yuan Faun Co., Ltd.                          | 1980/12/13            | 33F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 66,750           | Production management consulting services                                                                 |
| 15 | Fu Kwok Knitting & Garment Co., Ltd.         | 1971/3/6              | 110, Neihuan S. Rd., Nanzi District, Kaohsiung City, Taiwan                             | 40,000           | Garment production and sales                                                                              |
| 16 | Yuan Cheng Human Resources Consultant Corp.  | 1999/6/8              | 18F, No.655, Bannan Rd., Zhonghe Dist, New Taipei City, Taiwan                          | 13,500           | Personnel recruitment; temporary employment arrangement                                                   |
| 17 | Far Eastern Textile Ltd.                     | 2011/12/28            | 34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                | 13,000           | Garment production and sales                                                                              |
| 18 | Far Eastern Investment (H) Ltd.              | 1989/8/29             | Clarendon House 2 Church street, Hamilton HM 11, Bermuda                                | 1,512 USD 55     | Investment                                                                                                |
| 19 | Far Eastern Polychem Industries Ltd.         | 1995/4/13             | Clarendon House 2 Church street, Hamilton HM 11, Bermuda                                | 404 HKD 114      | Investment and sales of polyester products                                                                |
| 20 | FEDP (H) Ltd.                                | 2002/3/22             | Clarendon House 2 Church street Hamilton HM 11, Bermuda                                 | 161 USD 6        | Investment                                                                                                |
| 21 | PET Far Eastern (H) Ltd.                     | 1996/10/1             | Clarendon House 2 Church street, Hamilton HM 11, Bermuda                                | 124 RMB 29       | Investment                                                                                                |
| 22 | Far Eastern Polytex (H) Ltd.                 | 2006/3/22             | Clarendon House 2 Church street, Hamilton HM 11, Bermuda                                | 52 USD 1.9       | Investment                                                                                                |
| 23 | Far Eastern Apparel (H) Ltd.                 | 1996/10/1             | Clarendon House 2 Church street, Hamilton HM 11, Bermuda                                | 31 USD 1.1       | Investment and sales of textile products                                                                  |
| 24 | Oriental Textile (H) Ltd.                    | 2001/1/10             | Clarendon House 2 Church street, Hamilton HM 11, Bermuda                                | 30 USD 1.1       | Investment and sales of polyester products                                                                |
| 25 | Sino Belgium (H) Ltd.                        | 2007/8/15             | Clarendon House 2 Church street, Hamilton HM 11, Bermuda                                | 12 USD 0.4       | Investment                                                                                                |
| 26 | Magna View Sdn. Bhd                          | 1996/8/9              | Suite 6.1A,Level 6,Menara Pelangi, Jalan Kuning,Taman Pelangi,80400, Johor Bahru, Johor | 19,065 MYR 3,000 | Investment                                                                                                |

|    | Company                                              | Date of Incorporation | Address                                                                                                          | Paid-in Capital            | Major Business Activities                                                                        |
|----|------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------|
| 27 | Far Eastern Industries (Shanghai) Ltd.               | 1996/9/25             | 198 Baisha Road, Spark Development Zone, Pudong, Shanghai, China                                                 | 8,168,455<br>RMB 1,880,399 | Production and sales of polyester products.                                                      |
| 28 | Oriental Petrochemical (Shanghai) Corp.              | 2003/1/21             | Suite 3201, 32F, 800, Dongfang Road, Pudong New Area, Shanghai, China                                            | 7,791,353<br>RMB 1,793,590 | Production and sales of PTA                                                                      |
| 29 | Far Eastern New Century (China) Investment Co., Ltd. | 2007/6/18             | Suite 3301, 33F, 800, Dongfang Road, Pudong New Area, Shanghai, China                                            | 4,648,304<br>RMB 1,070,052 | Investment                                                                                       |
| 30 | Martens Beers (Shanghai) Ltd.                        | 2007/10/26            | Suite 2701, 27F, 800, Dongfang Road, Pudong New Area, Shanghai, China                                            | 324,307<br>RMB 74,656      | Trading of beer and relevant beverages                                                           |
| 31 | Shanghai Yuan Hua Logistic Corp.                     | 2006/3/2              | 198 Baisha Road, Spark Development Zone, Pudong, Shanghai, China                                                 | 82,536<br>RMB 19,000       | Transportation and storage                                                                       |
| 32 | Shanghai Far Eastern IT Corp.                        | 2003/4/15             | Suite 1801, 18F, 800, Dongfang Road, Pudong New Area, Shanghai, China                                            | 55,212<br>RMB 12,710       | Software development, equipment maintenance and consulting services                              |
| 33 | Yuan Ding Enterprise (Shanghai) Limited              | 2013/8/20             | 17, Lane 855, Chengshan Road, Pudong New Area, Shanghai, China                                                   | 7,660,318<br>RMB 1,763,425 | Leasing and management of real estate                                                            |
| 34 | Wuhan Far Eastern New Material Ltd.                  | 2003/7/9              | 93, Zhushanhu Rd., Wuhan Economical-Technical Development Zone, Hubei, Wuhan, China                              | 743,031<br>RMB 171,048     | Production and sales of PET sheet, chip, filament, staple fibers, and apparel                    |
| 35 | Oriental Industries (Suzhou) Ltd.                    | 2005/6/24             | 1588, Yin Zhong South Road, HeDong Industrial Park, Wu Zhong Economic Development District, Suzhou, China        | 4,756,014<br>RMB 1,094,847 | Production and sales of polyester resins and industrial fabrics.                                 |
| 36 | Far Eastern Industries (Suzhou) Ltd.                 | 2004/3/22             | 6, Hengshan Road, New District, Suzhou, China                                                                    | 1,713,142<br>RMB 394,370   | Production and sales of polyester products                                                       |
| 37 | Far Eastern Dyeing & Finishing (Suzhou) Ltd.         | 2003/10/22            | 1588, Yin Zhong South Road, Wu Zhong Economic Development District, Suzhou, China                                | 1,604,122<br>RMB 369,273   | Spinning, weaving and dyeing of high-end apparel, and sales and production of specialty garments |
| 38 | Sino-Belgium Beer (Suzhou) Ltd.                      | 2007/9/4              | 6, Hengshan Road, New District, Suzhou, China                                                                    | 1,655,751<br>RMB 381,158   | Development of beer brewing technology                                                           |
| 39 | Far Eastern Innovation Apparel (Suzhou) Co., Ltd.    | 2018/5/22             | South Zone in Ducun Industrial Park, Linhu Town, Wu Zhong District, Suzhou, China                                | 1,032,215<br>RMB 237,619   | Production of knitted and woven garments and beddings                                            |
| 40 | Far Eastern Apparel (Suzhou) Co., Ltd.               | 1996/10/24            | 88, Tian ling Rd. Wu Zhong District Economic Development Zone, Suzhou, China                                     | 888,683<br>RMB 204,577     | Production of knitted and woven garments and beddings                                            |
| 41 | Suzhou An Ho Apparel Ltd.                            | 2008/1/31             | 88, Tian Ling Rd. Wu Zhong District Economic Development Zone, Suzhou, China                                     | 4,344<br>RMB 1,000         | Production and sales of knitting and weaving garments                                            |
| 42 | Far Eastern Industries (Wuxi) Ltd.                   | 2002/5/28             | Wuxi WNDZ 89 Land, Wuxi, Jiangsu Province, China                                                                 | 2,091,508<br>RMB 481,471   | Production of cotton yarn, other natural fibers, and chemical fibers                             |
| 43 | Far Eastern Yihua Petrochemical (Yangzhou) Corp.     | 2011/12/9             | 3, Yadong Road, Yangzhou Chemical Industry Park, Yangzhou, China                                                 | 6,313,358<br>RMB 1,453,351 | PTA and its by-product production and sales                                                      |
| 44 | Far Eastern Industries (Yangzhou) Ltd.               | 2012/5/10             | 9, Won Nien South Road, Yangzhou, China                                                                          | 1,341,872<br>RMB 308,902   | Production and sales of polyester products                                                       |
| 45 | Far Eastern Ishizuka Green PET Corporation.          | 2012/5/11             | 880, Aza-Semino, Ohaza-Shimokobashi, Sakaimachi, Sashima-Gun, Ibaraki-Pref. Japan                                | 24,050<br>JPY 100,000      | Recycled PET production and sales                                                                |
| 46 | Far Eastern Apparel (Vietnam) Ltd.                   | 2007/2/23             | 46 Dai Lo Tu Do, Vietnam Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam              | 321,088<br>USD 11,600      | Apparel production                                                                               |
| 47 | Far Eastern Polytex (Vietnam) Ltd.                   | 2015/6/23             | Land lot B_4B_CN and B_5B_CN, Road DC, Bau Bang Industrial Park, Bau Bang District, Binh Duong Province, Vietnam | 8,544,816<br>USD 308,700   | Production of polyester and textile products                                                     |
| 48 | Far Eastern New Apparel (Vietnam) Ltd.               | 2016/6/30             | D1 Street, Bac Dong Phu Industrial Park, Dong Phu District, Binh Phuoc Province, Vietnam                         | 913,440<br>USD 33,000      | Apparel production                                                                               |
| 49 | PET Far Eastern (M) Sdn Bhd                          | 1995/7/22             | Plot 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bohru, Johor Malaysia                                 | 101,680<br>MYR 16,000      | Production of PET bottles and preforms                                                           |
| 50 | Worldwide Polychem (HK) Limited                      | 2011/8/30             | 11/F, Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong                                           | 96,880<br>USD 3,500        | Import & export trading                                                                          |



## Special Disclosure

|    | Company                                               | Date of Incorporation | Address                                                                                  | Paid-in Capital     | Major Business Activities                                                                                                                    |
|----|-------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| 51 | Malaysia Garment Manufacturers Private Ltd.           | 1963/8/6              | No.9, Little Road #02-02 Singapore 536985                                                | 161,880 SGD 7,912   | Apparel production and investment                                                                                                            |
| 52 | PT Malaysia Garment Bintan                            | 1998/8/4              | No.9, Little Road #02-02 Singapore 536986                                                | 4,308 IDR 2,175,600 | Apparel production                                                                                                                           |
| 53 | Far EasTone Telecommunications Co., Ltd.              | 1997/4/11             | 28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                 | 32,585,008          | Wireless telecommunications service, leased circuit service, ISR and internet services and sale of cellular phone equipments and accessories |
| 54 | Far Eastern Info Service (H) Ltd.                     | 2002/7/17             | Clarendon House 2 Church Street Hamilton HM11 Bermuda                                    | 342 USD 12          | International investments                                                                                                                    |
| 55 | KGEx.com Co., Ltd.                                    | 2000/8/9              | 4F, 468, Ruei-Guang Rd., Nei Hu Dist, Taipei City, Taiwan                                | 689,074             | Telecommunications service                                                                                                                   |
| 56 | Yuan Cing Co., Ltd.                                   | 2000/8/5              | 28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                 | 20,000              | Phone subscriber service                                                                                                                     |
| 57 | ARCOA Communication Co., Ltd.                         | 1981/5/4              | 36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                 | 1,342,800           | Sale of cell phones and other telecom equipments                                                                                             |
| 58 | Data Express Infotech Co., Ltd.                       | 2004/7/22             | 6th Floor, No. 468, Ruei Guang Rd., Nei Hu, Taipei, Taiwan, R.O.C.                       | 218,360             | Sale of communication products                                                                                                               |
| 59 | Home Master Technology Ltd                            | 2011/8/11             | 6th Floor, No. 468, Ruei Guang Rd., Nei Hu, Taipei, Taiwan, R.O.C.                       | 12,725              | Sale of communication products                                                                                                               |
| 60 | New Century InfoComm Tech Co., Ltd.                   | 2000/6/1              | 10th Floor, No. 220, Gangchen Rd, Nei Hu, Taipei, Taiwan, R.O.C.                         | 21,000,000          | Telecommunications services                                                                                                                  |
| 61 | New Diligent Co., Ltd.                                | 2001/5/2              | 1F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                  | 540,000             | Investment                                                                                                                                   |
| 62 | New Diligent Hong Kong Co. Ltd.                       | 2014/12/04            | Hong Kong Trade Centre, 7/F 161-167 Des Voeux Road Central, Hong Kong                    | 3,051 USD 100       | Investment                                                                                                                                   |
| 63 | Sino Lead Enterprise Limited.                         | 2006/4/11             | Hong Kong Trade Centre, 7/F 161-167 Des Voeux Road Central, Hong Kong                    | 125 HKD 30          | telecommunications services                                                                                                                  |
| 64 | Information Security Service Digital United           | 2004/12/22            | 6th Floor, No. 220, Gangchen Rd, Nei Hu, Taipei, Taiwan, R.O.C.                          | 111,950             | Security and monitoring services via Internet                                                                                                |
| 65 | Digital United (Cayman) Ltd.                          | 2000/8/16             | P.O. Box 2681, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies | 285,658 USD 10,320  | Investment                                                                                                                                   |
| 66 | Digital United Information Technology (Shanghai) Ltd. | 2000/10/8             | Area A-3, 8th Floor, No. 28, Baolianjing Road., Pudong Sin Section, Shanghai, P.R.C.     | 102,312 RMB 23,553  | Design and research of computer system                                                                                                       |
| 67 | Far Eastern New Diligence Ltd.                        | 2010/7/27             | Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands               | 395,824 USD 14,300  | Investment                                                                                                                                   |
| 68 | Yuanshi Digital Technology Co., Ltd.                  | 2013/8/8              | 7F, 468, Ruei-Guang Rd., Nei Hu Dist., Taipei City, Taiwan                               | 1,112,502           | Electronic information providing services                                                                                                    |
| 69 | Prime Ecopower Co., Ltd.                              | 2018/8/1              | 4F-1&2, No. 271, Sec. 4, Ximen Rd., North Dist., Tainan City, Taiwan                     | 160,000             | Energy technology services                                                                                                                   |
| 70 | Nextlink Technology Co., Ltd.                         | 2006/10/13            | 5F-8, No. 267, Lequn 2nd Rd., Zhongshan Dist., Taipei City, Taiwan                       | 49,000              | Electronic information services                                                                                                              |
| 71 | Microfusion Technology Co., Ltd.                      | 2007/5/7              | No. 275, Lequn 2nd Rd., Zhongshan Dist., Taipei City, Taiwan                             | 29,000              | Electronic information services                                                                                                              |
| 72 | Nextlink (HK) Technology Co., Ltd.                    | 2016/5/19             | 20/F TOWER 535 535 JAFFE ROAD CAUSEWAY BAY                                               | 973 HKD 274         | Electronic information services                                                                                                              |
| 73 | Microfusion (HK) Technology Co., Ltd.                 | 2020/9/3              | 26/F SINO PLAZA 255-257 GLOUCESTER ROAD CAUSEWAY BAY                                     | 1,494 HKD 400       | Electronic information services                                                                                                              |
| 74 | Nextlink (Shanghai) Technologies Co., Ltd.            | 2018/5/24             | 26F, No. 823-838, Zhangyang Road, China (Shanghai) Pilot Free Trade Zone                 | 2,171 RMB 500       | Electronic information services                                                                                                              |
| 75 | Far EasTone Property Insurance Agent Co., Ltd.        | 2020/2/21             | 2nd Floor, No. 468, Ruei Guang Rd., Nei Hu, Taipei, Taiwan, R.O.C.                       | 5,000               | Property insurance agent                                                                                                                     |
| 76 | Yuan-Ding Co., Ltd.                                   | 1984/10/1             | 23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                 | 5,034,047           | Lease of real estates and hotel management                                                                                                   |
| 77 | Ding Ding Hotel Co., Ltd.                             | 1983/3/22             | 1-5F, 201&203, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                            | 1,040,470           | Hotel management                                                                                                                             |
| 78 | Yuan Hong Electric Co., Ltd.                          | 1999/12/13            | 23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                 | 25,000              | Investment                                                                                                                                   |

