



2020 ANNUAL REPORT FAR EASTERN NEW CENTURY

2020

Stock Code 1402 MAY 15, 2021

Hycare



Property Development



Telecommunications



Cement



創新突圍
決勝新常態

Breakthrough with Action
Winning over New Norm

Recycled PET



Corporate
Governance
TOP 5%



GCSA
World Class
Great Practice



TCSA
Best Report
of the Year



遠東集團
FAR EASTERN GROUP

FENC annual report is available at <http://www.fenc.com> and <http://mops.twse.com.tw>

Spokesperson

Name: Humphrey Cheng
Title: Corporate Management President
Tel: 886-2-27338000 #8969
Fax: 886-2-27367184
E-mail: csostaff@metro.feg.com.tw

Deputy Spokesperson

Name: David Wang
Title: Chief Financial Officer
Tel: 886-2-27338000 #8735
Fax: 886-2-27358175
E-mail: ccwang@metro.feg.com.tw

Headquarters, Branches & Plants

Headquarters

Address: 36F, Taipei Metro Tower, 207,
Tun Hwa South Rd., Sec.2, Taipei City,
Taiwan, R.O.C.
Tel: 886-2-27338000

Plants

Hsinpu Chemical Fiber Plant
Address: 369, Yadong Sec., Wen Shan Rd.,
Hsinpu, Hsinchu County, Taiwan R.O.C.
Tel: 886-3-5882511

Kuanyin Chemical Fiber Plant

Address: 3, Jingjian 6th Rd., Kuanyin
Industrial Park, Kuanyin, Taoyuan City,
Taiwan R.O.C.
Tel: 886-3-4832720

Kuanyin Dyeing and Finishing Plant

Address: 1, Kuojiang 2nd Rd., Kuanyin,
Taoyuan City, Taiwan R.O.C.
Tel: 886-3-2729055

Neili Texturizing Plant

Address: 2 Yuan Dong Rd., Chungli,
Taoyuan City, Taiwan, R.O.C.
Tel: 886-3-4555136

Hukou Mill

Address: 30, Hexing Rd., Hukou, Hsinchu
County, Taiwan, R.O.C.
Tel: 886-3-5997135

Common Share Transfer Agent and Registrar

Oriental Securities Corporation
Address: 13F, No. 16, Xinzhan Rd., Banqiao
Dist., New Taipei City, Taiwan, R.O.C.
Tel: 886-2-77531699
Website: <http://www.osc.com.tw>

Auditors

Deloitte & Touche
Auditors: Chih-Ming Shao, CPA,
Cheng-Hung Kuo, CPA
Address: 20F, No. 100, Songren Rd., Xinyi
Dist., Taipei, 11073, Taiwan, R.O.C.
Tel.: 886-2-2725-9988
Website: <http://www.deloitte.com.tw>

Overseas Securities Exchange

Luxembourg Stock Exchange
Disclosed information can be found at
<http://www.bourse.lu>

Corporate Website

<http://www.fenc.com>

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I. Letter to Shareholders

Dear Shareholders,

In this fast-evolving era of unprecedented challenges, ranging from the COVID-19 pandemic to tensions between the US and China, financial instabilities, the plunge of oil futures into negative territory, massive disruption in supply chains and tectonic shifts in industry, Far Eastern New Century Corporation (FENC) has utilized its agility and managerial expertise to navigate through the major crises of 2020, to find itself fully prepared for the post-COVID-19 New Norm and poised to once again flex its corporate muscle.

Modern communication technology has rendered the world ever more interconnected politically, economically and environmentally. The coronavirus pandemic brought the world to its knees in 2020 and the spillover effects still pose a great threat to the globe. The border controls implemented to stop transmission greatly reduced international and domestic travel flows whilst numerous cities were either once or repeatedly placed under lockdown or curfew. The world economy suffered massive turbulence and a lack in growth momentum with the world's top developed economies—the US, the EU and Japan—all registering declines in GDP. Since Joe Biden was sworn in as the US president, the new administration has been seeking to restore order at home and in the world by participating actively in international organizations, and attempting to preserve its strategic primacy in the Indo-Pacific region. The competition between the US and China has intensified, with battles fought on various fronts, including trade, technology, weapons and diplomacy, and nearly developed into a new cold war, creating enormous pressures on global supply chains. The UK Prime Minister Boris Johnson and the President of the European Commission, Ursula von der Leyen, finally signed an agreement, ending the UK's EU membership after 47 years and making Brexit official. Japan's longest-serving Prime Minister, Shinzo Abe, was succeeded by former Chief Cabinet Secretary, Yoshihide Suga, and the new cabinet's economic and fiscal policies are still taking shape. China's influence on the world continues to increase and the momentum for its economic growth is relatively stable, even though it is caught between souring relations with the US and the pandemic. The Fifth Plenary Session of the 19th Central Committee of the Communist Party of China was held in 2020 to formulate the "14th Five-Year Plan" and the "Long-Range Objectives Through the Year 2035", in which the idea of "dual circulation" was adopted as the core concept for future economic growth in China.

Even under the lurking threat of COVID-19, the launch of 5G has been instrumental in the creation of long-distance business opportunities. Substantial benefits have also been brought by trade diversion as a result of the US-China trade war and have maintained Taiwan's economic momentum. However, on the flip side, as an export-oriented economy, the country faces multiple challenges internally and externally, including exclusion from regional economic integration, reconfiguration of global supply chains, and the strong appreciation in the New Taiwan dollar.

Regional economic cooperation is a major trend in the development of world trade. The CPTPP came into force in 2018, and the RCEP was signed in 2020. This ongoing rapid integration of global trade and economies will shape the future of the corporate world. Moves made by central banks around the world, especially those by the new chair of the US Federal Reserve, remain a focus of attention. Meanwhile, governments are being put to the test as to whether they can still manage inflation effectively with easing monetary policies in place. In terms of power, the world's energy system is transforming rapidly, massive changes taking place in both demand and supply. Renewable energy is booming in combination with

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emerging trends for countries to implement carbon-reducing policies and seek green alternatives for power. Electric vehicle (EV) sales have taken off throughout the world. In the field of environmental protection, since the “Paris Agreement” was adopted at the United Nations Climate Summit, governments have taken concrete actions to respond to climate change and invested in green recovery plans to reduce carbon emissions. Carbon neutrality, energy transition and the circular economy are not merely international trends, but are also enterprises’ stepping stones to success in competition. Public health issues are attracting global attention. Vaccines are essential to crushing the pandemic worldwide and understandably determine the economic outlook in 2021. The cards have been reshuffled for a new game in the post COVID-19 period, and to win the game, enterprises must leverage megatrends, including 5G technology, AI, IoT, EVs, smart healthcare and renewable energy. A corporation needs to accelerate their process of transformation, capitalizing on the opportunities created by this crisis.

FENC has taken on formidable challenges and again demonstrated tenacity during trying times. The onset of COVID-19 has brought with it the toughest of tests for the management, and yet we have, once again, proven our agility during emergencies and adaptability to emerging trends as staunch guardians of the Company’s global brand image.

Operating Results

FENC operates across the three major businesses of Production, Property and Investments. In the Production Business, the Company differentiates itself from its peers through vertical integration, diversification of production sites, and continuous green transformation. In the Property Business, it has attracted relocation of major international companies with highly-acclaimed land developments and launched various projects with huge income potential. The Investments Business has been generating stable income by monitoring current societal trends and drawing on the Group’s synergy. Despite the havoc wrought by the COVID-19 pandemic, each business segment has proactively caught diverse business opportunities. The operating profit from the Polyester Business reached a record high of NT\$ 4.07 billion and the revaluation gain on Investment Properties reached NT\$ 2.2 billion. In 2020, the consolidated revenue reached NT\$ 206.77 billion and net income NT\$ 12.98 billion. The net income attributable to shareholders of the Company is NT\$ 8.06 billion, translating into a basic EPS of NT\$ 1.62 based on the IFRS rule. The 23rd term Board of Directors in the 12th meeting proposed a cash dividend of NT\$ 1.35 per share, also a record high cash dividend payout ratio in recent years.

Production Business: Operate Flexibly with Global Deployment, Create Synergy with Vertical Integration, Sustain Business with Innovation

1. Establishing a solid business presence in the world

By closely monitoring global economic developments the Company has built a robust business worldwide. It has prudently established bases in diverse locations including Taiwan, China, Vietnam, the United States, Japan and Southeast Asia. As regional trade agreements continue to spur the location of supply chains, such a diverse deployment gives the Company immense flexibility to make timely adjustments and strategic investments allowing for rapid delivery of its products. It regulates the pace of development in sync with market dynamics to mitigate risks in economic cycles and strengthen its competitive position in the global market. The expansion of product bases has been aligned with green transformation and FENC will continue to establish a solid presence by deploying strategic investments around the world.

2. Maintaining world-class leadership

The Company operates businesses across various industries. It is the leading global polyester supplier, the world's second largest provider of recycled PET (R-PET), the third largest in PET resin and Asia's leader in polyester sheets. It is also the world's third largest producer of nonwoven fiber, number one in hygiene fibers, recycled filament and ocean polyester and Asia-Pacific's largest producer of Nylon 6,6 filament. Additionally, it is the world's largest supplier of medical-grade PE/PP and PE/PET composite fibers.

3. Delivering synergy with a streamlined system

The Company aims to maintain its leadership in the polyester and textile industry. It has been able to maintain an edge over competitors with a vertically integrated network of production and sales. The streamlined system features seamless cooperation from raw material procurement through production and sales to maximize the benefits of vertical integration. Upstream, petrochemical feedstock is pivotal to vertically-integrated production and FENC is thus afforded unrivaled advantages in operation, with their synergy between a consistent supply of high quality feedstock and horizontal support in different production sites. Midstream, the Company is the global leader in polyester production and has committed itself to R&D in innovative materials and fibers and the expansion of green industries. Downstream, its textile operations have engaged in product transformation, diversification of production sites and optimal balance of their customer portfolio. Harnessing its R&D capabilities in new materials, FENC is able to provide customers with rapid and innovative services and has become a strategic partner of many world-class brands.

4. Capturing new markets with green ambition

The Company has operated in the recycling industry for 30 plus years with production sites in Taiwan, China, Japan and the United States, and continues to expand its capacity in Southeast Asia and the Americas. Based on the circular economy and its green products, such as exclusively developed ocean-recycled yarn and eco-friendly elastic polyester fiber TOPGREEN®, have earned international acclaim as they have been chosen by global sportswear brands as raw materials to promote environmental sustainability. FENC is in the world's top 2 for recycled polyester and is the leader in food-grade R-PET resin in terms of capacity. In 2020, the Company developed TopGreen® ChemCycle—the latest recycling technology to chemically convert polyester waste into rPTA and was thus awarded the highest honor Two Star by the Environmental Protection Agency of the Executive Yuan in the “2020 Awards for Excellent Enterprises of Circular Economy.” TopGreen® ChemCycle has been adopted by the largest beverage maker in Japan, Coca-Cola Bottlers Japan Inc., and will also be used to produce a wide array of brand-name products, speeding the growth of the recycled polyester industry. In 2020, FENC became the first in Taiwan to issue sustainability bonds and also the first to issue sustainability-linked loan & commercial paper in Asia. The Company intends to implement strategies of sustainable development by making green investments. The secured funds are linked to its pursuit of sustainable development goals and earmarked for specific projects, which forms a closed-loop from the source to the end use of funds and thus makes FENC an innovative role model for sustainability financing in Taiwan and also creates favorable outcomes for the government, enterprises, and investors.

5. Proactively fighting COVID-19

Since the outbreak of the COVID-19 pandemic, the Company has responded proactively. Internally,

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measures were swiftly adopted and policies were carefully formulated to prevent transmission. Employees were requested to work remotely, teams divided up to work in separate locations. An information platform incorporated a system of employee health self-declaration has been set up. Employees are provided with facemasks to ensure their own health and safety and mitigate the threat of the pandemic on business operations. Externally, the Company has supplied professional medical products essential to the prevention and control of the pandemic, and has fully cooperated with the government's production allocation scheme to ensure a stable supply of epidemic prevention materials.