|    | Company                                                  | Date of Incorporation | Address                                                                                    | Paid-in Capital         | Major Business Activities                                                                                  |
|----|----------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------|
| 79 | Far Eastern Technical Consultants Co., Ltd.              | 1996/1/17             | 23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                   | 50,000                  | Construction management and consulting service                                                             |
| 80 | Ding Ding Integrated Marketing Service Co., Ltd.         | 2004/10/22            | 22F, No.16, Xinzhan Rd., Banqiao Dist., New Taipei City, Taiwan                            | 363,110                 | Market research and advertisement                                                                          |
| 81 | YDT Technology International Co., Ltd.                   | 1989/8/4              | 23F, No.16, Xinzhan Rd., Banqiao Dist., New Taipei City, Taiwan                            | 139,920                 | Sale of communication products                                                                             |
| 82 | Far Eastern Electronic Toll Collection Co., Ltd.         | 2004/4/7              | 28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                   | 3,000,000               | Information software service, telecom hardware construction, engineering design of auto-controlling system |
| 83 | Yuan Hsin Digital Payment Co.,Ltd.                       | 2014/6/27             | 5F,1, Yuan don Road, Banqiao Dist., New Taipei City, Taiwan                                | 681,462                 | Digital Payment                                                                                            |
| 84 | FETC International Co., Ltd.                             | 2017/5/19             | 28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan                                   | 200,000                 | Dispatched labor, procuring equipment, and sales agent services                                            |
| 85 | DDIM (Virgin Islands) Ltd.                               | 2011/08/31            | P.O.Box.957 Offshore Incorporations Centre, Road Town Tortola, British Virgin Islands      | 660,104<br>USD 23,846   | Investment                                                                                                 |
| 86 | YDC (Virgin Islands) Ltd.                                | 1998/2/11             | Columbus Centre Building, Wickhams Cay, Road Town, Tortola, British Virgin Islands         | 31,278<br>USD 1,130     | Investment                                                                                                 |
| 87 | Yuan Ding Integrated Information Service Inc. (Shanghai) | 2011/8/10             | Room 1506, 719, Yan'an West Road, Changning District, Shanghai, China                      | 654,416<br>RMB 150,648  | Software development and internet service design                                                           |
| 88 | Speedy (Shanghai) digital Tech. Co., Ltd.                | 2004/4/27             | Room 1502, 719, Yan'an West Road, Changning District, Shanghai, China                      | 28,407<br>RMB 6,539     | Intelligent control equipment and security                                                                 |
| 89 | APG Polytech USA Holdings, Inc.                          | 2018/2/9              | 1209 Orange Street, Wilmington, Delaware, 19801                                            | 2<br>USD 0.06           | Investment                                                                                                 |
| 90 | APG Polytech, LLC                                        | 2018/2/9              | 1209 Orange Street, Wilmington, Delaware, 19801                                            | 2,491,200<br>USD 90,000 | Production and sales of PET.                                                                               |
| 91 | Phoenix Technologies International, LLC                  | 2003/11/24            | 1098 Fairview Avenue, Bowling Green, OH 43402, USA                                         | 595,120<br>USD 21,500   | Recycled PET production and sales                                                                          |
| 92 | FE Oriental Investment Holding (Singapore) Pte. Ltd.     | 2019/12/4             | No.9, Little Road, Singapore 536986                                                        | 138,400<br>USD 5,000    | Investment                                                                                                 |
| 93 | FE New Century Industry (Singapore) Pte. Ltd.            | 2020/6/19             | No.9, Little Road, Singapore 536986                                                        | 135,632<br>USD 4,900    | Sales of textile products                                                                                  |
| 94 | FETC International (Thailand) Co., Ltd.                  | 2020/6/9              | 1687/1 Phahonyothin Road Chatuchak Sub-district, Chatuchak District Bangkok 10900 Thailand | 68,445<br>THB 82,000    | Dispatched labor, procuring equipment, and sales agent services                                            |
| 95 | Oriental Investment Holding (Netherlands) B.V.           | 2020/1/24             | Kingsfordweg 151, 1043GR Amsterdam                                                         | -<br>Note               | Investment                                                                                                 |
| 96 | Oriental Martens (Netherlands) B.V.                      | 2020/2/13             | Kingsfordweg 151, 1043GR Amsterdam                                                         | -<br>Note               | Investment                                                                                                 |

Note: Capital payment has not been remitted until Dec 31, 2021.

1.1.3 Companies Presumed to Have a Relationship of Control and Subordination with Far Eastern New Century under Article 369-3 of the R.O.C. Company Act: None

1.1.4 Industries Covered by the Business Operated by the Affiliates and Description of the Mutual Dealings and Division of Work among Such Affiliates:

Petrochemical, Polyester, Textile, Garment and apparel, Investment, Construction, General Contractor, Leasing, Management consulting, Human resources consulting, Wireless telecommunication services, mobile virtual network operator services, wholesale and retail sale of telecom related products and equipments...etc. Please refer the aforesaid table of "Information of Far Eastern New Century and Subsidiaries and Affiliates" for major business activities of the Company's affiliates.

## Special Disclosure

### 1.1.5 Information about Directors, Supervisors, and Managers at Each Subsidiary and Affiliate:

Unit: Number of shares; %

|   | Company                                     | Title                 | Name or representative                                                                                                                     | Registered shares owned |        |
|---|---------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------|
|   |                                             |                       |                                                                                                                                            | Shares                  | %      |
| 0 | Far Eastern New Century Corp.               | Directors             | Douglas Tong Hsu (Chairman)                                                                                                                | 91,748,698              | 1.71   |
|   |                                             |                       | Asia Cement Corp.                                                                                                                          | 1,272,277,085           | 23.77  |
|   |                                             |                       | Johnny Hsi, Peter Hsu, Shaw Y. Wang, Jeff Hsu                                                                                              | -                       | -      |
|   |                                             |                       | Far Eastern Department Stores Ltd.                                                                                                         | 19,964,370              | 0.37   |
|   |                                             |                       | Richard Yang, Tonia Katherine Hsu                                                                                                          | -                       | -      |
|   |                                             |                       | U-Ming Marine Transport Corp.                                                                                                              | 31,181,470              | 0.58   |
|   |                                             |                       | Kwan-Tao Li, Alice Hsu                                                                                                                     | -                       | -      |
|   |                                             |                       | Yue Ding Industries Co., Ltd.                                                                                                              | 33,617,781              | 0.63   |
|   |                                             |                       | Champion Lee                                                                                                                               | -                       | -      |
|   |                                             | Independent Directors | Chen-En Ko, Johnsee Lee, Raymond R.M. Tai                                                                                                  | -                       | -      |
| 1 | Yuan Ding Investment Co., Ltd.              | Directors             | K.S. Wu, Humphrey Cheng                                                                                                                    | -                       | -      |
|   |                                             |                       | Far Eastern New Century Corp.                                                                                                              | 1,822,822,230           | 99.40  |
|   |                                             |                       | Douglas Tong Hsu (Chairman), Johnny Hsi, Peter Hsu, Shaw Y. Wang, C.S. Tu, Alan Tsai, David Wang                                           | -                       | -      |
|   |                                             | Supervisors           | Da Ju Fiber Co., Ltd.                                                                                                                      | 5,502,000               | 0.30   |
|   |                                             | President             | Humphrey Cheng, Charles Wang                                                                                                               | -                       | -      |
| 2 | Oriental Petrochemical (Taiwan) Co., Ltd.   | Directors             | C.S. Tu                                                                                                                                    | -                       | -      |
|   |                                             |                       | Far Eastern New Century Corp.                                                                                                              | 1,712,218,104           | 75.56  |
|   |                                             |                       | Douglas Tong Hsu (Chairman), Johnny Hsi, K.S. Wu, James Chou, David Shih, Eric Chueh                                                       | -                       | -      |
|   |                                             |                       | Oriental Union Chemical Corp.                                                                                                              | 309,334,376             | 13.65  |
|   |                                             | Supervisors           | Justin Tsai                                                                                                                                | -                       | -      |
|   |                                             |                       | Yuan Ding Investment Co., Ltd.                                                                                                             | 117,745,855             | 5.20   |
| 3 | Yuan Tong Investment Co., Ltd.              | Directors             | David Wang, Humphrey Cheng                                                                                                                 | -                       | -      |
|   |                                             |                       | Eric Chueh                                                                                                                                 | -                       | -      |
|   |                                             |                       | Far Eastern New Century Corp.                                                                                                              | 742,183,846             | 100.00 |
|   |                                             | Supervisors           | David Wang (Chairman), Humphrey Cheng, Allen Sha                                                                                           | -                       | -      |
|   |                                             |                       | Far Eastern New Century Corp.                                                                                                              | 742,183,846             | 100.00 |
| 4 | Far Eastern Resources Development Co., Ltd. | Directors             | Alan Tsai                                                                                                                                  | -                       | -      |
|   |                                             |                       | David Wang                                                                                                                                 | -                       | -      |
|   |                                             |                       | Far Eastern New Century Corp.                                                                                                              | 775,835,546             | 100.00 |
|   |                                             | Supervisors           | Douglas Tong Hsu (Chairman), Johnny Hsi, Peter Hsu, Shaw Y. Wang, C.S. Tu                                                                  | -                       | -      |
|   |                                             |                       | Far Eastern New Century Corp.                                                                                                              | 775,835,546             | 100.00 |
| 5 | Far Eastern Construction Co., Ltd.          | Directors             | Humphrey Cheng                                                                                                                             | -                       | -      |
|   |                                             |                       | C.S. Tu                                                                                                                                    | -                       | -      |
|   |                                             |                       | Far Eastern New Century Corp.                                                                                                              | 245,829,422             | 65.11  |
|   |                                             | Supervisors           | Shaw Y. Wang (Chairman), Douglas Tong Hsu, Peter Hsu, S.F. Cheng, Lin Kuo, D.F. Yang, C.C. Liao, S.Y. Wei, H.R. Gao, C.M. Chen, T.J. Chang | -                       | -      |
|   |                                             |                       | Der Ching Investment Co., Ltd.                                                                                                             | 127,471,221             | 33.76  |
| 6 | Kai Yuan International Investment Co., Ltd. | Directors             | Charles Wang, S.Y. Gao                                                                                                                     | -                       | -      |
|   |                                             |                       | Far Eastern New Century Corp.                                                                                                              | 369,417,434             | 100.00 |
|   |                                             |                       | Humphrey Cheng (Chairman), David Wang, Allen Sha                                                                                           | -                       | -      |
|   |                                             | Supervisors           | Far Eastern New Century Corp.                                                                                                              | 369,417,434             | 100.00 |
|   |                                             |                       | Alan Tsai                                                                                                                                  | -                       | -      |
|   |                                             | President             | Humphrey Cheng                                                                                                                             | -                       | -      |