6. Growing the business with commitment to Environmental, Social and Corporate Governance (ESG)

FENC demonstrates its commitment to sustainability by continuously investing in innovation and technology to optimize its ESG performance. In order to maintain sustainability, the Company set up a "Sustainability Committee" with the ambition of becoming a global leader in sustainability practices. FENC has earned numerous accolades for its outstanding performances from prestigious organizations around the world, such as the World's Best Practice Award in the 2020 Global Corporate Sustainability Awards (GCSA) and five titles in Taiwan Corporate Sustainability Awards (TCSA), including Taiwan's Top 10 Model Enterprises for Sustainability, Best Report of the Year, English Report Gold Awards, Circular Economy Leadership Awards, and People Development Awards. The Company, with its "Promote Circular Economy to Pursuing Sustainable Growth Project", also won the Grand Prize in the category of Outstanding Project for Environmental Friendliness and Excellent Award in the Category of Manufacturing Industry" in the 16th CSR Annual Survey of Global Views Monthly. It has been ranked consistently in the top 5% of the listed companies in the Corporate Governance Evaluation conducted by Taiwan Stock Exchange. In addition, it is included in multiple international sustainability indices, such as the MSCI ESG Leaders Indexes, FTSE4Good Emerging Index and Taiwan Sustainability Index. Moreover, FENC has attained the Leadership Level in CDP Questionnaires of Water Security, Supplier Engagement Rating and Management Level in CDP Questionnaires of Climate Change.

Property Business: Developing Properties to Unlock Asset Potential

The Company has abundant land assets, owning a total land area of 570,000 pings (1,884,306 m²) in Taiwan, including Taipei Far Eastern Plaza and other lots with tremendous development potential scattered in the districts of Banqiao, Wugu Taishan across New Taipei City. To actualize and increase the return on land resources, Far Eastern Resources Development Corporation was set up and put in charge of land development, rental and sale. Taipei Far Eastern Telecom Park (Tpark) covers an area of 74,000 pings (244,629m²) in Banqiao and is positioned as a hub for 5G and AI-related industries that aims to accommodate iconic development projects. It is currently in the third stage of development. By the end of 2020, Google had settled well into its newly-completed office campus—TPKD, an architectural design that blends environmental sustainability with technological innovation, which will bring prosperity to local communities and advance economic development. This will also ensure the Company maintains a stable rental income stream. In addition, several other development projects are under construction and planned to completion in the next one to three years, including another R&D building—TPKE, Zone B and Zone C of residential complexes constructed by Far Eastern Construction. They are expected to create clustering effects and enhance the overall asset value of Tpark. Another development project for FENC's old textile plant in Neili will begin soon. Building plans include the Far Eastern International Convention Center, a smart hospital, residential & commercial districts and parks, and have great potential in creating benefits.

Investment Business: A Broad Investment Portfolio to Ensure Income Growth

FENC has built a diversified investment portfolio that ranges from telecommunications, cement production, land and sea transport, department store retail chains, financial and banking services to construction. It enables the Company to not only tap into the growth in the domestic market but also reinforce its presence in the international market. Each subsidiary operates with sound management and continues to engage in transformation and upgrading. Together as a whole, they deliver maximum synergy embodying the principle of “sharing resources in pursuit of prosperity for all” and contribute considerable income to FENC. The telecommunications business is the primary focus of the Company’s investment business. Far EasTone Telecom (FET) has three strategies in the new era of 5G—New Economy, 5G Applications and Diversified Partnership. Operating with an innovative business model by joining forces across the various sectors of finance, retail, entertainment, etc., it plans to construct an all-in-one mobile life circle and thereby accelerate comprehensive adoption of 5G services. In response to the change in consumer behavior induced by the pandemic, Far Eastern Department Stores (FEDS) has reintegrated online and offline resources and keeps precise track of consumer trends with its smartphone app, which enables an upgrade from digital to AI operation. The soon-to-open New Century Shopping Mall in Zhubei promises to impress visitors with brand-new distinctive features. Asia Cement (ACC) has an annual capacity of 5 million tons in Taiwan and 35 million tons in China, and this, combined with its investment in Sanshui Cement ranks it among the world’s top cement producers. FENC will continue to innovate its management of the investment portfolio and advance the subsidiaries to an even higher level of success so as to create consistent and increasing returns on investments for shareholders.

Business Goals and Prospects

The Company is poised to leverage emerging trends in the new normal and write a new chapter of prosperity in the post-COVID-19 era. It continues to stride towards the goal of sustainable development with innovative thinking, superior know-how and excellent management.

A. Pursuing Substantial Growth by Focusing on New Fibers

(1) Increasing market share in hygiene and healthcare supplies

FENC is a world-class supplier of fibers for hygiene and healthcare applications. A pandemic-induced structural reform has been undertaken, shifting the Company towards innovation of epidemic prevention materials and increasing the proportion of hygiene and healthcare supplies in production. Cutting-edge manufacturing technology is widely applied to the production of healthcare supplies, including upstream essential materials for hospital-grade face masks, hospital-grade protective clothing, face shields, goggles and blood collection tubes, etc., to safeguard the health of frontline healthcare professionals. This strategic move has also brought in a considerable revenue. In addition, ultra-fine denier fiber has been developed for diapers and sanitary napkins to provide extreme comfort for users. FENC is currently the world’s number one supplier of non-woven staple fiber for hygiene applications.

(2) Penetrating the high-end market for vehicle materials

The global market for electric vehicles has taken off. As a result, the industry of high value-added vehicle materials has tremendous potential for growth. To capture the opportunities, Oriental Industries (Suzhou) supplies high value-added nylon 6,6 industrial yarn for production of safety airbags, tire cords and seatbelts, making the Company a leader in this niche market.

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(3) Raising visibility on the world stage with top-of-the-line design of athletic apparel

FENC upholds its commitment to innovation in product development, increasing the proportion of high value-added products of exclusive design. In partnership with Adidas for the 2022 World Cup, FENC is expected to once again shine on the world stage by supplying TopGreen Ocean and the latest TopCool Petal filaments for the football strips of five national teams.

B. Expanding Continuously to Reinforce Global Presence

The Company is keen on branching out globally to strategic locations so as to overcome the challenges and make real the opportunities presented by economic integration in different regions around the world. Its global deployment allows greater flexibility in business operation and immediate responsiveness to the needs of major accounts and is also conducive to sales growth for all. Looking forward, Phase II expansion in Vietnam is underway, including the Dyeing & Finishing Plant Phase II, the Polyester Filament, the Staple Fiber Plant and the third Apparel Plant. New production lines are being established at Corpus Christi Polymers in Texas to increase the PTA and PET capacity. The Company's joint venture with Yihua Petrochemical on PTA production in Yangzhou, China and the 400,000-ton PET expansion project was planned to be launched when appropriate. Its recycling facilities in Japan have also been expanded to enhance FENC's stature in the country's circular economy. The Company will continue to establish footholds in a variety of different locations worldwide to avoid reliance on any particular market and mitigate vulnerability to disruptive economic shocks.

C. Promoting Industrial Upgrading by Undertaking Digital Transformation

To accomplish digital transformation, FENC has taken the lead in the industry by being the first in acquiring multiple smart equipment and manufacturing processes and constructing smart supply chains for manufacturing. With the aid of data exchange, cloud computing and automation technology, the Company has managed to craft advanced manufacturing processes and build smart factories. It has also set up an intelligent management system and organized training to enhance employee capacity for digital operations. Real-time Power BI dashboards have been used to speed up decision-making. AI has been infused into the development of the Company's various management systems, including active energy management, real-time online quality prediction, and big-data sharing platform for apparel, dyeing and finishing. As the Company incorporates Industry 4.0 into its operations, automation technologies and AI have made their way into production, warehousing and distribution. The new mode of manufacturing is expected to further increase operational efficiency. At this critical juncture for digital transformation of leading enterprises around the world, we will continue to support the implementation of AI projects with considerable funds earmarked to ensure a promising future.

D. Capturing Green Business Opportunities

FENC has been committed to developing technology to realize business opportunities in the circular economy. By broadening the scope of green product applications, the Company aspires to serve as a total solution for brand customers. It has rolled out several signature projects to promote the concept of circular economy, including Bottle-to-Bottle recycled PET, Bottle-to-Fiber recycled polyester filaments and Bottle-to-Other Packaging recycled packaging solutions. FENC intends to partner with global brand companies in the establishment of green supply chains. A case in point is the partnership with 7-ELEVEN Japan and Coca-Cola on a bottle recycling program in pursuit of a common vision—World Without Waste initiated by Coca-Cola. Having the largest R-PET plant in Japan, the Company planned to construct the

third production line next year. Meanwhile, it is also aggressively expanding its R-PET capacity worldwide with new facilities planned in the United States, Vietnam and the Philippines.

E. Maintaining Competitiveness with Innovation in Management

The management team coordinate the company's business activities around the world with agility and efficiency. As a multinational enterprise, it has established a highly-efficient mechanism for risk management and control to cope with unexpected global crises and mitigate risks in a timely manner with a holistic approach and thus safeguard the security and stability of its business operations. It has also introduced a smart mobile system that manages projects with AI across organizational functions, such as finance and accounting, human resources, documentation, sales and payment, etc. It has a globalized HR education and training system that prepares future business leaders for their upcoming responsibilities. It has sound financial policies in place that oversee investment and asset management. FENC remains committed to environmental sustainability, corporate governance and high energy efficiency and continuously improve its management practices to maintain its competitiveness in the corporate world.

F. Focusing R&D Effort on Empowering Possibilities

Far Eastern Group R&D Center is a well-equipped research organization. In addition, to harness the latest R&D progress in the industry, the Company acquired an R&D center in Ohio, US. An international R&D taskforce has been formed to consolidate resources and expertise across the Pacific Ocean and entrusted with bringing revolutionary products to market. The R&D Center focuses on polyester, environmental protection, energy conservation, and reduction in carbon emissions. It has long engaged in the development of green, eco-friendly PET-based materials, high-end advanced materials, functional fibers/fabrics, and R-PET applications and technologies. In the short term, it works closely with business units to roll out upgraded products. In the mid and long-term, it intends to consolidate the Group's R&D resources and core competencies, focusing on the fields of new green materials and applications, bio-based products, and high-end fibers. It will keep up the drive for innovation by locking in on supplying new materials and fibers to promising industries of the future.

G. Setting an Example for the Corporate World by Doing Good for Society

As it pursues growth in business, FENC also spares no effort in contributing to social stability and public well-being. The Company gives back to society by engaging in businesses of public interest, endeavoring to advance people's welfare and enhance the competitiveness of the local communities where FENC operates with its core competencies and capital investment. FENC has demonstrated a 50-year commitment to the advancement of public welfare, having established three educational institutes, two hospitals and four foundations that sponsor a variety of charitable causes across fields such as education, healthcare, culture and technology. At the forefront of healthcare, the Far Eastern Memorial Hospital (FEMH) remains devoted to patient-centered care throughout nearly four decades of medical practice, and seeks to further enhance it with the introduction of AI. In the field of education, Yuan Ze University, as a comprehensive university that offers multidisciplinary programs, planned further broaden its scope of education offerings by establishing a college of medicine and nursing in cooperation with FEMH. The Graduate Institute of Medicine has been approved by the Ministry of Education and plans to begin its enrollment of the brightest minds in the medical field in 2021. To encourage innovation, the Y. Z. Hsu Science and Technology Memorial Foundation presents awards to acknowledge outstanding achievements in various fields, including nanotechnology, ICT, optoelectronics, biotechnology &

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pharmacology, green technology, and artificial intelligence. In addition to supporting intellectual development to upgrade industrial performance, FENC also seeks to promote public health and fitness in local communities and exert a positive influence on people's physical well-being by hosting an annual FENC Classic Marathon. This sports event is now entering its twelfth year. Furthermore, the Company works persistently on CSR and ESG to contribute to a brighter future for society and the world as a whole.

As the world settles into a new normal in the post-COVID-19 era, FENC will counter emerging challenges with an innovative mindset, fearless in the face of rapid and capricious shifts, whether they are changes in the political, economic, or mother nature. Moving forward, the Company still firmly adheres to its overarching principles of sincerity, diligence, thrift, prudence and innovation. We will reimagine how to construct a business model that enables the Company, the environment and society to all thrive. We will repurpose business management to maximize value for all the stakeholders—employees, shareholders and society alike. We will reinvent the business prospects, navigating the reconfigured business landscape with green innovation, while remaining agile. In the post-pandemic era FENC will open another new chapter of prosperity after seven decades of success, breaking through with action and triumphing over the new norm.