|    | Company                                      | Title       | Name or representative                                                                                              | Registered shares owned |        |
|----|----------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------|-------------------------|--------|
|    |                                              |             |                                                                                                                     | Shares                  | %      |
| 7  | Ding Yuan International Investment Co., Ltd. | Directors   | Far Eastern New Century Corp.                                                                                       | 256,905,825             | 100.00 |
|    |                                              | Supervisors | Alan Tsai (Chairman), Humphrey Cheng, Allen Sha                                                                     | -                       | -      |
|    |                                              |             | Far Eastern New Century Corp.                                                                                       | 256,905,825             | 100.00 |
|    |                                              |             | David Wang                                                                                                          | -                       | -      |
| 8  | Far Eastern General Contractor Inc           | Directors   | Far Eastern Construction Co., Ltd.                                                                                  | 147,412,850             | 98.95  |
|    |                                              | Supervisors | S.F. Cheng (Chairman), Douglas Tong Hsu, Shaw Y. Wang, Lin Kuo, J.H. Li, Ying Wei, D.F. Yang, W.L. Chen, H.C. Cheng | -                       | -      |
|    |                                              |             | Yuan Ding Investment Co., Ltd.                                                                                      | 1,490,174               | 1.00   |
|    |                                              |             | Jackson Wu, Li-Chi Chen                                                                                             | -                       | -      |
| 9  | Far Eastern Fibertech Co., Ltd.              | Directors   | Yuan Ding Investment Co., Ltd.                                                                                      | 91,000,000              | 100.00 |
|    |                                              | Supervisors | Douglas Tong Hsu (Chairman), Johnny Hsi, B.C. Chang, Humphrey Cheng, Eric Huang                                     | -                       | -      |
|    |                                              |             | Yuan Ding Investment Co., Ltd.                                                                                      | 91,000,000              | 100.00 |
|    |                                              |             | David Wang                                                                                                          | -                       | -      |
| 10 | An Ho Garment Co., Ltd.                      | Directors   | Far Eastern New Century Corp.                                                                                       | 76,164,703              | 100.00 |
|    |                                              | Supervisors | Alan Tsai (Chairman), David Wang, Li-Chi Chen                                                                       | -                       | -      |
|    |                                              |             | Far Eastern New Century Corp.                                                                                       | 76,164,703              | 100.00 |
|    |                                              |             | Carol Wang                                                                                                          | -                       | -      |
| 11 | Oriental Resources Development Co., Ltd.     | Directors   | Yuan Ding Investment Co., Ltd.                                                                                      | 5,738,521               | 100.00 |
|    |                                              | Supervisors | David Wang, Fanny Liao, Li-Chi Chen                                                                                 | -                       | -      |
|    |                                              |             | Yuan Ding Investment Co., Ltd.                                                                                      | 5,738,521               | 100.00 |
|    |                                              |             | Davis Dai                                                                                                           | -                       | -      |
| 12 | Oriental Green Materials Ltd.                | Directors   | Yuan Ding Investment Co., Ltd.                                                                                      | 59,936,085              | 100.00 |
|    |                                              | Supervisors | Donald Fan (Chairman), C.T. Peng, Li-Chi Chen                                                                       | -                       | -      |
|    |                                              |             | Yuan Ding Investment Co., Ltd.                                                                                      | 59,936,085              | 100.00 |
|    |                                              |             | Davis Dai                                                                                                           | -                       | -      |
| 13 | Far Eastern Apparel Co., Ltd.                | Directors   | Yuan Ding Investment Co., Ltd.                                                                                      | 44,772,263              | 100.00 |
|    |                                              | Supervisors | Ben Ho (Chairman), Eric Hu, Li-Chi Chen, Y.J. Luo, Jenny Ho                                                         | -                       | -      |
|    |                                              |             | Yuan Ding Investment Co., Ltd.                                                                                      | 44,772,263              | 100.00 |
|    |                                              |             | Alan Tsai                                                                                                           | -                       | -      |
| 14 | Yuan Faun Co., Ltd.                          | Directors   | Yuan Ding Investment Co., Ltd.                                                                                      | 6,675,000               | 100.00 |
|    |                                              | Supervisors | K.S. Wu (Chairman), Y.H. Tseng, Eric Hu, David Wang, Humphrey Cheng                                                 | -                       | -      |
|    |                                              |             | Yuan Ding Investment Co., Ltd.                                                                                      | 6,675,000               | 100.00 |
|    |                                              |             | Alan Tsai, Emily Wu                                                                                                 | -                       | -      |
| 15 | Fu Kwok Knitting & Garment Co., Ltd.         | Directors   | Far Eastern New Century Corp.                                                                                       | 4,000,000               | 100.00 |
|    |                                              | Supervisors | Alan Tsai (Chairman), Allen Sha, Tony Liang, Jenny Ho                                                               | -                       | -      |
|    |                                              |             | Far Eastern New Century Corp.                                                                                       | 4,000,000               | 100.00 |
|    |                                              |             | Li-Chi Chen                                                                                                         | -                       | -      |
| 16 | Yuan Cheng Human Resources Consultant Corp.  | Directors   | Yuan Faun Co., Ltd.                                                                                                 | 744,999                 | 55.19  |
|    |                                              | Supervisors | C.Y. Lin (Chairman), Emily Wu, David Wang                                                                           | -                       | -      |
|    |                                              |             | Taiwan Chang Cheng (H) Co., Ltd.                                                                                    | 600,001                 | 44.44  |
|    |                                              |             | J.C. Wang                                                                                                           | -                       | -      |
|    |                                              |             | Da Ju Fiber Co., Ltd.                                                                                               | 5,000                   | 0.37   |
|    |                                              |             | Davis Dai                                                                                                           | -                       | -      |
|    |                                              |             |                                                                                                                     |                         |        |
|    |                                              |             |                                                                                                                     |                         |        |

## Special Disclosure

|    | Company                                              | Title       | Name or representative                                                                                                                                                                                                | Registered shares owned |        |
|----|------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------|
|    |                                                      |             |                                                                                                                                                                                                                       | Shares                  | %      |
| 17 | Far Eastern Textile Ltd.                             | Directors   | Far Eastern New Century Corp.<br>Douglas Tong Hsu (Chairman), Johnny Hsi, Peter Hsu                                                                                                                                   | 1,300,000               | 100.00 |
|    |                                                      | Supervisors | Far Eastern New Century Corp.<br>Shaw Y. Wang                                                                                                                                                                         | -                       | -      |
|    |                                                      | President   | C.S. Tu                                                                                                                                                                                                               | 1,300,000               | 100.00 |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
| 18 | Far Eastern Investment (H) Ltd.                      | Directors   | Far Eastern New Century Corp.<br>Shaw Y. Wang, K.S. Wu, Humphrey Cheng                                                                                                                                                | 5,461,047               | 100.00 |
| 19 | Far Eastern Polychem Industries Ltd.                 | Directors   | Yuan Ding Investment Co., Ltd.<br>Far Eastern New Century Corp.<br>Shaw Y. Wang, K.S. Wu, Humphrey Cheng                                                                                                              | 306,643,943             | 26.96  |
|    |                                                      |             |                                                                                                                                                                                                                       | 830,814,727             | 73.04  |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
| 20 | FEDP (H) Ltd.                                        | Directors   | Far Eastern Polychem Industries Ltd.<br>Far Eastern New Century Corp.<br>Shaw Y. Wang, K.S. Wu, Humphrey Cheng                                                                                                        | 240,304                 | 49.57  |
|    |                                                      |             |                                                                                                                                                                                                                       | 244,480                 | 50.43  |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
| 21 | PET Far Eastern (H) Ltd.                             | Directors   | Far Eastern Polychem Industries Ltd.<br>Far Eastern New Century Corp.<br>Shaw Y. Wang, K.S. Wu, Humphrey Cheng                                                                                                        | 34,793                  | 8.05   |
|    |                                                      |             |                                                                                                                                                                                                                       | 397,393                 | 91.95  |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
| 22 | Far Eastern Polytex (H) Ltd.                         | Directors   | Far Eastern New Century Corp.<br>Shaw Y. Wang, K.S. Wu, Humphrey Cheng                                                                                                                                                | 167,531                 | 100.00 |
| 23 | Far Eastern Apparel (H) Ltd.                         | Directors   | Yuan Ding Investment Co., Ltd.<br>Shaw Y. Wang, K.S. Wu, Humphrey Cheng                                                                                                                                               | 111,200                 | 100.00 |
| 24 | Oriental Textile (H) Ltd.                            | Directors   | Yuan Ding Investment Co., Ltd.<br>Shaw Y. Wang, K.S. Wu, Humphrey Cheng                                                                                                                                               | 109,620                 | 100.00 |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
| 25 | Sino Belgium (H) Ltd.                                | Directors   | Yuan Tong Investment Co., Ltd.<br>Shaw Y. Wang, Humphrey Cheng                                                                                                                                                        | 36,025                  | 90.88  |
|    |                                                      |             | Martens HK Limited                                                                                                                                                                                                    | -                       | -      |
|    |                                                      |             | Jan Martens                                                                                                                                                                                                           | 3,615                   | 9.12   |
| 26 | Magna View Sdn. Bhd                                  | Directors   | Far Eastern Investment (H) Ltd.<br>Donald Fan, Daniel Tsai, Leong Siew Foong                                                                                                                                          | 3,000,000               | 100.00 |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
| 27 | Far Eastern Industries (Shanghai) Ltd.               | Directors   | Far Eastern Polychem Industries Ltd.<br>Far Eastern New Century (China) Investment Co., Ltd.<br>James Chou (Chairman), R.H. Shao, B.C. Chang, K.S. Wu, Humphrey Cheng, Donald Fan                                     | -                       | 87.64  |
|    |                                                      | Supervisors | Brian Lee                                                                                                                                                                                                             | -                       | 12.36  |
|    |                                                      | President   | Chuck Tseng                                                                                                                                                                                                           | -                       | -      |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
| 28 | Oriental Petrochemical (Shanghai) Corp.              | Directors   | PET Far Eastern (H) Ltd.<br>Pacific Petrochemical (H) Ltd.<br>Far Eastern New Century (China) Investment Co., Ltd.<br>James Chou (Chairman), R.H. Shao, Y.H. Tseng, Paul Chuang, Humphrey Cheng, K.S. Wu, Justin Tsai | -                       | 54.72  |
|    |                                                      | Supervisors | Alan Tsai                                                                                                                                                                                                             | -                       | 38.65  |
|    |                                                      | President   | Chien-Hung Ting                                                                                                                                                                                                       | -                       | 6.63   |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
| 29 | Far Eastern New Century (China) Investment Co., Ltd. | Directors   | Far Eastern Polytex (H) Ltd.<br>R.H. Shao (Chairman), Humphrey Cheng, David Wang, Alan Tsai, Allen Sha                                                                                                                | -                       | 100.00 |
|    |                                                      | Supervisors | Charles Wang                                                                                                                                                                                                          | -                       | -      |
|    |                                                      | President   | Humphrey Cheng                                                                                                                                                                                                        | -                       | -      |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
| 30 | Martens Beer (Shanghai) Ltd.                         | Directors   | Sino Belgium (H) Ltd.<br>Eric Hu (Chairman), Jan Martens, Alfons Martens, S.Y. Lai, Fanny Liao                                                                                                                        | -                       | 100.00 |
|    |                                                      | Supervisors | Brian Lee                                                                                                                                                                                                             | -                       | -      |
|    |                                                      | President   | S.Y. Lai                                                                                                                                                                                                              | -                       | -      |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |
| 31 | Shanghai Yuan Hua Logistic Corp.                     | Directors   | Oriental Petrochemical (Shanghai) Corp.<br>K.S. Wu (Chairman), S.Y. Lai, Paul Chuang, Steve Liu, Li-Chi Chen                                                                                                          | -                       | 100.00 |
|    |                                                      | Supervisors | Brian Lee                                                                                                                                                                                                             | -                       | -      |
|    |                                                      | President   | Chien-Hung Ting                                                                                                                                                                                                       | -                       | -      |
|    |                                                      |             |                                                                                                                                                                                                                       | -                       | -      |

|    | Company                                           | Title       | Name or representative                                                                                                                  | Registered shares owned |        |
|----|---------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------|
|    |                                                   |             |                                                                                                                                         | Shares                  | %      |
| 32 | Shanghai Far Eastern IT Corp.                     | Directors   | Far Eastern New Century (China) Investment Co., Ltd.<br>Alan Tsai (Chairman), Li-Chi Chen, Mike Wu, Steve Liu, H.L. Yi                  | -                       | 100.00 |
|    |                                                   | Supervisors | Brian Lee                                                                                                                               | -                       | -      |
|    |                                                   | President   | H.L. Yi                                                                                                                                 | -                       | -      |
| 33 | Yuan Ding Enterprise (Shanghai) Limited           | Directors   | Far Eastern New Century (China) Investment Co., Ltd.<br>Oriental Holdings Co., Ltd.<br>FEDS Development Ltd.                            | -                       | 40.00  |
|    |                                                   |             | Humphrey Cheng (Chairman), Douglas Tong Hsu, Peter Hsu, David Wang, R.H. Shao, C.L. Wu, S.F. Cheng                                      | -                       | 40.00  |
|    |                                                   | Supervisors | Alan Tsai, James Tang                                                                                                                   | -                       | 20.00  |
| 34 | Wuhan Far Eastern New Material Ltd.               | Directors   | Far Eastern Polytex (H) Ltd.<br>Donald Fan (Chairman), B.C. Chang, C.T. Peng, S.Y. Lai, Y.H. Wang                                       | -                       | 100.00 |
|    |                                                   | Supervisors | Brian Lee                                                                                                                               | -                       | -      |
|    |                                                   | President   | Chuck Tseng                                                                                                                             | -                       | -      |
| 35 | Oriental Industries (Suzhou) Ltd.                 | Directors   | Oriental Textile (H) Ltd.<br>M.J. Wu (Chairman), Kao-Sheng Tsai, Davis Dai, Steve Liu, Tzu-Wen Hsieh                                    | -                       | 100.00 |
|    |                                                   | Supervisors | Yu-Sheng Lin                                                                                                                            | -                       | -      |
|    |                                                   | President   | Kao-Sheng Tsai                                                                                                                          | -                       | -      |
| 36 | Far Eastern Industries (Suzhou) Ltd.              | Directors   | FEDP (H) Ltd.<br>M.J. Wu (Chairman), Brian Lee, Steve Liu                                                                               | -                       | 100.00 |
|    |                                                   | Supervisors | Davis Dai                                                                                                                               | -                       | -      |
|    |                                                   | President   | M.J. Wu                                                                                                                                 | -                       | -      |
| 37 | Far Eastern Dyeing & Finishing (Suzhou) Ltd.      | Directors   | Far Eastern Apparel (H) Ltd.<br>Judy Lee (Chairman), Tzu-Wen Hsieh, Steve Liu, Patrick Ho, Wen-Ji Wei                                   | -                       | 100.00 |
|    |                                                   | Supervisors | Yu-Sheng Lin                                                                                                                            | -                       | -      |
|    |                                                   | President   | Tzu-Wen Hsieh                                                                                                                           | -                       | -      |
| 38 | Sino-Belgium Beer (Suzhou) Ltd.                   | Directors   | Sino Belgium (H) Ltd.<br>M.J. Wu (Chairman), Brian Lee, Allen Sha, Jenny Ho                                                             | -                       | 100.00 |
|    |                                                   | Supervisors | P.T. Huang                                                                                                                              | -                       | -      |
|    |                                                   | President   | M.J. Wu                                                                                                                                 | -                       | -      |
| 39 | Far Eastern Innovation Apparel (Suzhou) Co., Ltd. | Directors   | Far Eastern Apparel (H) Ltd.<br>Judy Lee (Chairman), Steve Liu, Allen Sha, Jenny Ho                                                     | -                       | 100.00 |
|    |                                                   | Supervisors | Davis Dai                                                                                                                               | -                       | -      |
|    |                                                   | President   | Judy Lee                                                                                                                                | -                       | -      |
| 40 | Far Eastern Apparel (Suzhou) Co., Ltd.            | Directors   | Far Eastern Polytex (H) Ltd.<br>Far Eastern Apparel (H) Ltd.<br>Judy Lee (Chairman), Tzu-Wen Hsieh, Steve Liu, Wen-Ji Wei, Yu-Sheng Lin | -                       | 61.54  |
|    |                                                   |             |                                                                                                                                         | -                       | 38.46  |
|    |                                                   | Supervisors | Davis Dai                                                                                                                               | -                       | -      |
| 41 | Suzhou An Ho Apparel Ltd.                         | Directors   | Far Eastern Apparel (Suzhou) Co., Ltd.<br>Judy Lee (Chairman), Brian Lee, Allen Sha, Steve Liu                                          | -                       | 100.00 |
|    |                                                   | Supervisors | Davis Dai                                                                                                                               | -                       | -      |
|    |                                                   | President   | Judy Lee                                                                                                                                | -                       | -      |
| 42 | Far Eastern Industries (Wuxi) Ltd.                | Directors   | Oriental Textile (H) Ltd.<br>M.J. Wu (Chairman), Te-Kuang Wei, Wen-Ji Wei, Steve Liu, Davis Dai                                         | -                       | 100.00 |
|    |                                                   | Supervisors | Yu-Sheng Lin                                                                                                                            | -                       | -      |
|    |                                                   | President   | Te-Kuang Wei                                                                                                                            | -                       | -      |

## Special Disclosure

|    | Company                                          | Title       | Name or representative                                                                         | Registered shares owned |        |
|----|--------------------------------------------------|-------------|------------------------------------------------------------------------------------------------|-------------------------|--------|
|    |                                                  |             |                                                                                                | Shares                  | %      |
| 43 | Far Eastern Yihua Petrochemical (Yangzhou) Corp. | Directors   | Far Eastern Polytex (H) Ltd.                                                                   | -                       | 60.00  |
|    |                                                  |             | K.S. Wu (Chairman), Humphrey Cheng, James Chou                                                 | -                       | -      |
|    |                                                  |             | Sinopec Yizheng Chemical Fibre Co. Ltd.                                                        | -                       | 40.00  |
|    |                                                  |             | Jian-Jun Liu, Lai-Yu Cao                                                                       | -                       | -      |
|    |                                                  | Supervisors | S.M. Peng, H. Jiang                                                                            | -                       | -      |
| 44 | Far Eastern Industries (Yangzhou) Ltd.           | Directors   | Jian-Jun Liu                                                                                   | -                       | -      |
|    |                                                  |             | Far Eastern Polychem Industries Ltd.                                                           | -                       | 100.00 |
|    |                                                  |             | Humphrey Cheng (Chairman), Brian Lee, Donald Fan, Mark Yeh, Allen Sha                          | -                       | -      |
|    |                                                  |             | Davis Dai                                                                                      | -                       | -      |
|    |                                                  | Supervisors | Donald Fan                                                                                     | -                       | -      |
| 45 | Far Eastern Ishizuka Green PET Corporation       | Directors   | Far Eastern Polychem Industries Ltd.                                                           | 3,578,040               | 90.00  |
|    |                                                  |             | Y.H. Tseng (Chairman), Humphrey Cheng, Donald Fan, David Wang, Yasuda Shinichi                 | -                       | -      |
|    |                                                  |             | Ishizuka Glass Co., Ltd.                                                                       | 397,560                 | 10.00  |
|    |                                                  |             | Ishizuka Hisatugu                                                                              | -                       | -      |
|    |                                                  | Supervisors | Alan Tsai                                                                                      | -                       | -      |
| 46 | Far Eastern Apparel (Vietnam) Limited            | Directors   | Yasuda Shinichi                                                                                | -                       | -      |
|    |                                                  |             | Far Eastern Investment (H) Ltd.                                                                | -                       | 100.00 |
|    |                                                  |             | Alan Tsai (Chairman), Judy Lee, Allen Sha, Carol Wang                                          | -                       | -      |
|    |                                                  |             | Davis Dai                                                                                      | -                       | -      |
|    |                                                  | Supervisors | Brian Lee                                                                                      | -                       | -      |
| 47 | Far Eastern Polytex (Vietnam) Ltd.               | Directors   | Far Eastern Investment (H) Ltd.                                                                | -                       | 100.00 |
|    |                                                  |             | Humphrey Cheng (Chairman), Y.H. Tseng, Judy Lee, Mark Yeh, Patrick Ho, David Wang, Li-Chi Chen | -                       | -      |
|    |                                                  |             | Alan Tsai                                                                                      | -                       | -      |
|    |                                                  |             | Mark Yeh                                                                                       | -                       | -      |
|    |                                                  | Supervisors |                                                                                                | -                       | -      |
| 48 | Far Eastern New Apparel (Vietnam) Ltd.           | Directors   | Far Eastern Investment (H) Ltd.                                                                | -                       | 100.00 |
|    |                                                  |             | Alan Tsai (Chairman), Judy Lee, Allen Sha, Carol Wang                                          | -                       | -      |
|    |                                                  |             | Davis Dai                                                                                      | -                       | -      |
|    |                                                  |             | Brian Lee                                                                                      | -                       | -      |
|    |                                                  | Supervisors |                                                                                                | -                       | -      |
| 49 | PET Far Eastern (M) SDN BHD                      | Directors   | Far Eastern Investment (H) Ltd.                                                                | 8,000,000               | 50.00  |
|    |                                                  |             | Magna View Sdn. Bhd                                                                            | 8,000,000               | 50.00  |
|    |                                                  |             | Y.H. Tseng (Chairman), Donald Fan, David Wang, S.Y. Lai, Daniel Tsai, Leong Siew Foong         | -                       | -      |
|    |                                                  |             | Donald Fan                                                                                     | -                       | -      |
|    |                                                  | President   |                                                                                                | -                       | -      |
| 50 | Worldwide Polychem (HK) Limited                  | Directors   | Far Eastern Investment (H) Ltd.                                                                | 2,700,000               | 100.00 |
|    |                                                  |             | Y.J. Lou, Mike Wu, Alan Tsai                                                                   | -                       | -      |
|    |                                                  |             | Da Ju Fiber Co., Ltd.                                                                          | 34,160                  | 43.17  |
|    |                                                  |             | Humphrey Cheng, Raymond Hsu                                                                    | -                       | -      |
|    |                                                  | Supervisors | Yuan Tong Investment Co., Ltd.                                                                 | 10,285                  | 13.00  |
| 51 | Malaysia Garment Manufacturers Private Ltd.      | Directors   | Shaw Y. Wang                                                                                   | -                       | -      |
|    |                                                  |             | Far Eastern Investment (H) Ltd.                                                                | 30,000                  | 37.92  |
|    |                                                  |             | K.L. Li                                                                                        | -                       | -      |
|    |                                                  |             | YUE MING CO Ltd.                                                                               | 4,675                   | 5.91   |
|    |                                                  | Supervisors | Jung-Hsiang Lin                                                                                | -                       | -      |
| 52 | PT Malaysia Garment Bintan                       | Directors   | Malaysia Garment Manufacturers Private Ltd.                                                    | 2,970                   | 99.00  |
|    |                                                  |             | K.L. Li, Austin Lee, C.T. Hu, M.J. Wang                                                        | -                       | -      |
|    |                                                  | Supervisors | W.H. Wu, C.S. Lin                                                                              | 30                      | 1.00   |