Chairman
Douglas Tong Hsu

徐旭東



II. Company Profile

1. Date of Incorporation

13 January 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 Yungsui 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

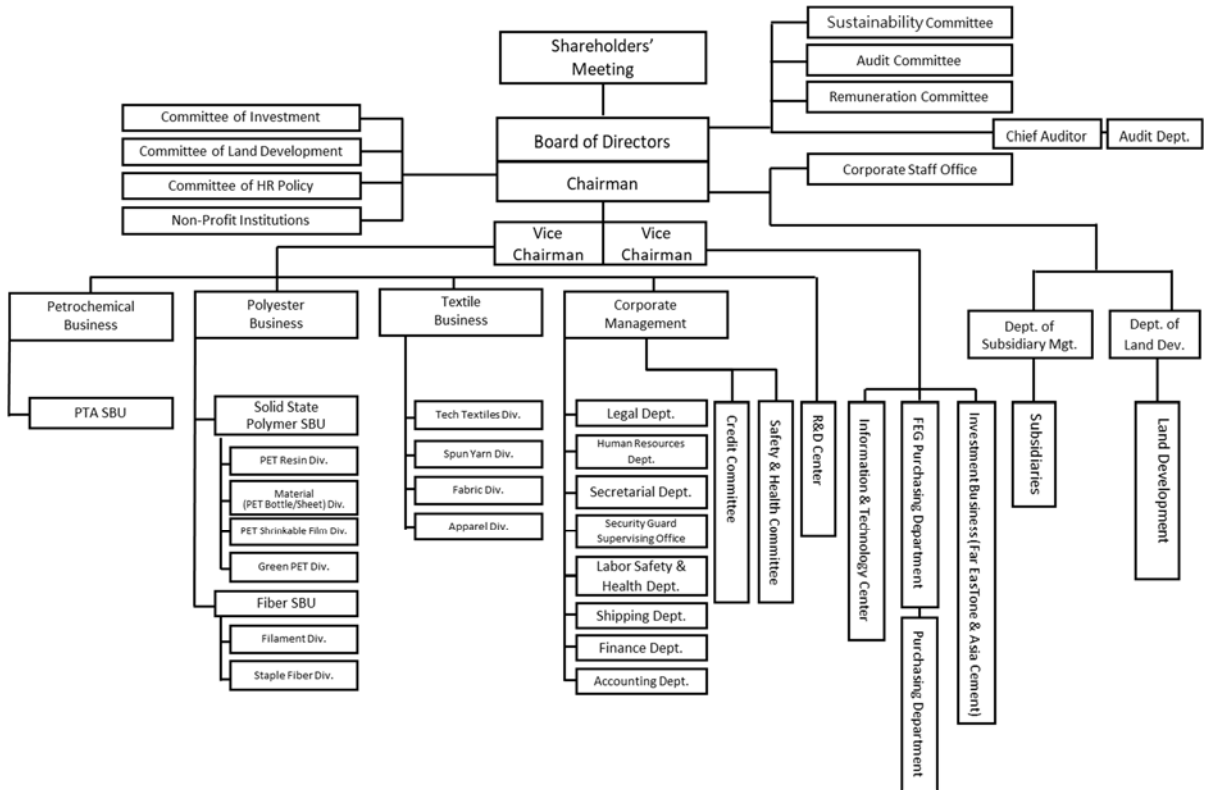
- 2000** • Mr. Y. Z. Hsu, Far Eastern Group founder, passed away at the age of 90 in December and left behind the most valuable and cherished founding spirit of "Sincerity, Diligence, Thrift, and Diligence" as the Company's motto.
- 2001** • In March, FETL-invested NCIC launched its voice and data services 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 EasTone 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, 1st 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 "10th 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 12th 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 13th “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 13th 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 14th 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 15th 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 16th Annual Corporate Social Responsibility Award by Global Views Magazine.
 - In December, FENC issued the first non-financial & non-state-owned sustainability bond and listed on the Taipei Exchange.
- 2021**
 - In April, FENC was in the top 5% of the listed companies in the seventh “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 17th Annual Corporate Social Responsibility 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: 1 May 2021

Title	Nationality or Record of Birth	Name	Gender	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae △ 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	29 Jun 2018	3	23 Dec 1967	91,748,698	1.71	91,748,698	1.71	-	-	National Chiao Tung University, Taiwan, Honor Ph.D in Management University of Notre Dame, USA, MA Columbia University, USA △ 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 EastTone(FET), and Vice Chairman of Far Eastern International Bank (FEIB)	Vice Chairman Vice Chairman Director Director Director	Johnny Hsi Peter Hsu Raymond Hsu Tonia Katherine Hsu Alice Hsu	Brother-in-law Brother Brother Daughter Sister
Vice Chairman	R.O.C	Johnny Hsi Representative of Asia Cement Corporation	Male	29 Jun 2018	3	9 Feb 1979	1,272,277,085 *1,672,207	23.77 0.03	1,272,277,085 *1,672,207	23.77 0.03	17,544,122	0.33	Columbia University, USA, Master in Computer Science △ Chairman of Everest Textile, Vice Chairman of OUCC, Director of ACC and CTCI Corporation	Chairman Vice Chairman Director Director	Douglas Tong Hsu Peter Hsu Raymond Hsu Alice Hsu	Brother-in-law Brother-in-law Brother-in-law Sister-in-law
	R.O.C	Peter Hsu Representative of Asia Cement Corporation	Male	29 Jun 2018	3	14 Apr 1976	1,272,277,085 *48,269,210	23.77 0.90	1,272,277,085 *48,269,210	23.77 0.90	-	-	Stanford University, USA, Master in Operation Research △ Managing Director of FET, Director of ACC and U-Ming	Chairman Vice Chairman Director Director	Douglas Tong Hsu Johnny Hsi Raymond Hsu Alice Hsu	Brother Brother-in-law Brother Sister
Director	R.O.C	Raymond Hsu Representative of Asia Cement Corporation	Male	29 Jun 2018	3	14 Apr 1976	1,272,277,085 *33,967,959	23.77 0.63	1,272,277,085 *33,967,959	23.77 0.63	-	-	Australian Mining and Metallurgy College, Australia △ Chief auditor of FENC	Chairman Vice Chairman Vice Chairman Director	Douglas Tong Hsu Johnny Hsi Peter Hsu Alice Hsu	Brother Brother-in-law Brother Sister
	R.O.C	Shaw Y. Wang Representative of Asia Cement Corporation	Male	29 Jun 2018	3	10 May 1985	1,272,277,085 *395,366	23.77 0.01	1,272,277,085 *395,366	23.77 0.01	-	-	National Chung Hsing University, Taiwan, Business Administration Department National Taiwan University, Taiwan, the Executive Program in Business Administration △ Executive Director of Group Foundation, Executive Director of FEIB	-	-	-
	R.O.C	Richard Yang Representative of Far Eastern Department Stores Ltd.	Male	29 Jun 2018	3	13 Jun 2006	19,964,370 *1,379,348	0.37 0.03	19,964,370 *1,379,348	0.37 0.03	-	-	American Graduate School of International Management, USA △ Managing Director of Surfview Capital Ltd.	-	-	-
	U.S.A	Tonia Katherine Hsu Representative of Far Eastern Department Stores Ltd.	Female	29 Jun 2018	3	13 Jun 2006	19,964,370 *-	0.37 -	19,964,370 *-	0.37 -	-	-	Sarah Lawrence College, USA △ -	Chairman	Douglas Tong Hsu	Father
	R.O.C	Kwan-Tao Li Representative of U-Ming Marine Transport Corp.	Male	29 Jun 2018	3	13 Jun 2006	31,181,470 *-	0.58 -	31,181,470 *-	0.58 -	-	-	Kellogg-HKUST, MBA △ Chief Senior Counselor, Lee and Li, Attorney-at-law, Director of ACC	-	-	-

Title	Nationality or Record of Birth	Name	Gender	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae △ 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	Alice Hsu Representative of U-Ming Marine Transport Corp.	Female	29 Jun 2018	3	20 Apr 1988	31,181,470 *24,072,710	0.58 0.45	31,181,470 *24,072,710	0.58 0.45	-	-	Sheridan College, Retail Management △ -	Chairman Vice Chairman Vice Chairman Director	Douglas Tong Hsu Johnny Hsi Peter Hsu Raymond Hsu	Brother Brother-in-Law Brother Brother
	R.O.C	Champion Lee Representative of Yue Ding Industries Co., Ltd.	Male	29 Jun 2018	3	20 Apr 1988	20,963,781 *618,060	0.39 0.01	33,617,781 *618,060	0.63 0.01	-	-	Texas A&I University, USA, Master in Business Administration △ Director of ACC, FET & U-Ming	-	-	-
Independent Director	R.O.C	Bing Shen	Male	29 Jun 2018	3	28 Jun 2012	-	-	-	-	-	-	Harvard University, USA, Master in Business Administration △ Independent Director of FEIB and Elite Material Co. Ltd.	-	-	-
	R.O.C	Johnsee Lee	Male	29 Jun 2018	3	28 Jun 2012	-	-	-	-	-	-	Illinois Institute of Technology, USA, Ph.D. in Chemical Engineering △ 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	28 Jun 2019	3	28 Jun 2019	-	-	-	-	-	-	Fu Jen Catholic University, Taiwan, Honor Ph.D. in School of Law University of Hawaii, USA, Master, Department of American Studies Ambassador Extraordinary and Plenipotentiary, Embassy of the R.O.C.(Taiwan) to the Holy See △ -	-	-	-

* 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: 1 May 2021

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders (%)
Asia Cement Corporation	Far Eastern New Century Corp. (22.33); Far Eastern Medical Foundation (5.40); China Life Insurance Co., Ltd. (2.09); New Labor Pension Fund (1.70); Yuanta Taiwan Dividend Plus ETF account in the custody of Cathay United Bank (1.70); Labor Pension Fund Committee of Far Eastern New Century Corp. (1.59); Yuan Ding Investment Co., Ltd. (1.57); Far Eastern Department Stores Ltd. (1.49); Chunghwa Post Co., Ltd.(1.46); Yuan Ze University (1.41)
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. (5.48); Jaryuan Investment Co., Ltd. (5.31); 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); Cathay Life Insurance Co., Ltd. (3.88); Management Board of the Public Service Pension Fund (1.10); Yuan Ding Investment Co., Ltd. (1.05); Yu Yuan Investment Co., Ltd. (0.94); Asia Investment Co., Ltd. (0.92); Allianz Global Investors Taiwan Fund in the custody of Mega International Commercial Bank(0.92); Ya Li Transportation Corporation (0.75); Vanguard Emerging Markets Stock Index Fund account in the custody of J.P. Morgan Taipei Branch (0.71); Advanced Stars Advanced Aggregate International Equity Index in the custody of J.P. Morgan Taipei Branch (0.71)
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: 1 May 2021

Name of Juridical Persons	Major Shareholders of the Juridical Persons (%)
Far Eastern New Century Corp.	Please refer to page 64.
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 (47.30); KGI Securities Co., Ltd. (8.66); Videoland Inc. (2.42); Cathay Life Insurance Co., Ltd. (1.27); Lin-Lang Chan (1.24); Gung-Ming Song (0.72); ISHARES MSCI Taiwan ETF account in the custody of Standard Chartered Bank (Taiwan) Limited (0.66); Shi-Jin Chen (0.63); Norges Bank account in the custody of Citi Bank (0.60); Pei-Ru Huang (0.60)
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)
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications, R.O.C. (100%)
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)
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. (94.95); He Zhu Investment Co., Ltd. (5.05)
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)
Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co., Ltd. (100.00)
Asia Investment Co., Ltd.	Asia Cement Corp. (100.00)
Ya Li Transportation Corportion	Asia Cement Corporation (51.00); Yue Yuan Investment Co., Ltd. (48.39)
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 Corporation (83.89); Far-Eastern Construction Engineering Co., Ltd. (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 Directors

Name	Item	Meet One of the Following Professional Qualification Requirements, Together with at Least Five-Year Work Experience			Independence Criteria (Note 1)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Douglas Tong Hsu				V						V		V	V		V	V	None
Johnny Hsi				V						V		V	V		V		
Peter Hsu				V						V		V	V		V		
Raymond Hsu				V					V	V	V	V	V		V		
Shaw Y. Wang				V			V	V		V		V	V	V	V		
Richard Yang				V	V	V	V	V	V	V	V	V	V	V	V		
Tonia Katherine Hsu				V	V	V	V			V		V	V		V		
Kwan-Tao Li		V		V	V	V	V	V		V		V		V	V		
Alice Hsu				V	V	V			V	V	V	V	V		V		
Champion Lee				V	V		V	V		V		V	V	V	V		2
Bing Shen				V	V	V	V	V	V	V	V	V	V	V	V	V	
Johnsee Lee				V	V	V	V	V	V	V	V	V	V	V	V	V	2
Raymond R.M. Tai		V		V	V	V	V	V	V	V	V	V	V	V	V	V	None

Note : Please tick the corresponding boxes if Directors have been any of the following during the two years prior to being elected or during the term of office.

- (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 having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
 (11) Not been a person of any conditions defined in Article 30 of the Company Act.
 (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

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

Book closure date: 1 May 2021

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae ΔPositions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%		Title	Name	Relation
President Petrochemical Business	R.O.C	K.S. Wu	Male	1 Jul 11	1,380	0.00	10	0.00	Chinese Culture University, Taiwan, Chemical Department Δ Director of OUCC, Everest Textile & Oriental Petrochemical (Taiwan) Co., Ltd.(OPTC)	-	-	-
President Polyester Business	R.O.C	Y.H. Tseng	Male	1 Jul 11	151,177	0.00	0	0.00	Tung Hai University, Taiwan, Chemical Engineering Department Δ Director of Oriental Petrochemical (Shanghai) Corp.(OPSC). & Far Eastern Polytex (Vietnam) Ltd.	-	-	-
President Corporate Management	R.O.C	Humphrey Cheng	Male	1 Jul 11	0	0.00	0	0.00	National Taiwan University, Taiwan, International Business, EMBA Δ Director of OUCC & FEIB	-	-	-
Chief Operating Officer Polyester Business	R.O.C	Donald Fan	Male	1 Jul 12	5,791	0.00	0	0.00	Feng Chia University, Taiwan, Textile Engineering Department Δ Chairman of Wuhan Far Eastern New Material Ltd.; Director of Far Eastern Industries (Shanghai)	-	-	-
Chief Operating Officer Polyester Business	R.O.C	B.C. Chang	Male	9 Dec 19	453	0.00	0	0.00	Yuan Ze University, Taiwan, Master in Industry Engineering Δ Director of Far Eastern Fibertech Co. Ltd.(FEFC)	-	-	-
Chief Operating Officer Textile Business	R.O.C	Judy Lee	Female	1 Mar 19	0	0.00	26	0.00	National Taiwan University, Taiwan, Department of Business Δ Director of Far Eastern Apparel (Suzhou) & Far Eastern Apparel (Vietnam) Ltd.	-	-	-
Chief Operating Officer Textile Business	R.O.C	M.J. Wu	Male	1 Jan 21	17,759	0.00	515	0.00	Feng Chia University, TW, Textile Engineering Department Δ Director of Oriental Industries (Suzhou) Ltd. & Far Eastern Industries (Suzhou) Ltd.	-	-	-
Chief Auditor Chairman Office	R.O.C	Raymond Hsu	Male	1 Mar 96	33,967,959	0.63	0	0.00	Australian Mining and Metallurgy College, Australia Δ Please refer to page 14.	-	-	-
Chief Auditor Group Auditing Department	R.O.C	Y.C. Yuan	Female	12 Aug 14	0	0.00	0	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration Δ -	-	-	-
Chief Auditor Group Auditing Department	R.O.C	Rebecca Huang	Female	1 Sep 20	6,149	0.00	0	0.00	National Cheng Chi University, TW, EMBA in Accounting Δ -	-	-	-
Chief Financial Officer Corporate Management	R.O.C	David Wang	Male	1 Jul 12	7,113	0.00	67	0.00	Mississippi State University, USA, MBA Δ Chairman of Yuan Tong Investment; Director of Kai Yuan International Investment	-	-	-
Executive Vice President Corporate Management	R.O.C	Alan Tsai	Male	1 Jul 12	0	0.00	0	0.00	National Chengchi University, Taiwan, Master in Operation Management & Master of Laws Program for Executives Δ Chairman of Ding Yuan International Investment Co., Ltd.; Director of Yuan Ding Investment Co., Ltd.	-	-	-
Executive Vice President Corporate Management	R.O.C	Emily Wu	Female	1 Jul 12	0	0.00	0	0.00	University of Texas at Arlington, USA, Master in Accounting Δ 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	20 May 19	0	0.00	0	0.00	The State University of New York, Stony Brook University, USA, PhD in Chemistry Δ Director of Oriental Resources Development Ltd. & Martens Beer (Shanghai) Ltd. & APG Polytech USA Holdings, Inc.	-	-	-
Senior Vice President Corporate Staff Office	R.O.C	Jackson Wu	Male	1 Oct 07	50,545	0.00	0	0.00	Chung Yuan Christian University, Taiwan, Master in Mechanical Engineering Δ Supervisor of Far Eastern General Contractor	-	-	-

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △ Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%		Title	Name	Relation
Senior Vice President Corporate Staff Office	R.O.C	Allen Sha	Male	1 Apr 15	1,166	0.00	0	0.00	Tamkang University, Taiwan, Master in Department of Banking and Finance △ Director of Yuan Tong Investment & Kai Yuan International Investment	-	-	-
Senior Vice President Corporate Staff Office	R.O.C	Y.L. Chen	Male	1 Apr 15	11,879	0.00	18,432	0.00	Tamkang University, Taiwan, Master in Business Administration △ -	-	-	-
Senior Vice President Corporate Staff Office	R.O.C	Y.S. Yang	Male	1 Apr 15	0	0.00	0	0.00	National Chiao Tung University, Taiwan, PhD in Business & Management △ Chairman of YDT Technology International Co., Ltd. & Director of Yuan Hsin Digital Payment Co., Ltd.	-	-	-
Vice Chief Auditor Audit Department	R.O.C	Mark Lu	Male	11 Jan 91	43,165	0.00	8,458	0.00	University of Georgia, USA, Master in Accounting △ Supervisor of Yuan Ding Investment	-	-	-
Vice Chief Auditor Group Auditing Department	R.O.C	Anita Huang	Female	1 Sep 20	10,000	0.00	0	0.00	Brock University, Canada, Department of Economics △ -	-	-	-
Vice Chief Auditor Group Auditing Department	R.O.C	Ariel Hsu	Female	1 Feb 21	0	0.00	0	0.00	Yuan Tzu University, TW, MBA △ -	-	-	-
Senior Vice President Accounting Department	R.O.C	Davis Dai	Male	1 Oct 15	0	0.00	0	0.00	Fu Jen Catholic University, Taiwan, Master in Accounting △ Supervisor of Far Eastern Apparel (Vietnam) Ltd.	-	-	-
Senior Vice President Accounting Department	R.O.C	Liang-Wei Hsu	Male	1 Dec 19	0	0.00	0	0.00	National Sun Yat-Sen University, Taiwan, EMBA △ -	-	-	-
Senior Vice President Finance Department	R.O.C	Jenny Ho	Female	1 Jul 15	913	0.00	0	0.00	University of Reading, UK, Master in International Securities, Investment and Banking △ Director of Far Eastern Apparel & Fu Kwok Knitting & Garment Co., Ltd.	-	-	-
Senior Vice President Finance Department	R.O.C	Carol Wang	Female	1 May 18	0	0.00	0	0.00	University of Illinois at Urbana Champaign, USA, Master in Finance △ Director of Far Eastern Apparel (Vietnam) Ltd.	-	-	-
Senior Vice President Finance Department	R.O.C	Yu-Sheng Lin	Male	21 May 18	0	0.00	0	0.00	Iowa State University, USA, MBA △ -	-	-	-
Senior Vice President Legal Department	R.O.C	Li-Chi Chen	Male	1 Oct 07	0	0.00	0	0.00	National Taiwan University, Taiwan, College of Law △ Director of Far Eastern Apparel; Supervisor of Arcoa Communication	-	-	-
Senior Vice President Human Resource Department	R.O.C	C.Y. Lin	Male	1 Jun 09	0	0.00	0	0.00	National Chengchi University, Taiwan, Master in Labor Research △ Chairman of Yuan Cheng Human Resource Consultant	-	-	-
Senior Vice President Learning & Development Center	R.O.C	William Hsu	Male	1 May 19	0	0.00	0	0.00	University of Leicester, UK, MBA △ -	-	-	-
Senior Vice President Shipping Department	R.O.C	Ching-Shan Hsieh	Female	14 May 18	113	0.00	0	0.00	Tunghai University, Taiwan, Department of Economics △ -	-	-	-
Senior Vice President R&D Center	R.O.C	Ken Chang	Male	1 Aug 12	0	0.00	0	0.00	National Tsing Hua University, Taiwan, PhD in Chemical Engineering △ -	-	-	-
Senior Vice President R&D Center	R.O.C	David Liu	Male	9 Sep 16	307	0.00	0	0.00	Yuan Tzu University, Taiwan, Master in Chemical Engineering △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	David Shih	Male	1 Nov 06	349	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, Industrial Management Department △ Director of OPTC	-	-	-
Senior Vice President Polyester Business	R.O.C	Arthur Lee	Male	15 Feb 07	5,964	0.00	0	0.00	Oklahoma City University, USA, MBA △ -	-	-	-

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △ Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%		Title	Name	Relation
Senior Vice President Polyester Business	R.O.C	C.T. Peng	Male	1 Aug 10	0	0.00	0	0.00	National Tsing Hua University, Taiwan, Master in Chemical Engineering △ Director of Oriental Green Materials Ltd.	-	-	-
Senior Vice President Polyester Business	R.O.C	C.T. Chen	Male	1 Nov 10	0	0.00	0	0.00	Yuan Ze University, Taiwan, Masters in Industrial Engineering △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	Eric Huang	Male	1 Jul 12	0	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, PhD in Chemical Engineering △ Director of FEFC & Oriental Industries (Suzhou)	-	-	-
Senior Vice President Polyester Business	R.O.C	J.K. Tsai	Male	1 Jul 12	37,187	0.00	11,257	0.00	National Open University, Taiwan, Sociology Department △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	Y.T. Chang	Male	1 Jul 13	0	0.00	0	0.00	Yuan Tzu University, TW, Master in Chemical Engineering △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	M.L. Tsai	Male	1 Sep 13	0	0.00	383	0.00	Feng Chia University, Taiwan, Master in Textile Engineering △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	Roder Chang	Male	1 Dec 14	1,555	0.00	6,000	0.00	Feng Chia University, Taiwan, Master in Textile Engineering Department △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	K.B. Louy	Male	15 Mar 16	35	0.00	0	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	Nico Peng	Male	1 Nov 17	0	0.00	0	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	H.T. Tyan	Male	6 Oct 20	1,149	0.00	0	0.00	Tamkang University, TW, Department of Management Administration △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	Teddy Chang	Male	6 Oct 20	454	0.00	11,224	0.00	National Cheng Kung University, TW, Chemical Engineering Department △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	Robert Wang	Male	6 Oct 20	0	0.00	0	0.00	National Taipei University of Technology, TW, Associate Degree of Textile Engineering △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	Norman Lin	Male	1 Jan 21	0	0.00	1,000	0.00	National Central University, TW, Department of Management Administration △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	S.Y. Lai	Male	1 May 21	1,040	0.00	0	0.00	Yuan Ze University, TW, MBA △ Director of Wuhan Far Eastern New Material Ltd. & Martens Beer (Shanghai) Ltd.	-	-	-
Senior Vice President Textile Business	R.O.C	Y.J. Lou	Male	1 Sep 16	0	0.00	62,434	0.00	Tatung University, Taiwan, Chemical Engineering Department △ Director of Worldwide Polychem (HK) Ltd. & Far Eastern Apparel	-	-	-
Senior Vice President Textile Business	R.O.C	Tony Liang	Male	1 Dec 20	0	0.00	133	0.00	Fu Jen Catholic University, TW, Department of English Language and Literature △ Director of Far Eastern Apparel (Vietnam) Ltd. & Far Eastern New Apparel (Vietnam) Ltd.	-	-	-
Senior Vice President Purchasing Department	R.O.C	Ryan Wu	Male	1 May 11	0	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, MBA △ -	-	-	-
Senior Vice President Purchasing Department	R.O.C	Hans Kuo	Male	1 Jul 18	0	0.00	0	0.00	Chinese Culture University, Taiwan, Department of Law △ -	-	-	-

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		
Chairman	Douglas Tong Hsu	0	0	0	0	139,098	139,098	1,200	5,575	1.74%	1.79%	30,970	120,810	0	0	2,493	0	2,493	0	2.15%	3.32%	114,943
Director	Asia Cement Corporation																					
	Far Eastern Department Stores Ltd.																					
	U-Ming Marine Transport Corp.																					
	Yue Ding Industries Co., Ltd.																					
Independent Director	Bing Shen	0	0	0	0	6,575	6,575	360	360	0.09%	0.09%	0	0	0	0	0	0	0	0.09%	0.09%	2,430	
	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 or a Remuneration 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 2020. Directors' remuneration and Employees' compensation, approved by the Board Meeting on March 24 2021, are the proposed figures to be resolved by the upcoming 2021 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, Raymond Hsu, Peter Hsu, Shaw Y. Wang; 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	-	-	-	-
NT\$2,000,000 ~ NT\$3,499,999	Bing Shen, Johnsee Lee, Raymond R.M. Tai	Bing Shen, Johnsee Lee, Raymond R.M. Tai	Bing Shen, Johnsee Lee, Raymond R.M. Tai	Johnsee Lee, Raymond R.M. Tai
NT\$3,500,000 ~ NT\$4,999,999	-	-	-	Bing Shen
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 Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li Representative of Yue Ding Industries Co., Ltd.: Champion Lee	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	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	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
NT\$15,000,000 ~ NT\$29,999,999	Douglas Tong Hsu Representative of Asia Cement Corporation: Johnny Hsi, Raymond Hsu, Peter Hsu, Shaw Y. Wang,	Douglas Tong Hsu Representative of Asia Cement Corporation: Johnny Hsi, Raymond Hsu, Peter Hsu, Shaw Y. Wang,	Representative of Asia Cement Corporation: Johnny Hsi, Raymond Hsu, Peter Hsu, Shaw Y. Wang,	-
NT\$30,000,000 ~ NT\$49,999,999	-	-	Douglas Tong Hsu	Representative of Asia Cement Corporation: Johnny Hsi, Raymond Hsu, Peter Hsu, Shaw Y. Wang,
NT\$50,000,000 ~ NT\$99,999,999	-	-	-	-
NT\$100,000,000 and over	-	-	-	Douglas Tong Hsu
Total	13	13	13	13