|    | Company                                     | Title                 | Name or representative                                                        | Registered shares owned |        |
|----|---------------------------------------------|-----------------------|-------------------------------------------------------------------------------|-------------------------|--------|
|    |                                             |                       |                                                                               | Shares                  | %      |
| 53 | Far EasTone Telecommunications Co., Ltd.    | Directors             | Yuan-Ding Investment Co., Ltd.                                                | 1,066,657,614           | 32.73  |
|    |                                             |                       | Douglas Tong Hsu (Chairman), Peter Hsu, Jan Nilsson                           | -                       | -      |
|    |                                             |                       | U-Ming Marine Transport Corp.                                                 | 331,000                 | 0.01   |
|    |                                             |                       | Giann-Chyuan Wang                                                             | -                       | -      |
|    |                                             |                       | Yuan Ding Co., Ltd.                                                           | 4,163,500               | 0.13   |
|    |                                             |                       | Champion Lee, Jeff Hsu                                                        | -                       | -      |
|    |                                             |                       | Asia Investment Corporation                                                   | 1,426,303               | 0.04   |
|    |                                             |                       | Bonnie Peng                                                                   | -                       | -      |
|    |                                             |                       | Ding Yuan International Investment Co., Ltd.                                  | 919,653                 | 0.03   |
|    |                                             |                       | Toon Lim                                                                      | -                       | -      |
| 54 | Far Eastern Info Service (H) Ltd.           | Independent Directors | Lawrence Juen-Yee Lau, Jyuo-Min Shyu, Ta-Sung Lee                             | -                       | -      |
|    |                                             | President             | Chee Ching                                                                    | -                       | -      |
| 55 | KGEx.com Co., Ltd.                          | Directors             | Far EasTone Telecommunications Co., Ltd.                                      | 1,200                   | 100.00 |
|    |                                             | President             | Chee Ching (Chairman), Sharon Lin                                             | -                       | -      |
| 56 | Yuan Cing Co., Ltd.                         | Directors             | Chee Ching                                                                    | -                       | -      |
|    |                                             | Supervisors           | Far EasTone Telecommunications Co., Ltd.                                      | 68,897,234              | 99.99  |
|    |                                             | President             | Philip Tseng (Chairman), Vivian Lee, Leon Li                                  | -                       | -      |
| 57 | ARCOA Communication Co., Ltd.               | Supervisors           | Sharon Lin                                                                    | -                       | -      |
|    |                                             | President             | Philip Tseng                                                                  | -                       | -      |
|    |                                             | Directors             | Far EasTone Telecommunications Co., Ltd.                                      | 2,000,000               | 100.00 |
| 58 | Data Express Infotech Co., Ltd.             | Directors             | Chee Ching (Chairman), Andy Kuo, Vivian Lee                                   | -                       | -      |
|    |                                             | Supervisors           | Far EasTone Telecommunications Co., Ltd.                                      | 2,000,000               | 100.00 |
|    |                                             | President             | Sharon Lin                                                                    | -                       | -      |
| 59 | Home Master Technology Ltd                  | Directors             | Andy Kuo                                                                      | -                       | -      |
|    |                                             | Supervisors           | Far EasTone Telecommunications Co., Ltd.                                      | 82,762,221              | 61.63  |
|    |                                             | President             | Chee Ching (Chairman), Alan Tsai, Charlene Lin, Brian Chao, Lopes Lu, Andy Tu | -                       | -      |
| 60 | New Century InfoComm Tech Co., Ltd.         | Supervisors           | Wan-Shih-Shin Co., Ltd.                                                       | 457,325                 | 0.34   |
|    |                                             | Directors             | Gary Lin                                                                      | -                       | -      |
|    |                                             | President             | Li-Chi Chen, David Tsai, Sharon Lin                                           | -                       | -      |
| 61 | New Diligent Co., Ltd.                      | Supervisors           | Jessica Sung                                                                  | -                       | -      |
|    |                                             | Directors             | ARCOA Communications Co., Ltd.                                                | 15,285,235              | 70.00  |
|    |                                             | Supervisors           | Chee Ching (Chairman), Andy Tu, Brian Chao                                    | -                       | -      |
| 62 | New Diligent Hong Kong Co. Limited          | Supervisors           | Jing Ho Tech Ltd.                                                             | 4,146,982               | 18.99  |
|    |                                             | Directors             | Grace Chu                                                                     | -                       | -      |
|    |                                             | Supervisors           | Ann Chang                                                                     | -                       | -      |
| 63 | Sino Lead Enterprise Limited.               | Directors             | Data Express Infotech Co., Ltd.                                               | -                       | 100.00 |
|    |                                             | Supervisors           | Andy Tu                                                                       | -                       | -      |
|    |                                             | President             | Far EasTone Telecommunications Co., Ltd.                                      | 2,100,000,000           | 100.00 |
| 64 | Information Security Service Digital United | Directors             | Douglas Tong Hsu (Chairman), Chee Ching, Philip Tseng                         | -                       | -      |
|    |                                             | Supervisors           | Far EasTone Telecommunications Co., Ltd.                                      | 2,100,000,000           | 100.00 |
|    |                                             | President             | Sharon Lin                                                                    | -                       | -      |
| 65 | Digital United (Cayman) Ltd.                | Supervisors           | Chee Ching                                                                    | -                       | -      |
|    |                                             | Directors             | New Century InfoComm Tech Co., Ltd.                                           | 54,000,000              | 100.00 |
|    |                                             | Supervisors           | Eric Li (Chairman), Philip Tseng, James Lee                                   | -                       | -      |
| 66 | New Diligent Enterprise Limited.            | Supervisors           | New Century InfoComm Tech Co., Ltd.                                           | 54,000,000              | 100.00 |
|    |                                             | Directors             | Sharon Lin                                                                    | -                       | -      |
|    |                                             | Supervisors           | Sharon Lin, T.Y. Yin                                                          | -                       | -      |
| 67 | New Century InfoComm Tech Co., Ltd.         | Directors             | New Diligent Co., Ltd.                                                        | 30,000                  | 100.00 |
|    |                                             | Supervisors           | Philip Tseng                                                                  | -                       | -      |
|    |                                             | President             | New Century InfoComm Tech Co., Ltd.                                           | 11,195,034              | 100.00 |
| 68 | Information Security Service Digital United | Supervisors           | Philip Tseng (Chairman), Jason Chu, Kai Lin, Leon Li                          | -                       | -      |
|    |                                             | Directors             | New Century InfoComm Tech Co., Ltd.                                           | 11,195,034              | 100.00 |
|    |                                             | President             | Sharon Lin                                                                    | -                       | -      |
| 69 | Digital United (Cayman) Ltd.                | Supervisors           | Eric Li                                                                       | -                       | -      |
|    |                                             | Directors             | New Century InfoComm Tech Co., Ltd.                                           | 10,320,000              | 100.00 |
| 70 | Digital United (Cayman) Ltd.                | Supervisors           | Philip Tseng (Chairman)                                                       | -                       | -      |
|    |                                             | Directors             | New Century InfoComm Tech Co., Ltd.                                           | -                       | -      |



## Special Disclosure

|    | Company                                               | Title       | Name or representative                                               | Registered shares owned |        |
|----|-------------------------------------------------------|-------------|----------------------------------------------------------------------|-------------------------|--------|
|    |                                                       |             |                                                                      | Shares                  | %      |
| 66 | Digital United Information Technology (Shanghai) Ltd. | Directors   | Digital United (Cayman) Ltd.                                         | -                       | 100.00 |
|    |                                                       |             | Philip Tseng (Chairman), James Lee, Milly Lin                        | -                       | -      |
|    |                                                       | President   | Digital United (Cayman) Ltd.                                         | -                       | 100.00 |
|    |                                                       |             | Sharon Lin                                                           | -                       | -      |
| 67 | Far Eastern New Diligence Corporation                 | Directors   | New Diligent Co., Ltd.                                               | -                       | 100.00 |
|    |                                                       |             | Sharon Lin, Stacy Chang                                              | -                       | -      |
| 68 | Yuanshi Digital Technology Co., Ltd.                  | Directors   | Far EasTone Telecommunications Co., Ltd.                             | 107,004,329             | 96.18  |
|    |                                                       |             | Chee Ching (Chairman), Andy Tu, Charlene Lin, Philby Lee, Vivian Lee | -                       | -      |
|    |                                                       | Supervisors | Yuan-Ding Co., Ltd.                                                  | 1,498,414               | 1.35   |
|    |                                                       |             | Sharon Lin                                                           | -                       | -      |
| 69 | Prime Ecopower Co., Ltd.                              | Directors   | New Century InfoComm Tech Co., Ltd.                                  | 16,000,000              | 100.00 |
|    |                                                       |             | Chee Ching (Chairman), Charlene Lin, Allan Lee                       | -                       | -      |
|    |                                                       | Supervisors | New Century InfoComm Tech Co., Ltd.                                  | 16,000,000              | 100.00 |
|    |                                                       |             | Sharon Lin                                                           | -                       | -      |
| 70 | Nextlink Technology Co., Ltd.                         | Directors   | Nextlink Technology Co., Ltd.                                        | 3,430,000               | 70.00  |
|    |                                                       |             | Philip Tseng (Chairman), Peter Hu, Vivian Lee, Mark Lee, Eric Li     | -                       | -      |
|    |                                                       |             | Avalon Enterprises Ltd.                                              | 1,470,000               | 30.00  |
|    |                                                       |             | K.S. Ho, Family Chang                                                | -                       | -      |
| 71 | Microfusion Technology Co., Ltd.                      | Supervisors | Sharon Lin                                                           | -                       | -      |
|    |                                                       | President   | K.S. Ho                                                              | -                       | -      |
|    |                                                       | Directors   | Nextlink Technology Co., Ltd.                                        | 2,900,000               | 100.00 |
|    |                                                       |             | Philip Tseng (Chairman), Peter Hu, K.S. Ho                           | -                       | -      |
| 72 | Nextlink (HK) Technology Co., Ltd.                    | Supervisors | Nextlink Technology Co., Ltd.                                        | 2,900,000               | 100.00 |
|    |                                                       |             | Sharon Lin                                                           | -                       | -      |
| 73 | Microfusion (HK) Technology Co., Ltd.                 | Directors   | Nextlink Technology Co., Ltd.                                        | -                       | 100.00 |
|    |                                                       |             | Eric Li                                                              | -                       | -      |
| 74 | Nextlink (Shanghai) Technology Co., Ltd.              | Directors   | Nextlink (HK) Technology Co., Ltd.                                   | -                       | 100.00 |
|    |                                                       |             | Family Chang                                                         | -                       | -      |
|    |                                                       | Supervisors | Nextlink (HK) Technology Co., Ltd.                                   | -                       | 100.00 |
|    |                                                       |             | K.S. Ho                                                              | -                       | -      |
| 75 | Far EasTone Property Insurance Agent Co., Ltd.        | President   | Family Chang                                                         | -                       | -      |
|    |                                                       | Directors   | Far EasTone Telecommunications Co., Ltd.                             | 500,000                 | 100.00 |
|    |                                                       |             | Jessie Teng (Chairman), Vivian Lee, Frank Su                         | -                       | -      |
|    |                                                       | Supervisors | Far EasTone Telecommunications Co., Ltd.                             | 500,000                 | 100.00 |
| 76 | Yuan-Ding Co., Ltd.                                   |             | Sharon Lin                                                           | -                       | -      |
|    |                                                       |             | Frank Su                                                             | -                       | -      |
|    |                                                       | Directors   | Douglas Tong Hsu (Chairman)                                          | 3,144                   | -      |
|    |                                                       |             | Far Eastern New Century Corp.                                        | 186,928,831             | 37.13  |
|    |                                                       |             | Morton Mate Huang, Alan Tsai, Humphrey Cheng                         | -                       | -      |
|    |                                                       |             | Asia Cement Corp.                                                    | 178,707,648             | 35.50  |
|    |                                                       |             | K.Y. Lee, Peter Hsu, X.Y. Kao                                        | -                       | -      |
|    |                                                       |             | Far Eastern Department Stores Ltd.                                   | 2,796                   | -      |
|    |                                                       |             | Nancy Hsu                                                            | -                       | -      |
|    |                                                       |             | U-Ming Commerce Co., Ltd.                                            | 12,585                  | -      |
|    |                                                       |             | David Wang                                                           | -                       | -      |
|    |                                                       | Supervisors | Yuan Ding Investment Co., Ltd.                                       | 64,758,813              | 12.86  |
|    |                                                       |             | Shaw Y. Wang                                                         | -                       | -      |
|    |                                                       |             | Der Ching Investment Co., Ltd.                                       | 72,989,090              | 14.50  |
|    |                                                       |             | Y.F. Chang                                                           | -                       | -      |
|    |                                                       | President   | Humphrey Cheng                                                       | -                       | -      |