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			
President	K.S. Wu	42,954	53,438	16,088	16,088	58,294	58,294	4,062	0	8,284	0	1.51%	1.69%	6,306
	Y.H. Tseng													
	Humphrey Cheng													
Chief Operating Officer	Donald Fan													
	B.C. Chang													
	Judy Lee													
	M.J. Wu													
Chief Auditor	Raymond Hsu													
	Y.C. Yuan													
	Rebecca Huang													
Chief Financial Officer	David Wang													
	Alan Tsai													
Executive Vice President	Emily Wu													
	Fanny Liao													

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	K.S. Wu, Y.H. Tseng, Humphrey Cheng, Donald Fan, B.C. Chang, Judy Lee, M.J. Wu, Raymond Hsu, Y.C. Yuan, Rebecca Huang, David Wang, Alan Tsai, Emily Wu, Fanny Liao	K.S. Wu, Y.H. Tseng, Humphrey Cheng, Donald Fan, B.C. Chang, Judy Lee, M.J. Wu, Raymond Hsu, Y.C. Yuan, Rebecca Huang, David Wang, Alan Tsai, Emily Wu, Fanny Liao
NT\$10,000,000 ~ NT\$14,999,999	-	-
NT\$15,000,000 ~ NT\$29,999,999	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-
NT\$100,000,000 and over	-	-
Total	15	15

2.3.3 Compensation Paid to Managers

Unit: NT\$ thousands

Title	Name	Employee Compensation- in Cash	Ratio of Total Amount to Net Income (%)
President, Petrochemical Business	K.S. Wu	13,073	0.12%
President, Polyester Business	Y.H. Tseng		
President, Corporate Management	Humphrey Cheng		
Chief Operating Officer, Polyester Business	Donald Fan		
Chief Operating Officer, Polyester Business	B.C. Chang		
Chief Operating Officer, Textile Business	Judy Lee		
Chief Operating Officer, Textile Business	M.J. Wu		
Chief Auditor, Chairman Office	Raymond Hsu		
Chief Auditor, Group Auditing Department	Y.C. Yuan		
Chief Auditor, Group Auditing Department	Rebecca Huang		
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		
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, Audit Department	Mark Lu		
Vice Chief Auditor, Group Auditing Department	Anita 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, Finance Department	Jenny Ho		
Senior Vice President, Finance Department	Carol Wang		
Senior Vice President, Finance Department	Yu-Sheng Lin		
Senior Vice President, Legal Department	Li-Chi Chen		
Senior Vice President, Human Resource Department	C.Y. Lin		
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	Arthur Lee		
Senior Vice President, Polyester Business	C.T. Peng		
Senior Vice President, Polyester Business	C.T. Chen		
Senior Vice President, Polyester Business	Eric Huang		
Senior Vice President, Polyester Business	J.K. Tsai		
Senior Vice President, Polyester Business	Y.T. Chang		
Senior Vice President, Polyester Business	M.L. Tsai		
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	S.Y. Lai		
Senior Vice President, Textile Business	Y.J. Lou		
Senior Vice President, Textile Business	Tony Liang		
Senior Vice President, Purchasing Department	Ryan Wu		
Senior Vice President, Purchasing Department	Hans Kuo		

Note:

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

Capital Overview

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
2020	3.75%	5.10%
2019	3.46%	4.60%

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. 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.

3. Corporate Governance

3.1 Board of Directors

Total four meetings were convened by the Board of Directors in 2020. Attendance of each Director is as follows:

Title	Name		Attendance in Person	By Proxy	Attendance Rate (%)	Remarks	
Chairman	Douglas Tong Hsu		4	0	100	-	
Director	Asia Cement Corp.	Johnny Hsi	3	1	75		
		Peter Hsu	4	0	100		
		Raymond Hsu	0	4	0		
		Shaw Y. Wang	4	0	100		
	Far Eastern Department Stores Ltd.	Richard Yang	4	0	100		
		Tonia Katherine Hsu	4	0	100		
	U-Ming Marine Transport Corp.	Kwan-Tao Li	4	0	100		
		Alice Hsu	3	0	75		
	Yue Ding Industries Co., Ltd.	Champion Lee	4	0	100		
	Independent Directors	Bing Shen	4	0	100		
		Johnsee Lee	4	0	100		
		Raymond R.M. Tai	4	0	100		
	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 55 to 56 "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	1 Jan 2020 ~ 31 Dec 2020	The Board of Directors	The Board's internal assessment: "Self-evaluation questionnaire for the Board's performance"	1. Involvement of the Company's operation 2. Improvement the Board's decision making 3. Composition and structure of the Board 4. Election and continuing education for the Directors 5. Internal control
		The Board members	The Board members' internal assessment: "Self-evaluation questionnaire for the Board members' review"	1. Familiarity of the goals and missions of the Company 2. Awareness of the Directors' duties 3. Involvement of the Company's operation 4. Management of internal relationship and communication 5. Professionalism and continuing education of the Directors 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 operation 2. Awareness of the functional committees' duties 3. Improvement of the functional committees' decision making 4. Composition of the functional committee and the election of the members 5. Internal control

- (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 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 in 2020 until 15 May 2021:

	2020/3/24	2020/5/12	2020/8/11	2020/11/12	2021/3/24	2021/5/13
Bing Shen	✓	✓	✓	✓	✓	✓
Johnsee Lee	✓	✓	✓	✓	✓	✓
Raymond R.M. Tao	✓	✓	✓	✓	✓	✓

Note: ✓: Attendance in person

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3.2 Audit Committee:

Total four meetings were convened by the Audit Committee in 2020. Attendance of each Independent Director is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Bing Shen	4	0	100	-
Committee member	Johnsee Lee	4	0	100	
Committee member	Raymond R.M. Tai	4	0	100	

The Committee shall compose of the entire independent directors and shall hold a regular meeting at least once a quarter. The powers 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 2020 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 22 March, 2021 and the Board of Directors on 24 March, 2021. 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 (Term)	Resolutions	Circumstances described in Article 14-5 of the Securities and Exchange Act	The Company's response to Audit Committee's opinions
2020.03.24 (7 th Meeting of the 2 nd Term)	1. Circumstances for acquisition and disposition of assets during Oct. 2019 to Feb. 2020	√	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 14 Feb. 2020	√	
	3. 2019 financial reports (including consolidated & stand-alone) and the hiring of CPA	√	
	4. The proposal for distribution of 2019 profits	√	
	5. Approved amending the accounting policies, "Internal Control System", and "Internal Audit Implementation Rules" of the Company	√	
	6. Approved the release of the Chief Accounting Officer from the non-competition restrictions		
	7. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	√	
	8. 4Q2019 internal audit report	√	
	9. The results of the voluntary reviews of the internal control systems in 2019, which was presented by supervisory committee including the list of executive team members	√	

Meeting Date (Term)	Resolutions	Circumstances described in Article 14-5 of the Securities and Exchange Act	The Company's response to Audit Committee's opinions
2020.05.12 (8 th Meeting of the 2 nd Term)	1. 1Q2020 consolidated financial report		
	2. Circumstances for acquisition and disposition of assets in Mar. 2020	√	
	3. Transactions for FX hedging until 15 Apr. 2020	√	
	4. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	√	
	5. Approved 2019 business report	√	
	6. 1Q2020 internal audit report	√	
2020.08.11 (9 th Meeting of the 2 nd Term)	1. 1H2020 consolidated financial report		
	2. Circumstances for acquisition and disposition of assets during Apr. 2020 to Jun. 2020	√	
	3. Transactions for FX hedging until 15 Jul. 2020	√	
	4. Approved the investment of FE New Century Industry (Singapore) PTE LTD via the Company's subsidiary, FE Oriental Investment Holding (Singapore) PTE LTD	√	
	5. Approved the Company's indirect investment in China	√	
	6. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	√	
	7. 2Q2020 internal audit report	√	
2020.11.12 (10 th Meeting of the 2 nd Term)	1. 1-3Q 2020 consolidated financial report		
	2. Circumstances for acquisition and disposition of assets from Jul. 2020 to Sep. 2020	√	
	3. Transactions for FX hedging until 19 Oct. 2020	√	
	4. Approved the change of auditing CPA (Certified Public Accountant) from Deloitte & Touche	√	
	5. Approved the Company bylaw of "Risk Management Policies"	√	
	6. Approved short-term financing loans extended to Far Eastern Resources Development Co., Ltd. and Oriental Green Materials Ltd.	√	
	7. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	√	
	8. 3Q2020 internal audit report	√	
	9. Approved amending the internal audit implementation rules of the Company	√	
	10. Approved the 2020 Audit Plan review and the 2021 Audit Plan	√	

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

(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;

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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
2020.03.24 (7 th Meeting of the 2 nd Term)	<ul style="list-style-type: none"> • 4Q2019 internal audit report • The results of the voluntary reviews of the internal control systems in 2019, which was presented by supervisory committee including the list of executive team members 	<ul style="list-style-type: none"> • 2019 financial reports (including key audit matters) • 2019 internal control review reports
2020.05.12 (8 th Meeting of the 2 nd Term)	<ul style="list-style-type: none"> • 1Q2020 internal audit report 	<ul style="list-style-type: none"> • 1Q2020 consolidated financial report
2020.08.11 (9 th Meeting of the 2 nd Term)	<ul style="list-style-type: none"> • 2Q2020 internal audit report 	<ul style="list-style-type: none"> • 1H2020 consolidated financial report • The impact of COVID-19 pandemic on the Company's operations and finance
2020.11.12 (10 th Meeting of the 2 nd Term)	<ul style="list-style-type: none"> • 3Q2020 internal audit report • Reviewed 2020 audit result and proposed 2021 audit plan 	<ul style="list-style-type: none"> • The change of auditing CPA (Certified Public Accountant) from Deloitte & Touche • 1-3Q2020 consolidated financial report • Communicating key audit matters in the 2020 independent auditors' report

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	
(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”?	V		The Company has formulated “Corporate Governance Principles” and disclosed them through the company website and the Market Observatory Post System (MOPS).	None
(2) Shareholding Structure & Shareholders’ Rights 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”.	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" & reasons
	Yes	No	Summary	
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.	None
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: A. New managers be given a copy of the "Procedures for Handling Material Inside Information" when they sign the declaration statement. 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. C. The Company advocates the "Procedures for Handling Material Inside Information" to managers and employees when they sign the confidentiality agreement during initial hiring.	
(3) Composition and Responsibilities of the Board of Directors a. Have members of the Board of Directors formulated diverse policies and implemented them accordingly?			The Company has adopted the Board of Directors member nomination and selection system which complies with the "Election Procedures of Director" and the "Corporate Governance Principles", and annually conduct performance assessment to ensure that competency, diversity and independent stakeholder opinions have been taken into consideration.	

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Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
	V		The 23 rd 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 ①the succession plans for Directors, ② increase the portion of female Directors (currently two, evaluation for increasing female seats) or Independent Directors (currently three, evaluation for increasing the fourth). ③ the policy to reduce the portion of long-tenured Directors. It will be carefully evaluated during the next director re-election period. The current implementation status of diverse policies can be referred to Note 1 and succession plans can be referred to Note 2.	
b. In addition to establishing a Remuneration Committee and an Audit Committee, has the Company voluntarily established other types of functional committees?	V		FENC set up Committees as below: A. “Sustainability Committee”: Promote and strengthen the corporate governance and integrity; implement and develop matters related to corporate sustainability; supervise other matters related to corporate sustainability approved by the Board. The first Committee members were appointed by the Board on Nov. 12, 2020. All three members (including two FENC’s Independent Directors) have expertise in sustainability field. 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. C. “The Supervisory Committee of Information Safety”: In charge of promotions and coordination of information security matters. D. “Safety and Health Committee”: Implements occupational safety and health control matters.	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" & reasons
	Yes	No	Summary	
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 11 August 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 10 May 2019 resolved the Performance Evaluation Rule of Functional Committee. In 2020, 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 18 March 2021. 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 24, 2021, the Board made a final review on the CPAs' independence and competence over 2020 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.	

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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 10 May 2019 resolved to appoint a Chief Corporate Governance Officer. SVP of Legal Department, Li-Chi Chen 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.</p> <p>2020 Corporate Governance related routines:</p> <p>A. Conducted meetings of BOD and Audit Committee: four & four times respectively, totaling eight times</p> <p>B. Conducted Annual General Meeting and prepared AGM meeting minutes: one time</p> <p>C. Conducted Directors’ training: 13 participants, totaling 93 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 53 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	
(7) Information Disclosure				
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: www.fenc.com & www.fareastone.com.tw , 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 th 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.
(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?	V		Please refer to page 50 to 53 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

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Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
(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.	V		<p>The Company ranked among the top 5% in the “Corporate Governance Evaluation” of 2020. The areas that have been improved and the priority measures to inforce are described below:</p> <p>① Set up Sustainability Committee.</p> <p>② Uploaded the English annual financial report and English AGM annual report prior to 16 days of the annual general meeting</p> <p>③ Issued sustainability bond and social bond</p> <p>④ More than half of the Independent Directors have served less than three terms.</p> <p>⑤ 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.</p>	

Note 1 : Assessment table of expertise and eligibility of members of the Board of Directors

Diverse Key Items Name	Age	Gender	1	2	3	4	5	6	7	8
			Operational judgement	Operational management	Finance & accounting	Business & economy	Risk management	Industrial know-how	International prospectives	Leadership & decision-making
Douglas Tong Hsu	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Johnny Hsi	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Peter Hsu	Above 70	Male	✓	✓	※	✓	✓	✓	✓	✓
Raymond Hsu	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Shaw Y. Wang	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Richard Yang	50~59	Male	✓	✓	✓	✓	✓	✓	✓	✓
Tonia Katherine Hsu	50~59	Female	✓	✓	※	✓	✓	✓	✓	✓
Kwan-Tao Li	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Alice Hsu	Above 70	Female	✓	✓	✓	✓	✓	✓	✓	✓
Champion Lee	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Bing Shen	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Johnsee Lee	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Raymond R.M. Tai	Above 70	Male	✓	✓	※	✓	✓	※	✓	✓

※ 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 two Independent Directors has been 6~9 years; the other one has been 0~3 years.

Note 2 : 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 2018 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 3 : Assessment table of independence of Certified Public Accountant

Assessment table	Result	Independence? 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

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3.4 The Composition of the Remuneration Committee

a. Information of the Remuneration Committee Members

Role	Condition Name	With work experience for more than 5 years and the following professional qualification requirements			Conform to Independent (Note1)										Number of Other Public Companies in Which the Individual is Concurrently Serving as Remuneration Committee Member	Remarks
		An instructor or higher up in a department of commerce, law, finance, accounting, or other academic department related to company business in a public or private junior college, college, university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a professional capacity that is necessary for company business	Having work experience in the area of commerce, law, finance, or accounting, or otherwise necessary company business	1	2	3	4	5	6	7	8	9	10		
Independent Director	Bing Shen			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	-
	Johnsee Lee			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	-
Others	J. W. Huang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	-

Note 1: ✓ indicates qualified members 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.

Note 3: On 10 May, 2019, the Company changed a member of the Remuneration Committee to meet a majority of Remuneration Committee members shall be Independent Directors.

b. Executive Status of the Remuneration Committee:

The Company has established the Remuneration Committee on 19 August, 2011 and the number of the committee members is three. The tenure of current 4th term Remuneration Committee is from 10 August, 2018 to 28 June, 2021. In recent year, the Remuneration Committee held 3 times (A) and the attendance status of members is disclosed as follows:

Title	Name	Times of Attendance (B)	Times of Attendance by Proxy	Percentage of Attendance (%) (B/A)	Remark
Convener	Bing Shen	3	0	100%	-
Committee member	Johnsee Lee	3	0	100%	-
	J. W. Huang	3	0	100%	-

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

Meeting Date (Term)	Mater to be discussed	Resolution	The response to members' opinion
19 Mar 2020 The 4 th meeting of the 4 th term	1.The 2019 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.
10 Aug 2020 The 5 th meeting of the 4 th term	1.The 2020 performance evaluation items and forms of the Company		To execute in accordance with the Remuneration Committee's resolution
18 Mar 2021 The 6 th meeting of the 4 th term	1.The 2020 Directors' remuneration and employees' compensation of the Company 2. The 2021 performance evaluation items and forms of the Company		The proposal is submitted to Board of Directors and approved by all attending Directors. 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

3.5 Measures the Company Takes to Fulfill Corporate Social Responsibilities and Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons:

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
a. 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		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 corporate governance. Based on the results of the analysis, risk management measures are developed. In 2020, risk management polices 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. The <i>2020 Analysis of Material Topics and Stakeholders</i> has been completed, wherein newly arising risks of the Covid-19 situation are identified and managed.	None
b. Does the Company have a dedicated (or ad-hoc) unit to promote CSR, which is authorized by the Board of Directors to handle senior-management level affairs and reports to the Board?	V		The Board of Directors is the highest authority that oversees the Company's sustainable development. In 2020, the <i>Sustainability Committee Charter</i> was created, and 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 and met once in 2020.	

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Item	Implementation Status			Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<p>It is the Sustainability Implementation Committee that the Company puts in charge of drafting and reviewing the <i>Sustainability Principles</i>, systems and management guidelines. They implement sustainability projects and communicate with stakeholders. The Sustainability Implementation Committee has 215 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 2020, which enables the Board and the Committee to conduct an adequate oversight of its sustainability performance.</p>	
c. Environmental Issues (a) Has the Company established an appropriate environmental management system according to its industry characteristics?	V		<p>In 2010, the Company and its subsidiaries set up a cross-subsidiary and inter-departmental “Energy Task Force.” The Taskforce has expanded its scope of management over the years, initially from energy management to water resource management, air pollution management, waste management, greenhouse gas management and renewable energy management. 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, reducing greenhouse gas emissions, curtailing the consumption of energy and resources and fulfilling the Company's social responsibility of protecting our world's environment.</p>	None

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(b) Is the Company committed to enhancing the efficiency of utilizing various resources and consuming recycled materials as feedstock to minimize the adverse impact on the environment?	V		Specific efforts that the Company and its subsidiaries make to conserve the environment include, but are not limited to, consuming recycled materials as feedstock, e.g. recycled PET bottles; re-utilizing the residuals from the production process as raw materials; collecting the residual fuel and the emission of heat and steam to reduce the consumption of energy; reclaiming water; and optimizing the production processes, which proves its commitment to improving the efficiency of resource utilization and minimizing energy wastage.	None
(c) Has the Company assessed present and future risks and opportunities which climate change brings about and undertaken any response measures?	V		<ol style="list-style-type: none"> 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 sites in accordance with the framework of TCFD issued by FSB. The impact of climate events on its business operations is measured in quantified terms. 2. FENC's subsidiaries and each of its production sites adopt appropriate risk-management measures in compliance with local governments' regulations on greenhouse gas emissions (e.g. Shanghai's carbon trading scheme). The members of 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 conserve energy and reduce carbon emissions, water use and waste production?	V		<ol style="list-style-type: none"> 1. In 2010, a cross-subsidiary and inter-departmental "Energy Task Force" was established. 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. 2. To keep the environment sustainable for future generations by implementing energy conservation projects, the Company first set aside a special budget of NT\$2 billion for energy conservation in 2010, and again in 2017. Production facilities have been invited to propose innovative solutions and apply for funding. 	

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Item	Implementation Status			Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<p>3. 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.</p> <p>4. The greenhouse gas (GHG) emissions by the 15 production sites of the Company and its subsidiaries around the world totaled 1,967 kt-CO₂e in 2019; the GHG emissions by the 21 production sites stood at 2,432 kt-CO₂e in 2020. In 2020, FENC's total GHG emissions amounted to 791 kt-CO₂e.</p> <p>5. Production sites which were verified under the standards of ISO 14064-1, etc. for GHG inventories in 2020 and 2019 include Oriental Petrochemical (Taiwan), Hsinpu Chemical Fiber Plant, Kuanyin Chemical Fiber Plant, Oriental Petrochemical (Shanghai), and Far Eastern Industries (Shanghai).</p> <p>6. The water withdrawal by the Company's production facilities and its subsidiaries around the world totaled 23.451 million m³ and 22.173 million m³ in 2019 and 2020 respectively; the water consumption amounted to 11.19 million m³ in 2019 and 10.156 million m³ in 2020. 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>7. The waste produced by the Company's production facilities and its subsidiaries around the world totaled 145,634 tons in 2019 and 173,302 tons in 2020. The increase in the amount of waste over the year stemmed from increased production volumes. However, recycling and reused have increased from 85% to 88% while non-reusable and non-recyclable waste reduced from 21,411 tons to 20,615 tons.</p>	None
d. Social Issues (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 is devoted to protect the employees' basic human rights, follow relevant labor laws and regulations, and support and voluntarily comply with international human rights treaties, including the International Labor Office Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, the OECD Guidelines for Multinational Enterprises, the UN Universal Declaration of Human Rights and The UN Global Compact.</p>	

Item	Implementation Status			Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			In order to guarantee the employees' human rights, the Company provides 2~4 hours training on human rights and labor related regulations for new hires, and conducts regular updates on employee codes and corporate values. For instance, review all overtime and hours reports on a monthly basis; if there are any irregularities and violations, the Group will ensure compliance with relevant human rights standards through investigation and follow ups. The Company conducted training for managers who dealt with human rights affairs in various production sites, and signed human rights policies to determine for human rights.	None
(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 operation performance or results?	V		The Company provides an incentive variable compensation system based on individual and organizational performance in accordance with the Articles of Incorporation that a portion of the company's net profits shall be paid to employees. The Company participates in the salary survey held by the industry consulting firms every year, grasps the market salary dynamics, carries on the appropriate adjustment, and achieves the talent retention benefit. Please refer to page 87 for staff welfare measures.	
(c) Has the Company offered a safe and healthy work environment and routinely implements safety and health education for its employees?	V		In order to construct a safe working environment that benefits both sides of the industrial relationship, the Company has undertaken several measures: Maintaining safe working conditions: requiring stringent safety and health standards starting from the purchasing of machinery, tools, and materials, as well as stringent supervision during the installation of machinery and tools; periodic inspection of various production environments according to the law, and any condition that does not meet the standard will be immediately excluded or modified; appropriate protective equipment will be set up depending on the risk factors associated with the workplace; Maintaining the health of employees: in addition to conducting health checkups to prevent workplace hazards in accordance with the government regulations, the Company also routinely arranges health checkups for its employees and collaborates with the Group's hospital to undertake healthcare management depending on the results of the checkups. Each plant is equipped with the required medication,	

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Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			healthcare materials and simple medical supplies; some plants have also contracted doctors and medical personnel to provide routine services.	None
(d) Has the Company established an effective career developmental plan for its employees?	V		The Company and its subsidiaries value the educational training and career development of its employees. In addition to offering managerial capability training to its employees, such as corporate management and factory management courses, the Company has also planned systematic and on-going basis programs to facilitate employees in pursuing further education that enhance their competencies and strengthen individual and corporate competitiveness.	
(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.	
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?	V		The "2020 Sustainability Social Responsibility Report" published by the Company was written in accordance with the AA1000 standards and the requirements of the Global Reporting Initiative (GRI) Standard Comprehensive Option. This report has been assured by the third party SGS Taiwan at a Type 1, Moderate level assurance.	
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 manner, the Company and its subsidiary, Far EasTone, have implemented the <i>Sustainability Principles</i> 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.				