|    | Company                                          | Title       | Name or representative                                           | Registered shares owned |        |
|----|--------------------------------------------------|-------------|------------------------------------------------------------------|-------------------------|--------|
|    |                                                  |             |                                                                  | Shares                  | %      |
| 77 | Ding Ding Hotel Co., Ltd.                        | Directors   | Yuan-Ding Co., Ltd.                                              | 102,508,864             | 98.52  |
|    |                                                  |             | Douglas Tong Hsu (Chairman), J.W. Huang, T.J. Chang              | -                       | -      |
|    |                                                  |             | Far Eastern New Century Corp.                                    | 769,053                 | 0.74   |
|    |                                                  |             | Nancy Hsu, F. Hsu                                                | -                       | -      |
|    |                                                  |             | Asia Cement Corp.                                                | 555,638                 | 0.53   |
|    |                                                  |             | Humphrey Cheng, Juliana Pidner Hsu                               | -                       | -      |
|    |                                                  | Supervisors | Der Ching Investment Co., Ltd.                                   | 213,442                 | 0.21   |
|    |                                                  |             | Charles Wang                                                     | -                       | -      |
|    |                                                  | President   | Marco Sergio Vazzoler                                            | -                       | -      |
| 78 | Yuan Hong Electric Co., Ltd.                     | Directors   | Yuan-Ding Co., Ltd.                                              | 2,500,000               | 100.00 |
|    |                                                  |             | Humphrey Cheng (Chairman), P.C. Hu, S.J. Lai                     | -                       | -      |
|    |                                                  | Supervisors | Yuan-Ding Co., Ltd.                                              | 2,500,000               | 100.00 |
|    |                                                  |             | H.W. Tu                                                          | -                       | -      |
| 79 | Far Eastern Technical Consultants Co., Ltd.      | Directors   | Yuan-Ding Co., Ltd.                                              | 4,550,000               | 91.00  |
|    |                                                  |             | Humphrey Cheng(Chairman), T.J. Chang, H.W. Tu, P.C. Hu, S.J. Lai | -                       | -      |
|    |                                                  | Supervisors | Far Eastern General Contractor Inc.                              | 450,000                 | 9.00   |
|    |                                                  |             | S.F. Cheng                                                       | -                       | -      |
| 80 | Ding Ding Integrated Marketing Service Co., Ltd. | Directors   | Yuan-Ding Co., Ltd.                                              | 21,786,577              | 60.00  |
|    |                                                  |             | Douglas Tong Hsu (Chairman), Humphrey Cheng, P.C. Hu, T.C. Zhou  | -                       | -      |
|    |                                                  |             | Far EasTone Telecommunications Co., Ltd.                         | 5,446,644               | 15.00  |
|    |                                                  |             | Chee Ching                                                       | -                       | -      |
|    |                                                  |             | Far Eastern Department Stores Ltd.                               | 3,631,096               | 10.00  |
|    |                                                  |             | Nancy Hsu                                                        | -                       | -      |
|    |                                                  | Supervisors | Pacific Sogo Co., Ltd.                                           | 3,631,096               | 10.00  |
|    |                                                  |             | J.W. Huang                                                       | -                       | -      |
|    |                                                  |             | New Century InfoComm Tech Co., Ltd.                              | 1,815,548               | 5.00   |
|    |                                                  | President   | Sharon Lin                                                       | -                       | -      |
| 81 | YDT Technology International Co., Ltd.           | Directors   | Yuan-Ding Co., Ltd.                                              | 13,992,000              | 100.00 |
|    |                                                  |             | Y.S. Yang (Chairman), P.C. Hu, S.J. Lai                          | -                       | -      |
|    |                                                  | Supervisors | Yuan-Ding Co., Ltd.                                              | 13,992,000              | 100.00 |
|    |                                                  |             | H.W. Tu                                                          | -                       | -      |
| 82 | Far Eastern Electronic Toll Collection Co., Ltd. | Directors   | Far EasTone Telecommunications Co., Ltd.                         | 118,250,967             | 39.42  |
|    |                                                  |             | Douglas Tong Hsu (Chairman), Chee Ching, Philip Tseng            | -                       | -      |
|    |                                                  |             | Yuan Tong Investment Co., Ltd.                                   | 35,933,614              | 11.98  |
|    |                                                  |             | Y.C. Chang                                                       | -                       | -      |
|    |                                                  |             | SYSTEX Corporation                                               | 25,263,076              | 8.42   |
|    |                                                  |             | S.C. Yang                                                        | -                       | -      |
|    |                                                  |             | MITAC Information Technology Corp.                               | 27,724,093              | 9.24   |
|    |                                                  |             | Liang Su                                                         | -                       | -      |
|    |                                                  |             | TECO Electric & Machinery Co., Ltd.                              | 32,979,907              | 10.99  |
|    |                                                  |             | Chi-Tseng Peng                                                   | -                       | -      |
|    |                                                  | Supervisors | S.J. Hsu                                                         | -                       | -      |
|    |                                                  |             | S.W. Chao                                                        | -                       | -      |
|    |                                                  |             | Sharon Lin, An-Bing Liu                                          | -                       | -      |
|    |                                                  |             | Syscore Corporation                                              | 7,716,831               | 2.57   |
|    |                                                  |             | Larry Chung                                                      | -                       | -      |
|    |                                                  |             | He Li Investment                                                 | 5,255,813               | 1.75   |
|    |                                                  |             | B.L. Tsai                                                        | -                       | -      |
|    |                                                  | President   | Y.C. Chang                                                       | -                       | -      |

## Special Disclosure

|     | Company                                                  | Title       | Name or representative                                                                                                      | Registered shares owned |        |
|-----|----------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------|--------|
|     |                                                          |             |                                                                                                                             | Shares                  | %      |
| 83  | Yuan Hsin Digital Payment Co., Ltd.                      | Directors   | Ding Ding Integrated Marketing Service Co., Ltd.                                                                            | 21,180,002              | 31.08  |
|     |                                                          |             | G.L. Liang (Chairman)                                                                                                       | -                       | -      |
|     |                                                          |             | Yuan Ding Co., Ltd.                                                                                                         | 11,052,179              | 16.22  |
|     |                                                          |             | Y.S. Yang, Y.C. Chang                                                                                                       | -                       | -      |
|     |                                                          |             | Far EasTone Telecommunications Co., Ltd.                                                                                    | 12,342,478              | 18.11  |
|     |                                                          |             | Sharon Lin                                                                                                                  | -                       | -      |
| 84  | FETC International Co., Ltd.                             | Supervisors | Far Eastern Department Stores Ltd.                                                                                          | 6,171,239               | 9.06   |
|     |                                                          |             | Greg Tseng                                                                                                                  | -                       | -      |
|     |                                                          |             | Pacific Sogo Co., Ltd.                                                                                                      | 8,289,135               | 12.16  |
|     |                                                          |             | H.T. Peng                                                                                                                   | -                       | -      |
|     |                                                          |             | S.J. Li                                                                                                                     | -                       | -      |
|     |                                                          | President   |                                                                                                                             |                         |        |
| 85  | DDIM (Virgin Islands) Ltd.                               | Directors   | Far Eastern Electronic Toll Collection Co., Ltd.                                                                            | 20,000,000              | 100.00 |
|     |                                                          |             | Douglas Tong Hsu (Chairman), Chee Ching, Philip Tseng, Y.C. Chang, S.C. Yang, Chi-Tseng Peng, Liang Su, S.J. Hsu, S.W. Chao | -                       | -      |
|     |                                                          |             | Far Eastern Electronic Toll Collection Co., Ltd.                                                                            | 20,000,000              | 100.00 |
| 86  | YDC (Virgin Islands) Ltd.                                | Directors   | Sharon Lin, Larry Chung, An-Bing Liu, B.L. Tsai                                                                             | -                       | -      |
|     |                                                          |             |                                                                                                                             |                         |        |
|     |                                                          |             |                                                                                                                             |                         |        |
| 87  | Yuan Ding Integrated Information Service Inc. (Shanghai) | Directors   | Yuan Hong Electric Co., Ltd.                                                                                                | 1,501                   | 53.87  |
|     |                                                          |             | Humphrey Cheng, P.C. Hu, S.J. Lai                                                                                           | -                       | -      |
|     |                                                          |             |                                                                                                                             |                         |        |
| 88  | Speedy (Shanghai) digital Tech. Co., Ltd.                | Directors   | Yuan-Ding Co., Ltd.                                                                                                         | 200                     | 17.70  |
|     |                                                          |             | Humphrey Cheng, P.C. Hu, S.J. Lai                                                                                           | -                       | -      |
|     |                                                          |             |                                                                                                                             |                         |        |
| 89  | APG Polytech USA Holdings, Inc.                          | Directors   | DDIM(Virgin Islands) Ltd.                                                                                                   | -                       | 99.54  |
|     |                                                          |             | YDC(Virgin Islands) Ltd.                                                                                                    | -                       | 0.46   |
|     |                                                          |             | R.H. Shao, G.L. Liang, P.C. Hu                                                                                              | -                       | -      |
| 90  | APG Polytech, LLC                                        | Supervisors | Y.Z. Tsai                                                                                                                   | -                       | -      |
|     |                                                          |             | R.H. Shao                                                                                                                   | -                       | -      |
|     |                                                          |             |                                                                                                                             |                         |        |
| 91  | Phoenix Technologies International, LLC                  | President   |                                                                                                                             |                         |        |
|     |                                                          |             |                                                                                                                             |                         |        |
|     |                                                          |             |                                                                                                                             |                         |        |
| 92  | FE Oriental Investment Holding (Singapore) Pte. Ltd.     | Directors   | YDC (Virgin Islands) Ltd.                                                                                                   | -                       | 100.00 |
|     |                                                          |             | F.H. Ho                                                                                                                     | -                       | -      |
|     |                                                          |             | P.C. Hu                                                                                                                     | -                       | -      |
| 93  | FE New Century Industry (Singapore) Pte. Ltd.            | Supervisors | F.H. Ho                                                                                                                     | -                       | -      |
|     |                                                          |             |                                                                                                                             |                         |        |
|     |                                                          |             |                                                                                                                             |                         |        |
| 94  | FETC International (Thailand) Co., Ltd.                  | Directors   | Far Eastern Investment (H) Ltd.                                                                                             | 6,072                   | 100.00 |
|     |                                                          |             | Humphrey Cheng, David Wang, L.C. Kuo Tung, Fanny Liao, Justin Tsai                                                          | -                       | -      |
|     |                                                          |             |                                                                                                                             |                         |        |
| 95  | Oriental Investment Holding (Netherlands) B.V. (Note)    | Directors   | APG Polytech USA Holdings, Inc.                                                                                             | -                       | 100.00 |
|     |                                                          |             | Donald Fan, P.T. Huang, Y.H. Wang                                                                                           | -                       | -      |
|     |                                                          |             | Y.H. Wang                                                                                                                   | -                       | -      |
| 96  | Oriental Martens (Netherlands) B.V.(Note)                | Directors   | APG Polytech USA Holdings, Inc.                                                                                             | -                       | 100.00 |
|     |                                                          |             | Donald Fan, Y.H. Wang, Richard Gerardo Maack, Carol Wang                                                                    | -                       | -      |
|     |                                                          |             | Y.H. Wang                                                                                                                   | -                       | -      |
| 97  | FE Oriental Investment Holding (Singapore) Pte. Ltd.     | Directors   | Far Eastern New Century Corp.                                                                                               | 50,000                  | 100.00 |
|     |                                                          |             | Humphrey Cheng, K.S. Wu, L.C. Kuo Tung, K.L. Li, Jung-Hsiang Lin                                                            | -                       | -      |
|     |                                                          |             |                                                                                                                             |                         |        |
| 98  | FE New Century Industry (Singapore) Pte. Ltd.            | Directors   | FE Oriental Investment Holding (Singapore) Pte. Ltd.                                                                        | 49,000                  | 100.00 |
|     |                                                          |             | Humphrey Cheng, David Wang, Alan Tsai, Carol Wang, P.T. Huang, K.L. Li                                                      | -                       | -      |
|     |                                                          |             |                                                                                                                             |                         |        |
| 99  | FETC International (Thailand) Co., Ltd.                  | Directors   | FETC International Co., Ltd.                                                                                                | 8,199,997               | 100.00 |
|     |                                                          |             | Y.C. Chang                                                                                                                  | 1                       | -      |
|     |                                                          |             | C.C. Wu                                                                                                                     | 1                       | -      |
| 100 | Oriental Investment Holding (Netherlands) B.V. (Note)    | Directors   | P.W. Chou                                                                                                                   | 1                       | -      |
|     |                                                          |             | S.K. Chen                                                                                                                   | -                       | -      |
|     |                                                          |             |                                                                                                                             |                         |        |
| 101 | Oriental Martens (Netherlands) B.V.(Note)                | Directors   | FE Oriental Investment Holding (Singapore) Pte. Ltd.                                                                        | -                       | 100.00 |
|     |                                                          |             | Humphrey Cheng, K.S. Wu, L.C. Kuo Tung                                                                                      | -                       | -      |
|     |                                                          |             |                                                                                                                             |                         |        |
| 102 | Oriental Martens (Netherlands) B.V.(Note)                | Directors   | Oriental Investment Holding (Netherlands) B.V.                                                                              | -                       | 100.00 |
|     |                                                          |             | Humphrey Cheng, Eric Hu, Fanny Liao                                                                                         | -                       | -      |
|     |                                                          |             |                                                                                                                             |                         |        |

Note: Capital payment has not been remitted until 31 Dec 2021.

# Far Eastern New Century

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## Operation Results of Each Subsidiary and Affiliate

Unit: NT\$ thousands, unless stated otherwise  
Book closure date: 31 December 2021

|    | Name                                                 | Paid-in Capital         | Total Assets         | Total Liabilities   | Total Equity         | Operating Revenue    | Operating Income (loss) | Net Income (loss)     | EPS (NT\$)          |
|----|------------------------------------------------------|-------------------------|----------------------|---------------------|----------------------|----------------------|-------------------------|-----------------------|---------------------|
| 0  | Far Eastern New Century Corp.                        | 53,528,751              | 635,327,585          | 365,912,667         | 269,414,918          | 238,806,217          | 11,711,538              | 9,684,584             | 1.94                |
| 1  | Yuan Ding Investment Co., Ltd.                       | 18,338,262              | 80,408,428           | 36,011,472          | 44,396,956           | 29,263,593           | 6,990,052               | 6,212,531             | 3.39                |
| 2  | Oriental Petrochemical (Taiwan) Co., Ltd.            | 22,660,930              | 35,396,987           | 24,877,560          | 10,519,427           | 32,670,345           | (1,658,053)             | (1,866,804)           | (0.82)              |
| 3  | Yuan Tong Investment Co., Ltd.                       | 7,421,838               | 10,396,514           | 1,219,650           | 9,176,864            | 693,765              | 690,118                 | 674,324               | 0.91                |
| 4  | Far Eastern Resources Development Co., Ltd.          | 7,758,355               | 120,205,148          | 13,390,362          | 106,814,786          | 859,192              | 137,732                 | 441,659               | 0.57                |
| 5  | Far Eastern Construction Co., Ltd.                   | 3,775,655               | 24,122,836           | 7,375,824           | 16,747,012           | 582,280              | 300,970                 | 1,046,486             | 2.77                |
| 6  | Kai Yuan International Investment Co., Ltd.          | 3,694,174               | 6,694,435            | 973,865             | 5,720,570            | 435,433              | 435,026                 | 419,226               | 1.13                |
| 7  | Ding Yuan International Investment Co., Ltd.         | 2,569,058               | 3,582,393            | 276,729             | 3,305,664            | 247,406              | 246,997                 | 238,731               | 0.93                |
| 8  | Far Eastern General Contractor Inc.                  | 1,489,776               | 5,758,402            | 3,147,432           | 2,610,970            | 8,179,861            | 654,680                 | 544,655               | 3.66                |
| 9  | Far Eastern Fibertech Co., Ltd.                      | 910,000                 | 2,070,555            | 603,219             | 1,467,336            | 2,746,696            | 494,867                 | 392,803               | 4.32                |
| 10 | An Ho Garment Co., Ltd.                              | 761,647                 | 2,709,718            | 451,671             | 2,258,047            | 245,427              | 245,016                 | 240,119               | 3.15                |
| 11 | Oriental Resources Development Co., Ltd.             | 57,385                  | 207,235              | 66,165              | 141,070              | 179,514              | 86,390                  | 67,544                | 11.77               |
| 12 | Oriental Green Materials Ltd.                        | 599,361                 | 1,609,994            | 931,535             | 678,459              | 1,377,952            | 93,261                  | 72,347                | 1.21                |
| 13 | Far Eastern Apparel Co., Ltd.                        | 447,723                 | 533,775              | 313,889             | 219,886              | 736,076              | (61,283)                | (55,010)              | (1.23)              |
| 14 | Yuan Faun Co., Ltd.                                  | 66,750                  | 192,700              | 189                 | 192,511              | -                    | (1,918)                 | 6,732                 | 1.01                |
| 15 | Fu Kwok Knitting & Garment Co., Ltd.                 | 40,000                  | 346,380              | 93,025              | 253,355              | 527,431              | 53,026                  | 52,141                | 13.04               |
| 16 | Yuan Cheng Human Resources Consultant Corp.          | 13,500                  | 35,601               | 13,252              | 22,349               | 270,697              | 1,182                   | 1,483                 | 1.10                |
| 17 | Far Eastern Textile Ltd.                             | 13,000                  | 13,381               | 36                  | 13,345               | -                    | (249)                   | (375)                 | (0.29)              |
| 18 | Far Eastern Investment (H) Ltd.                      | 1,512 USD 55            | 31,329,627 1,131,851 | 3,051,268 110,234   | 28,278,359 1,021,617 | 1,366,750 48,797     | 1,139,828 40,695        | 1,135,954 40,557      | 208.01 7.43         |
| 19 | Far Eastern Polychem Industries Ltd.                 | 404 HKD 114             | 11,852,670 3,339,721 | 1,333,625 375,775   | 10,519,045 2,963,946 | 194,085 53,866       | 150,432 41,750          | 127,467 35,377        | 0.11 0.03           |
| 20 | FEDP (H) Ltd.                                        | 161 USD 6               | 1,508,090 54,483     | 110 4               | 1,507,980 54,479     | (284,868) (10,171)   | (285,295) (10,186)      | (290,824) (10,383)    | (599.90) (21.42)    |
| 21 | PET Far Eastern(H) Ltd.                              | 124 RMB 29              | 4,919,570 1,132,498  | 507,721 116,879     | 4,411,849 1,015,619  | (374,645) (86,297)   | (414,651) (95,513)      | (446,215) (102,783)   | (1,032.46) (237.82) |
| 22 | Far Eastern Polytex (H) Ltd.                         | 52 USD 1.9              | 9,604,705 346,991    | 185,882 7,616       | 9,418,823 340,275    | (162,410) (5,799)    | (163,692) (5,844)       | (163,337) (5,832)     | (974.97) (34.81)    |
| 23 | Far Eastern Apparel (H) Ltd.                         | 31 USD 1.1              | 5,758,309 208,031    | 982,012 35,477      | 4,776,297 172,554    | 450,900 16,098       | 450,445 16,082          | 481,379 17,187        | 4,328.95 154.56     |
| 24 | Oriental Textile (H) Ltd.                            | 30 USD 1.1              | 9,934,070 358,890    | 1,471,431 53,159    | 8,462,639 305,731    | 564,807 20,165       | 561,915 20,062          | 554,482 19,797        | 5,058.22 180.59     |
| 25 | Sino Belgium (H) Ltd.                                | 12 USD 0.4              | 9,442 341            | 910,045 32,877      | (900,603) (32,536)   | (91,595) (3,270)     | (92,019) (3,285)        | (87,715) (3,132)      | (2,212.79) (79.00)  |
| 26 | Magna View Sdn.Bhd                                   | 19,065 MYR 3,000        | 149,576 23,536       | 53 8                | 149,523 23,528       | -                    | (100) (15)              | 14,548 2,246          | 4.85 0.75           |
| 27 | Far Eastern Industries (Shanghai) Ltd.               | 8,168,455 RMB 1,880,399 | 13,630,425 3,137,759 | 5,041,109 1,160,476 | 8,589,316 1,977,283  | 22,328,640 5,143,284 | 56,611 13,040           | 33,598 7,739          | NA NA               |
| 28 | Oriental Petrochemical (Shanghai) Corp.              | 7,791,353 RMB 1,793,590 | 6,951,337 1,600,215  | 3,676,919 846,436   | 3,274,418 753,779    | 12,599,910 2,902,322 | (994,334) (229,040)     | (1,209,099) (278,510) | NA NA               |
| 29 | Far Eastern New Century (China) Investment Co., Ltd. | 4,648,304 RMB 1,070,052 | 4,115,320 947,357    | 396,931 91,374      | 3,718,389 855,983    | (140,241) (32,304)   | (140,261) (32,308)      | (129,922) (29,927)    | NA NA               |
| 30 | Martens Beers (Shanghai) Ltd.                        | 324,307 RMB 74,656      | 12,802 2,947         | 6,750 1,554         | 6,052 1,393          | -                    | (8,784) (2,023)         | (8,751) (2,016)       | NA NA               |
| 31 | Shanghai Yuan Hua Logistic Corp.                     | 82,536 RMB 19,000       | 196,517 45,239       | 46,622 10,733       | 149,895 34,506       | 179,061 41,246       | 4,131 952               | 4,635 1,068           | NA NA               |
| 32 | Shanghai Far Eastern IT Corp.                        | 55,212 RMB 12,710       | 68,615 15,796        | 10,568 2,433        | 58,047 13,363        | 131,214 30,224       | (1,307) (301)           | 299 69                | NA NA               |
| 33 | Yuan Ding Enterprise (Shanghai) Limited              | 7,660,318 RMB 1,763,425 | 6,900,258 1,588,457  | 58,277 13,415       | 6,841,981 1,575,042  | 7,456 1,717          | (205,225) (47,272)      | (161,323) (37,160)    | NA NA               |
| 34 | Wuhan Far Eastern New Material Ltd.                  | 743,031 RMB 171,048     | 1,216,389 280,016    | 274,752 63,249      | 941,637 216,767      | 1,276,285 293,985    | 15,464 3,562            | 7,396 1,704           | NA NA               |
| 35 | Oriental Industries (Suzhou) Ltd.                    | 4,756,014 RMB 1,094,847 | 12,967,842 2,985,231 | 6,588,773 1,516,753 | 6,379,069 1,468,478  | 10,153,406 2,338,783 | 751,318 173,062         | 408,237 94,035        | NA NA               |
| 36 | Far Eastern Industries (Suzhou) Ltd.                 | 1,713,142 RMB 394,370   | 1,582,390 364,270    | 3,249 748           | 1,579,141 363,522    | -                    | (33,997) (7,831)        | 20,730 4,775          | NA NA               |
| 37 | Far Eastern Dyeing & Finishing (Suzhou) Ltd.         | 1,604,122 RMB 369,273   | 5,859,578 1,348,890  | 2,175,359 500,773   | 3,684,219 848,117    | 5,687,260 1,310,030  | 526,514 121,280         | 401,833 92,560        | NA NA               |
| 38 | Sino-Belgium Beer (Suzhou) Ltd.                      | 1,655,751 RMB 381,158   | 373,532 85,988       | 780,992 179,786     | (407,460) (93,798)   | -                    | (11,088) (2,554)        | (26,523) (6,109)      | NA NA               |
| 39 | Far Eastern Innovation Apparel (Suzhou) Co., Ltd.    | 1,032,215 RMB 237,619   | 1,087,778 250,409    | 2,062 474           | 1,085,716 249,935    | -                    | (2,913) (671)           | 16,988 3,913          | NA NA               |
| 40 | Far Eastern Apparel (Suzhou) Co., Ltd.               | 888,683 RMB 204,577     | 2,015,066 463,873    | 491,471 113,138     | 1,523,595 350,735    | 2,335,308 537,926    | (77,583) (17,871)       | (65,509) (15,090)     | NA NA               |
| 41 | Suzhou An Ho Apparel Ltd.                            | 4,344 RMB 1,000         | 56,536 13,015        | 22 5                | 56,514 13,010        | -                    | (71) (16)               | 1,035 238             | NA NA               |