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
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 90-91)				
(b) Environment protection regulations, measures, and compliance				
(1) Sustainability policy				
i. Compliance with related laws and regulations				
ii. Continuing improving manufacturing process to prevent and control pollution				
iii. Reducing industrial waste to increase energy and resource efficiency.				
iv. Conducting training to raise employees' environmental awareness and help them improve skills to protect the environment				
v. Continuing recycling and raising the public's environmental awareness				
vi. Communicating our environmental achievement to stakeholders properly				
(2) The Company is dedicated in conserving the global environment through the following ways:				
i. <u>Reduce</u> : Minimize the resourced 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 in our products to protect the environment				
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 2020, green products brought in a revenue of NT\$32.77 billion.				
(3) Material results				
i. We have incorporated the prevailing concept of "earthwork balance" in the ongoing construction of Tpark and recycled water resources at the park to protect the ecology. In order to be more eco-friendly, green space is added to this high-tech park.				
ii. In order to conserve energy comprehensively, the Company has implemented various projects to reduce the use of fuel oil, electricity, natural gas and coal water mixture. In 2020, the Company implemented a total of 97 projects to reduce 557TJ of energy consumption and 78,955 t-CO ₂ e of emissions, which saved a total of NT\$40.96 million/year.				
(c) Community welfare, social services, and social welfare:				
The Company contributes to society through participation in Environmental Protection, Art & Culture, Technology, Education, and Athletics. They are described as follows:				
(1) <u>Environmental Protection</u> : In 2020, the Company participated in a variety of water resource conservation efforts, including beach cleanups, environmental awareness campaigns, funding support for algal reef research. We have also signed a reclaimed water agreement with Taoyuan City government in support of reuse of water resources. As of 2020, the Company has made 400 pieces of recycled PET clothing from waste PET bottles collected from the beach.				
(2) <u>Art & Culture</u> : 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, Far Eastern International Forum for Architecture and Keelung Taiping International Workshop.				
(3) <u>Technology</u> : 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.				
(4) <u>Education</u> : 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.				
(5) <u>Athletics</u> : 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. It marked its 12 th anniversary in 2020 and was attended by more than 3,000 contestants, making it one of a handful of sports events that managed to take place as planned in Taiwan during the COVID-19 pandemic.				

Capital Overview

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	
a. Establishment of Business Conduct Policy and Plans (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: (1) Standards for determining if improper benefits have been offered or accepted. (2) Procedures for offering legitimate political donations. (3) Procedures and the standard amounts for offering charitable donations or sponsorship. (4) Rules for avoiding work-related conflicts of interests, and how such conflicts be reported and handled. (5) Rules for preserving confidentiality of trade secrets and business sensitive information obtained in the ordinary course of business. (6) Regulations and procedures for dealing with vendors, clients, and business transaction counterparties suspected of Misconducts. (7) Operational procedures for violations of “Best Practice Principles of Ethical Corporate Management”. (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).	

Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons
	Yes	No	Summary	
b. Implementation of the Code of Business Conduct (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. 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 12 Nov 2020.	
(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. 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.	

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Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons
	Yes	No	Summary	
			2. 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 2020. 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). 2. Our subsidiary, Far EasTone, makes use of e-Paper to conduct educational training on “The Code of Ethics” & “The Code of Business Conduct”.	
c. Establishment of Reporting Channels for Violations of the Code Of Business Conduct. (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).	

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.	
d. Improvements in Information Disclosure 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”.	
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: None				
f. Other important information revealing the Company's ethical operations (e.g. review and revision of the Company's code of business conduct): 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, subsidiary Far EasTone's website: www.fetnet.net, and the Market Operation Observe System by the Taiwan Stock Exchange: <http://mops.twse.com.tw/>

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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 87)

3.8.3 Investor Relations, Vendor Relations and Rights of Interest-conflicting Parties: (Please refer to page 34)

3.8.4 Risk Management Policies and Risk Measurement Standard Implementation Progress: (Please refer to page 127)

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 5th Board Meeting of the 20th term on 21 Dec 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 44)

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 24 Mar 2021)

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:

Category	Licenses	Department	The Company	Subsidiaries
Accounting / Taxation	CPA ROC		17	12
	CPA China		1	1
	CPA USA		3	3
	CIA		5	4
	CPB		13	5
Finance	CFA		2	-
	Securities Investment Analyst		3	2
	Senior Securities Specialist		16	4
	Futures Specialist		4	2
	Foreign Exchange Trading Personnel		2	1
	Trust Specialist		10	5
	Financial Planning Personnel		7	1
Real Estate	Realtor		-	2
	Land Administration Agent		-	2
Insurance	Non-Life Insurance Broker		-	1
	Non-Life Insurance Salesman		5	1
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	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
Directors	Johnny Hsi	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		5 Aug 20	5 Aug 20	Securities & Futures Institute	Key Technologies & commercial applications of 5G	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Shaw Y. Wang	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Raymond Hsu	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Peter Hsu	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		31 Jul 20	31 Jul 20	Taiwan Corporate Governance Association	Corporate Risks & Governance	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Tonia Katherine Hsu	31 Jul 20	31 Jul 20	Taiwan Corporate Governance Association	Corporate Risks & Governance	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3

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Title	Name	Study Date		Sponsoring Organization	Name of the Course	Study hours
		From	To			
Directors	Richard Yang	10 Mar 20	10 Mar 20	Taiwan Corporate Governance Association	Strategies on Corporate Transformations	3
		14 Feb 20	14 Feb 20	Taiwan Corporate Governance Association	Key Technology & Market Application of 5G and IoT	3
	Kwan-Tao Li	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Alice Hsu	19 Jun 20	19 Jun 20	Taiwan Corporate Governance Association	Case Discussion of Financial Reporting Fraud	3
		9 Jun 20	9 Jun 20	Taiwan Corporate Governance Association	Risks of Corporate Directors in Relation to the Criminal Law – Discussion of Corporate Fraud & Anti Money Laundering	3
	Champion Lee	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
Independent Directors	Bing Shen	5 Aug 20	5 Aug 20	Securities & Futures Institute	Key Technologies & commercial applications of 5G	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		6 May 20	6 May 20	Taiwan Corporate Governance Association	Financial Scenario Analysis under Stressful Events – US/China Trade war & COVID-19	3
	Johnsee Lee	28 Oct 20	28 Oct 20	Zhong Dao Association of Leadership & Culture	Strengthening Corporate Culture, Social Responsibility, and Decision Making	6
		22 Sep 20	22 Sep 20	Taiwan Stock Exchange	Corporate Governance 3.0 - Sustainability	3
		6 Aug 20	6 Aug 20	Taiwan Corporate Governance Association	Global Trend Analysis – Risks & Opportunities	3
	Raymond R.M. Tai	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
President	K.S. Wu	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Y.H. Tseng	22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Humphrey Cheng	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
Chief Auditor	Y.C. Yuan	22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
Chief Operating Officer	Donald Fan	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	B.C. Chang	22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3

Title	Name	Study Date		Sponsoring Organization	Name of the Course	Study hours
		From	To			
Executive Vice President	David Wang	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Alan Tsai	13 Oct 20	13 Oct 20	Accounting Research and Development Foundation	Common Corporate Governance Deficiencies & Related Regulations	3
		6 Oct 20	6 Oct 20	Accounting Research and Development Foundation	Common Deficiencies of Corporate Financial Statements & Internal Control Compliance	6
		25 Feb 20	25 Feb 20	Accounting Research and Development Foundation	Financial Accounting & Valuation of Corporate Merge & Acquisitions	3
	Emily Wu	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Fanny Liao	22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
Chief Corporate Governance Officer	Li-Chi Chen	9 Dec 20	9 Dec 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		23 Oct 20	23 Oct 20	Taiwan Stock Exchange	2020 Corporate Governance & Integrity Forum	3
		22 Sep 20	22 Sep 20	Taiwan Stock Exchange	Corporate Governance 3.0 - Sustainability	3
		22 Jul 20	22 Jul 20	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3

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

Capital Overview

3.10 Internal Control System Execution Status

3.10.1 Internal Control Report

Far Eastern New Century Corporation Internal Control Statement

Date: 24 March 2021

Far Eastern New Century Corporation (the Company) states the following with regard to its internal control system during 2020, 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 31 December 2020 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 24 March 2021, 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
2020 Annual General Shareholders' Meeting	June 30, 2020	Reporting items: 2019 business operations 2019 financial statements The Audit Committee's review report of 2019 business operations and financial statements 2019 employees' compensation and Directors' remuneration Information of the corporate bonds issued in 2019 Amendments of "Best Practice Principles of Ethical Corporate Management for Far Eastern New Century Corporation"	Not applicable
		<u>Approval items:</u> To accept 2019 business report and financial statements To approve the proposal for distribution of 2019 profits	2 Aug 2020 was settled as the ex-dividend date, and cash dividend was distributed on 20 August 2020.
		<u>Proposed items:</u> To approve the revisions of the "Articles of Incorporation of Far Eastern New Century Corporation" To approve amending the company bylaw of "Meeting Rules of Stockholders for Far Eastern New Century Corporation"	Approved by the Department of Commerce, MOEA on 11 Aug 2020, 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
8 th Board Meeting of the 23 rd term	March 24, 2020	1. Approved 2019 employees' compensation and Directors' remuneration.	V	All presented Independent Directors approved
		2. Approved 2019 financial statements (including consolidated & stand-alone) and the hiring of CPA	V	
		3. Approved the proposal for distribution of 2019 profits.	V	
		4. Approved the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation"	V	
		5. Approved amending the company bylaw of "Meeting Rules of Stockholders for Far Eastern New Century Corporation"	V	
		6. Approved amending the company bylaw of "Best Practice Principles of Ethical Corporate Management for Far Eastern New Century Corporation"	V	
		7. Approved the proposal of convening 2020 Annual General Shareholders' Meeting		
		8. Approved amending the accounting policies, internal control system, and internal audit implementation rules of Far Eastern New Century Corporation	V	
		9. Approved the proposal for 2020 operating budget and capital expenditure budget.		
		10. Approve the release of the Chief Accounting Officer from the non-competition restrictions	V	
		11. Approved the issuance of corporate bonds.		
		12. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary.	V	
		13. Approved the declaration of internal control system of Far Eastern New Century Corporation.	V	
9 th Board Meeting of the 23 rd term	May 12, 2020	1. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	V	
		2. Approved 2019 business operation report	V	

Capital Overview

Term	Date	Important Resolutions	Items under Article 14-3 of Securities and Exchange Act	Independent Directors' Opinions and the Company's reaction
10 th Board Meeting of the 23 rd term	August 11, 2020	1. Approved the investment of FE New Century Industry (Singapore) PTE LTD via the Company's subsidiary, FE Oriental Investment Holding (Singapore) PTE LTD	V	
		2. Approved the indirect investment in China	V	
		3. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	V	
11 th Board Meeting of the 23 rd term	November 12, 2020	1. Approved the change of auditing CPA (Certified Public Accountant) from Deloitte & Touche	V	
		2. Approved amending the Company bylaw of "Corporate Governance Principles", "Meeting Rules of Board of Directors", and "Remuneration Committee Charter"	V	
		3. Approved the Company bylaw of "Intellectual Property Management Plan"		
		4. Approved the Company bylaw of "Risk Management Policies"		
		5. Approved the establishment of the "Sustainability Committee" and amending the Company bylaw of "Sustainability Principles"	V	
		6. Approved the appointment of three members of the "Sustainability Committee", the convener and the remuneration to the "Sustainability Committee"	V	
		7. Approved the issuance of unsecured Sustainability Corporate bonds		
		8. Approved short-term financing loans extended to Far Eastern Resources Development Co., Ltd. and Oriental Green Materials Ltd.	V	
		9. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	V	
		10. Approved amending the internal audit implementation rules of Far Eastern New Century Corporation	V	
		11. Approved the 2020 Audit Plan review and the 2021 Audit Plan	V	
12 th Board Meeting of the 23 rd term	March 24, 2021	1. Approved 2020 employees' compensation and Directors' remuneration.	V	
		2. Approved 2020 financial statements (including consolidated & stand-alone) and the hiring of CPA	V	
		3. Approved the proposal for distribution of 2020 profits.	V	
		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	V	
		9. Approved to terminate the Global Depositary Receipt (GDR) program		
		10. Approved the investment of Far Eastern Investment (Holding) Limited	V	
		11. Approved the declaration of internal control system of Far Eastern New Century Corporation.	V	
13 th Board Meeting of the 23 rd term	May 13, 2021	1. Approved 2020 business operation report	V	
		2. Approved the candidate list of the Company's Director (including Independent Director) nominees.	V	
		3. Approved the release of the relevant Directors from the non-competition restriction.	V	

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 Textile Business	Eric Hu	2011.07.01	2020.12.31	Retired
Chief R&D Officer	Ru-yu Wu	2005.01.01	2020.01.02	Retired
Chief Operating Officer	C.Y. Dai	2012.07.01	2020.01.02	Retired

4. Audit Fees

4.1 Information of Audit Fees

4.1.1 Information of CPAs

Accounting Firm	Name of CPA		Audit Period	Note
Deloitte & Touche	Chih-Ming Shao	Cheng-Hung Kuo	1 Jan 2020 – 31 Dec 2020	None

4.1.2 Audit Fees

Amount (NT\$)		Item	Audit Fee	Non-audit Fee	Total
1	Under 1,999,999			V	
2	2,000,000 ~ 3,999,999				
3	4,000,000 ~ 5,999,999				
4	6,000,000 ~ 7,999,999				
5	8,000,000 ~ 9,999,999		V		V
6	10,000,000 and over				