## Special Disclosure

|    | Name                                                  | Paid-in Capital            | Total Assets            | Total Liabilities       | Total Equity           | Operating Revenue       | Operating Income (loss) | Net Income (loss)    | EPS (NT\$)            |
|----|-------------------------------------------------------|----------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|----------------------|-----------------------|
| 42 | Far Eastern Industries (Wuxi) Ltd.                    | 2,091,508<br>RMB 481,471   | 3,008,763<br>692,625    | 136,967<br>31,530       | 2,871,796<br>661,095   | 3,231,817<br>744,432    | 140,202<br>32,295       | 73,877<br>17,017     | NA<br>NA              |
| 43 | Far Eastern Yihua Petrochemical (Yangzhou) Corp.      | 6,313,358<br>RMB 1,453,351 | 6,838,904<br>1,574,333  | 479,121<br>110,295      | 6,359,783<br>1,464,038 | -                       | (64,029)<br>(14,749)    | 718<br>165           | NA<br>NA              |
| 44 | Far Eastern Industries (Yangzhou) Ltd.                | 1,341,872<br>RMB 308,902   | 1,405,982<br>323,660    | 25,405<br>5,848         | 1,380,577<br>317,812   | -                       | (16,422)<br>(3,783)     | 6,884<br>1,586       | NA<br>NA              |
| 45 | Far Eastern Ishizuka Green PET Corporation.           | 24,050<br>JPY 100,000      | 4,898,962<br>20,369,904 | 3,445,917<br>14,328,137 | 1,453,045<br>6,041,767 | 3,366,509<br>13,181,836 | 611,111<br>2,392,854    | 369,565<br>1,447,061 | 92.96<br>363.99       |
| 46 | Far Eastern Apparel (Vietnam) Ltd.                    | 321,088<br>USD 11,600      | 3,085,585<br>111,473    | 2,283,851<br>82,509     | 801,734<br>28,964      | 2,638,742<br>94,211     | (111,048)<br>(3,965)    | (113,895)<br>(4,066) | NA<br>NA              |
| 47 | Far Eastern Polytex (Vietnam) Ltd.                    | 8,544,816<br>USD 308,700   | 26,200,206<br>946,539   | 16,645,888<br>601,369   | 9,554,318<br>345,170   | 17,632,683<br>629,540   | 509,872<br>18,204       | 385,570<br>13,766    | NA<br>NA              |
| 48 | Far Eastern New Apparel (Vietnam) Ltd.                | 913,440<br>USD 33,000      | 1,531,450<br>55,327     | 1,116,741<br>40,345     | 414,709<br>14,982      | 1,587,373<br>56,674     | (117,548)<br>(4,197)    | (147,557)<br>(5,268) | NA<br>NA              |
| 49 | PET Far Eastern (M) Sdn Bhd                           | 101,680<br>MYR 16,000      | 732,070<br>115,196      | 433,508<br>68,215       | 298,562<br>46,981      | 960,063<br>148,234      | 31,171<br>4,813         | 29,298<br>4,524      | 1.83<br>0.28          |
| 50 | Worldwide Polychem (HK) Limited                       | 96,880<br>USD 3,500        | 3,228,400<br>116,633    | 3,090,829<br>111,663    | 137,571<br>4,970       | 5,931,756<br>211,782    | 41,335<br>1,476         | 35,134<br>1,254      | 13.01<br>0.46         |
| 51 | Malaysia Garment Manufacturers Private Ltd.           | 161,880<br>SDG 7,912       | 1,402,166<br>68,532     | 249,658<br>12,202       | 1,152,508<br>56,330    | -                       | (35,112)<br>(1,684)     | (311)<br>(15)        | (3.93)<br>(0.19)      |
| 52 | PT Malaysia Garment Bintan                            | 4,308<br>IDR 2,175,600     | 9<br>4,545              | 46<br>23,232            | (37)<br>(18,687)       | -                       | -                       | -                    | -                     |
| 53 | Far EasTone Telecommunications Co., Ltd.              | 32,585,008                 | 175,543,581             | 109,442,801             | 66,100,780             | 85,320,008              | 10,361,121              | 9,123,795            | 2.80                  |
| 54 | Far Eastern Info Service (H) Ltd.                     | 332<br>USD 12              | 4,883<br>176            | -                       | 4,883<br>176           | -                       | (3)<br>(0)              | 109<br>4             | 90.26<br>3.22         |
| 55 | KGEx.com Co., Ltd.                                    | 689,074                    | 976,209                 | 76,170                  | 900,039                | 525,433                 | 146,738                 | 143,712              | 2.09                  |
| 56 | Yuan Cing Co., Ltd.                                   | 20,000                     | 72,504                  | 31,799                  | 40,705                 | 150,398                 | 18,308                  | 14,693               | 7.35                  |
| 57 | ARCOA Communication Co., Ltd.                         | 1,342,800                  | 3,508,440               | 1,648,892               | 1,859,548              | 10,603,800              | 116,854                 | 179,883              | 1.34                  |
| 58 | Data Express Infotech Co., Ltd.                       | 218,360                    | 1,388,964               | 1,003,250               | 385,714                | 5,327,649               | 117,754                 | 111,496              | 5.11                  |
| 59 | Home Master Technology Ltd                            | 12,725                     | 373,338                 | 330,478                 | 42,860                 | 1,794,984               | 28,569                  | 20,814               | NA                    |
| 60 | New Century InfoComm Tech Co., Ltd.                   | 21,000,000                 | 30,480,559              | 3,552,779               | 26,927,780             | 9,919,433               | 2,172,206               | 4,044,557            | 1.93                  |
| 61 | New Diligent Co., Ltd.                                | 540,000                    | 81,631                  | 100                     | 81,531                 | -                       | (157)                   | (390)                | (0.01)                |
| 62 | New Diligent Hong Kong Co. Ltd.                       | 3,051<br>USD 100           | 2,156<br>78             | 50<br>2                 | 2,106<br>76            | -                       | (108)<br>(4)            | (186)<br>(7)         | NA                    |
| 63 | Sino Lead Enterprise Limited.                         | 125<br>HKD 30              | 752<br>212              | 431<br>122              | 321<br>90              | 2,779<br>771            | 38<br>11                | 31<br>9              | 1.03<br>0.29          |
| 64 | Information Security Service Digital United           | 111,950                    | 386,296                 | 248,069                 | 138,227                | 480,940                 | 22,797                  | 18,243               | 1.63                  |
| 65 | Digital United (Cayman) Ltd.                          | 285,658<br>USD 10,320      | 334,446<br>12,083       | 70<br>3                 | 334,376<br>12,080      | -                       | (275)<br>(10)           | 4,266<br>152         | 0.43<br>0.02          |
| 66 | Digital United Information Technology (Shanghai) Ltd. | 102,312<br>RMB 23,553      | 48,275<br>11,113        | 36,964<br>8,509         | 11,311<br>2,604        | 81,553<br>18,785        | 5,980<br>1,378          | 5,365<br>1,236       | NA<br>NA              |
| 67 | Far Eastern New Diligence Ltd.                        | 395,824<br>USD 14,300      | 19,663<br>710           | 70<br>2                 | 19,593<br>708          | -                       | (199)<br>(7)            | (321)<br>(11)        | NA<br>NA              |
| 68 | Yuanshi Digital Technology Co., Ltd.                  | 1,112,502                  | 413,391                 | 704,644                 | (291,253)              | 2,738,123               | (223,971)               | (222,069)            | (2.00)                |
| 69 | Prime Ecopower Co., Ltd.                              | 160,000                    | 411,063                 | 285,612                 | 125,451                | 132,167                 | 289                     | (1,979)              | (0.12)                |
| 70 | Nextlink Technology Co., Ltd.                         | 49,000                     | 435,673                 | 271,020                 | 164,653                | 778,581                 | 14,475                  | 56,260               | 11.48                 |
| 71 | Microfusion Technology Co., Ltd.                      | 29,000                     | 335,625                 | 288,311                 | 47,314                 | 784,243                 | 22,796                  | 17,105               | 5.90                  |
| 72 | Nextlink (HK) Technology Co., Ltd.                    | 973<br>HKD 274             | 566,712<br>159,682      | 530,180<br>149,388      | 36,532<br>10,294       | 2,066,397<br>573,502    | 38,550<br>10,699        | 28,616<br>7,942      | NA<br>NA              |
| 73 | Microfusion (HK) Technology Co., Ltd.                 | 1,494<br>HKD 400           | 14,544<br>4,098         | 11,722<br>3,303         | 2,822<br>795           | 35,150<br>9,755         | 1,928<br>535            | 1,762<br>489         | NA<br>NA              |
| 74 | Nextlink (Shanghai) Technologies Co., Ltd.            | 2,171<br>RMB 500           | 3,815<br>878            | 1,838<br>423            | 1,977<br>455           | 3,569<br>822            | 666<br>153              | 756<br>174           | NA<br>NA              |
| 75 | Far EasTone Property Insurance Agent Co., Ltd.        | 5,000                      | 208,761                 | 125,318                 | 83,443                 | 516,101                 | 90,571                  | 72,481               | 144.96                |
| 76 | Yuan-Ding Co., Ltd.                                   | 5,034,047                  | 10,922,357              | 1,984,129               | 8,938,228              | 1,485,490               | 408,304                 | (223,500)            | (0.44)                |
| 77 | Ding Ding Hotel Co., Ltd.                             | 1,040,470                  | 1,533,058               | 1,262,516               | 270,542                | 847,031                 | (878,261)               | (831,406)            | (7.99)                |
| 78 | Yuan Hong Electric Co., Ltd.                          | 25,000                     | 35,769                  | 72                      | 35,697                 | -                       | (79)                    | (3,731)              | (1.49)                |
| 79 | Far Eastern Technical Consultants Co., Ltd.           | 50,000                     | 121,556                 | 42,226                  | 79,330                 | 72,468                  | 9,030                   | 11,428               | 2.29                  |
| 80 | Ding Ding Integrated Marketing Service Co., Ltd.      | 363,110                    | 818,000                 | 571,256                 | 246,744                | 378,995                 | 18,463                  | (16,349)             | (0.45)                |
| 81 | YDT Technology International Co., Ltd.                | 139,920                    | 316,991                 | 30,855                  | 286,136                | 90,852                  | (2,179)                 | 11,893               | 0.85                  |
| 82 | Far Eastern Electronic Toll Collection Co., Ltd.      | 3,000,000                  | 7,562,593               | 4,035,635               | 3,526,958              | 2,310,207               | 467,881                 | 293,364              | 0.98                  |
| 83 | Yuan Hsin Digital Payment Co., Ltd.                   | 681,462                    | 637,171                 | 116,559                 | 520,612                | 31,021                  | (145,627)               | (161,626)            | (2.37)                |
| 84 | FETC International Co., Ltd.                          | 200,000                    | 568,232                 | 376,583                 | 191,649                | 570,652                 | 46,852                  | 39,256               | 1.96                  |
| 85 | DDIM (Virgin Islands) Ltd.                            | 660,104<br>USD 23,846      | 43,284<br>1,564         | -                       | 43,284<br>1,564        | -                       | (67)<br>(2)             | (6,899)<br>(246)     | (2,652.44)<br>(94.70) |
| 86 | YDC (Virgin Islands) Ltd.                             | 31,278<br>USD 1,130        | 61,003<br>2,204         | -                       | 61,003<br>2,204        | -                       | (67)<br>(2)             | 3,688<br>132         | 3,263.72<br>116.52    |

|    | Name                                                     | Paid-in Capital         | Total Assets          | Total Liabilities   | Total Equity          | Operating Revenue     | Operating Income (loss) | Net Income (loss)    | EPS (NT\$)             |
|----|----------------------------------------------------------|-------------------------|-----------------------|---------------------|-----------------------|-----------------------|-------------------------|----------------------|------------------------|
| 87 | Yuan Ding Integrated Information Service Inc. (Shanghai) | 654,416<br>RMB 150,648  | 47,874<br>11,021      | 4,531<br>1,043      | 43,343<br>9,978       | 17,111<br>3,941       | (7,198)<br>(1,658)      | (6,863)<br>(1,581)   | NA                     |
| 88 | Speedy (Shanghai) digital Tech. Co., Ltd.                | 28,407<br>RMB 6,539     | 100,646<br>23,169     | 40,945<br>9,426     | 59,701<br>13,743      | 82,321<br>18,962      | 3,425<br>789            | 3,787<br>872         | NA                     |
| 89 | APG Polytech USA Holdings, Inc.                          | 2<br>USD 0.06           | 18,181,124<br>656,833 | 479,020<br>17,306   | 17,702,104<br>639,527 | 1,175,935<br>41,984   | 1,123,860<br>40,125     | 1,101,175<br>39,315  | 181,352.93<br>6,474.85 |
| 90 | APG Polytech, LLC                                        | 2,491,200<br>USD 90,000 | 6,528,606<br>235,860  | 2,414,343<br>87,223 | 4,114,263<br>148,637  | 12,093,616<br>431,779 | 1,390,439<br>49,643     | 1,345,066<br>48,023  | NA                     |
| 91 | Phoenix Technologies International, LLC                  | 595,120<br>USD 21,500   | 1,030,446<br>37,227   | 880,096<br>31,795   | 150,350<br>5,432      | 951,410<br>33,968     | (164,325)<br>(5,867)    | (112,996)<br>(4,034) | NA                     |
| 92 | FE Oriental Investment Holding (Singapore) Pte. Ltd.     | 138,400<br>USD 5,000    | 162,191<br>5,860      | 200<br>8            | 161,991<br>5,852      | 2,029<br>72           | 1,577<br>56             | 1,582<br>56          | 31.64<br>1.13          |
| 93 | FE New Century Industry (Singapore) Pte. Ltd.            | 135,632<br>USD 4,900    | 2,391,569<br>86,401   | 2,231,758<br>80,627 | 159,811<br>5,774      | 9,610,394<br>343,120  | 32,832<br>1,172         | 2,029<br>72          | 41.41<br>1.48          |
| 94 | FETC International (Thailand) Co., Ltd.                  | 68,445<br>THB 82,000    | 60,920<br>72,984      | 2,213<br>2,651      | 58,707<br>70,333      | -                     | (8,865)<br>(10,048)     | (9,239)<br>(10,471)  | (1.13)<br>(1.28)       |
| 95 | Oriental Investment Holding (Netherlands) B.V. (Note)    | -                       | -                     | -                   | -                     | -                     | -                       | -                    | -                      |
| 96 | Oriental Martens (Netherlands) B.V. (Note)               | -                       | -                     | -                   | -                     | -                     | -                       | -                    | -                      |

Note: Capital payment has not been remitted until 31 Dec 2021.

## 1.2 Declaration for the Consolidated Financial Statements of Affiliated Enterprises of the Company

### REPRESENTATION LETTER

The affiliates that should be included in the combined financial statements of FENC as of and for the year ended December 31, 2021 in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" in the Republic of China (ROC) are the same as those prepared under the International Accounting Standard 10 - "Consolidated and Separate Financial Statements." The information required to be disclosed in the combined financial statements has already been disclosed in the consolidated financial report. Thus, FENC and its affiliates do not prepare a separate set of combined financial statements.

Very truly yours,  
Far Eastern New Century Corporation  
By

Douglas Tong Hsu  
Chairman



March 8, 2022

## 1.3 Affiliation Report: Not applicable

## Special Disclosure

### 2. Private Placement Securities in the Latest Year

None

### 3. The Company's Shares Held or Disposed by Subsidiaries in Recent Years until the Annual Report being Published

| Name                | Paid-in Capital (NT\$ million) | Source of funding | Holdings percentage | Date of acquisition or disposal | Number & amount of shares acquired | Number & amount of shares disposed | Investment income (loss) | Number & amount of shares held until the annual report being published | Creation of pledge | Amount of loan guaranteed by the Company | Amount of loan lent by the Company |
|---------------------|--------------------------------|-------------------|---------------------|---------------------------------|------------------------------------|------------------------------------|--------------------------|------------------------------------------------------------------------|--------------------|------------------------------------------|------------------------------------|
| Yuan-Ding Co., Ltd. | 5,034,047                      | -                 | 37.13%              | -                               | -                                  | -                                  | -                        | Shares: 779,000<br>Amount: NT\$ 25.063 million                         | -                  | -                                        | -                                  |

### 4. Other Supplementary Information

None

### 5. Pursuant to the Article 36-3-2 of Security Exchange Act, Event Having Material Impact on Shareholders' Equity or Share Price in the Latest Year until the Annual Report being Published

None.



**FAR EASTERN NEW CENTURY**

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