Unit: NT\$ thousands

Accounting Firm	Name of CPA		Audit Fee	Non-audit Fee					Audit period
				System Design	Registration	Human Resource	Other (Note)	Total	
Deloitte & Touche	Chih-Ming Shao	Cheng-Hung Kuo	8,450	-	15	-	1,179	1,194	1 Jan 2020 – 31 Dec 2020

Note: Service fees for corporate bonds issuance, business tax of dual-status business entities applying the direct deduction method, full time non-supervisory level employee salary, disbursement fee, information security and tax consultant fees, 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

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5. Information for Change of CPA

5.1 Regarding the Former CPA:

Date of Change	October 2020		
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
Date of appointment	October 2020
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	2020		From Jan 1 2021 to May 1 2021	
		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	-	(130,000,000)	-	-
	Shaw Y. Wang	-	-	-	-
	Raymond Hsu	-	-	-	-
	Far Eastern Department Stores Ltd.	-	-	-	-
	Richard Yang	-	950,000	-	-
	Tonia Katherine Hsu	-	-	-	-
	U-Ming Marine Transport Corporation	-	-	-	-
	Kwan-Tao Li	-	-	-	-
	Alice Hsu	-	-	-	-
	Yue Ding Industries Co., Ltd.	-	-	8,854,000	-
	Champion Lee	-	-	-	-
	Bing Shen	-	-	-	-
	Johnsee Lee	-	-	-	-
	Raymond R.M. Tai	-	-	-	-
Manager	K.S. Wu	-	-	-	-
	Y. H. Tseng	-	-	41,000	-
	Humphrey Cheng	-	-	-	-
	Donald Fan	-	-	-	-
	B.C. Chang	-	-	-	-
	Judy Lee	-	-	-	-
	M.J. Wu	-	-	-	-
	Raymond Hsu	-	-	-	-
	Y.C. Yuan	-	-	-	-
	Rebecca Huang	-	-	-	-
	David Wang	-	-	-	-
	Alan Tsai	-	-	-	-
	Emily Wu	-	-	-	-
	Fanny Liao	-	-	-	-
	Jackson Wu	-	-	-	-
	Allen Sha	-	-	-	-
	Y.L. Chen	-	-	-	-
	Y.S. Yang	-	-	-	-
	Mark Lu	-	-	-	-
	Anita Huang	-	-	-	-
	Ariel Hsu	-	-	-	-
	Davis Dai	-	-	-	-
	Liang-Wei Hsu	-	-	-	-
	Jenny Ho	-	-	-	-
	Carol Wang	-	-	-	-
	Yu-Sheng Lin	-	-	-	-
	Li Chi Chen	-	-	-	-
	C.Y. Lin	-	-	-	-
	William Hsu	-	-	-	-
	Ching-Shan Hsieh	-	-	-	-
	Ken Chang	-	-	-	-
	David Liu	-	-	-	-
	David Shih	-	-	-	-

Capital Overview

Title	Name	2020		From Jan 1 2021 to May 1 2021	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Manager	Arthur Lee	-	-	-	-
	C.T. Peng	-	-	-	-
	C.T. Chen	-	-	-	-
	Eric Huang	-	-	-	-
	J.K. Tsai	-	-	-	-
	Y.T. Chang	-	-	-	-
	M.L. Tsai	-	-	-	-
	Roder Chang	-	-	-	-
	K.B. Louy	-	-	-	-
	Nico Peng	-	-	-	-
	H.T. Tyan	-	-	-	-
	Teddy Chang	-	-	-	-
	Robert Wang	-	-	-	-
	Norman Lin	-	-	-	-
	S.Y. Lai	-	-	-	-
	Y.J. Lou	-	-	-	-
	Tony Liang	-	-	-	-
	Ryan Wu	-	-	-	-
	Hans Kuo	-	-	-	-

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: 1 May 2021

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	Oriental Institute of Technology	The same Chairman	-
							Far Eastern Medical Foundation		
							Yuan Ze University		
Representative: Douglas Tong Hsu	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	
Oriental Institute of Technology	257,651,603	4.81%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	-
							Far Eastern Medical Foundation		
							Yuan Ze University		
Representative: Douglas Tong Hsu	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	

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	193,310,445	3.61%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	-
							Oriental Institute of Technology		
							Yuan Ze University		
Representative: Douglas Tong Hsu	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	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.	-
							Oriental Institute of Technology		
							Yuan Ze University		
Representative: Kwan-Tao Li	0	0.00%	0	0.00	0	0.00	Far Eastern Medical Foundation	The Chairman	
						Douglas Tong Hsu			
Yuan Ze University	146,570,213	2.74%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	-
							Oriental Institute of Technology		
							Far Eastern Medical Foundation		
Representative: Douglas Tong Hsu	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	119,411,753	2.23%	0	0.00	0	0.00	None	None	-
Representative: Tang Chen	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	-
							Oriental Institute of Technology		
							Far Eastern Medical Foundation		
							Yuan Ze University		
							Far Eastern Memorial Foundation	The Director	
Fubon Life Insurance Co., Ltd.	83,994,083	1.57%	0	0.00	0	0.00	None	None	-
Representative: Richard Tsai	0	0.00%	0	0.00	0	0.00			
Der Ching Investment Co., Ltd.	82,820,887	1.55%	0	0.00	0	0.00	Asia Cement Corp.	ACC's investee by equity method	-
Representative: Peter Hsu	48,269,210	0.90%	0	0.00	0	0.00			
China Life Insurance Co., Ltd.	76,688,634	1.43%	0	0.00	0	0.00	None	None	-
Representative: Stephanie Hwang	0	0.00%	0	0.00	0	0.00			

Capital Overview

9. Shareholding Proportion of FENC to Investees

Book closure date: 1 May 2021

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	22.33	259,453	7.72	1,009,964	30.05
Far Eastern Department Stores Ltd.	241,770	17.06	338,773	23.91	580,543	40.97
Oriental Union Chemical Corp.	81,216	9.17	257,801	29.11	339,017	38.28
Far Eastern International Bank	90,180	2.62	658,381	19.09	748,561	21.71
Everest Textile Co., Ltd.	140	0.03	132,457	25.98	132,597	26.01
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.	739,953	100.00	-	0.00	739,953	100.00
Far Eastern Investment (Holding) Ltd.	5,072	100.00	-	0.00	5,072	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.	367,143	100.00	-	0.00	367,143	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.	168	100.00	-	0.00	168	100.00
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.	255,031	100.00	-	0.00	255,031	100.00
Oriental Securities Co., Ltd.	141,961	19.65	476,166	65.93	618,127	85.58
PET Far Eastern (H) Ltd.	397	91.95	35	8.05	432	100.00
An Ho Garment Co., Ltd.	75,704	100.00	-	0.00	75,704	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	100	100.00	-	0.00	100	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

IV. Capital Overview

1. Capital and Shares

1.1 Issued Shares

Unit: NT\$ thousands, thousand shares

Month/ Year	Par value (NT\$/ Share)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Capital increased by assets other than cash	Other
Sep 16	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-
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	-	-

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: 01 May 2021

Types Amounts	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Citizens	Security Trust Funds	Foreign Institutions & Foreign Persons	Total
Number	18	56	330	104,005	23	717	105,149
Number of shares owned	135,274,847	655,665,064	2,719,660,560	861,231,580	43,638,450	937,404,726	5,352,875,227
% holdings	2.53%	12.25%	50.80%	16.09%	0.82%	17.51%	100.00%

Capital Overview

1.4 Distribution Profile of Share Ownership

Book closure date: 01 May 2021

Shareholder Ownership	Number of shareholders	Number of shares owned	%
1 ~ 999	44,031	9,899,605	0.18%
1,000 ~ 5,000	42,428	92,836,267	1.74%
5,001 ~ 10,000	8,584	64,551,739	1.21%
10,001 ~ 15,000	3,231	39,777,902	0.74%
15,001 ~ 20,000	1,766	32,087,732	0.60%
20,001 ~ 30,000	1,563	38,954,783	0.73%
30,001 ~ 40,000	805	28,307,915	0.53%
40,001 ~ 50,000	540	24,855,300	0.46%
50,001 ~ 100,000	975	70,683,625	1.32%
100,001 ~ 200,000	495	70,959,465	1.33%
200,001 ~ 400,000	289	80,372,011	1.50%
400,001 ~ 600,000	96	47,034,250	0.88%
600,001 ~ 800,000	52	36,108,333	0.67%
800,001 ~ 1,000,000	32	29,417,781	0.55%
Over 1,000,001	262	4,687,028,519	87.56%
Total	105,149	5,352,875,227	100.00%

1.5 Preferred Shares: None

1.6 Major Shareholders

Book closure date: 01 May 2021

Shareholders	Total shares owned	Ownership %
Asia Cement Corporation	1,272,277,085	23.77%
Oriental Institute of 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	119,411,753	2.23%
Douglas Tong Hsu	91,748,698	1.71%
Fubon Life Insurance Corporation	83,994,083	1.57%
Der Ching Investment Co., Ltd.	82,820,887	1.55%
China Life Insurance Corporation	76,688,634	1.43%

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

Items		Year	2020	2019	From Jan 1 2021 to Mar 31 2021
Market price per share	Highest		30.80	34.40	30.30
	Lowest		20.25	27.00	26.00
	Average		26.94	30.54	28.30
Net worth per share	Before distribution		38.12	38.21	38.58
	After distribution		(Note 3)	36.71	(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)		1.62	2.15	0.54
Dividends per share (Note 2)	Cash dividend		1.35	1.50	Not applicable
	Stock dividend	From retained earnings	-	-	
		From capital surplus	-	-	
	Accumulated undistributed dividend		-	-	
Return on Investment	Price / Earnings ratio (Note 4)		16.63	14.20	13.10
	Price / Dividend ratio (Note 5)		19.95	20.36	Not applicable
	Cash Dividend yield (Note 6)		5.01	4.91	

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 2021 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)
2018	2.41	1.80	-	1.80
2019	2.15	1.50	-	1.50
2020	1.62	1.35	-	1.35

Note: The Company paid all in cash dividend in recent 3 years

Capital Overview

1.8.2 Proposed distribution of 2020 profits to be approved at the Shareholders' Meeting: Cash dividend of NT\$ 1.35 per share is proposed to be distributed.

1.9 Effects on Business Performance and EPS Resulting from Stock Dividend Distribution Proposed by 2020 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 2020 employees' compensation and Directors' remuneration was resolved in the 12th meeting on 24 March 2021 by the 23rd term Board of Directors, and will be submitted to the 2021 shareholders' meeting. The amounts and forms are listed below:

- a. Employees' compensation: NT\$ 230,231,200 in cash
- b. Directors' remuneration: NT\$ 145,673,400 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 2019 (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\$ 371,473,805. The dollar amount actually being paid is NT\$ 371,473,805.
- b. Remuneration for Directors: Resolved amount is NT\$ 204,277,440. The dollar amount actually being paid is NT\$ 107,800,000.

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 during year 2020 until 01 May 2021.

2. Corporate Bonds

Book closure date: 1 May 2021

Corporate Bond Type		2 nd Unsecured Bond 2016	1 st Unsecured Bond 2017	2 nd Unsecured Bond 2017
Issue Date		20 Sep 2016	17 May 2017	8 January 2018
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\$ 3,800,000,000	NT\$ 5,000,000,000	NT\$ 3,000,000,000
Coupon rate		0.72%	1.15%	0.95%
Maturity		5 years Maturity date: 20 Sep 2021	5 years Maturity date: 17 May 2022	5 years Maturity date: 8 January 2023
Guarantor		-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		KGI Securities Co. LTD.	Masterlink Securities Corporation	KGI Securities Co. LTD.
Legal counsel		N.C. Liao	N.C. Liao	N. C. Liao
CPA		Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih 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.	50% of the face value of the bond is repayable at the end of the 4 th and 5 th 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.
Outstanding amount		NT\$ 3,800,000,000	NT\$ 5,000,000,000	NT\$ 3,000,000,000
Redemption or early repayment clause		None	None	None
Covenant applicable		None	None	None
Credit rating		N.A.	N.A.	N.A.
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

Corporate Bond Type		1 st Unsecured Bond 2018	2 nd Unsecured Bond 2018	1 st Unsecured Bond 2019
Issue Date		18 May 2018	18 July 2018	29 April 2019
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\$ 6,000,000,000	NT\$ 8,000,000,000	NT\$ 8,000,000,000
Coupon rate		0.92%	0.90%	0.93%
Maturity		5 years Maturity date: 18 May 2023	5 years Maturity date: 18 July 2023	5 years Maturity date: 29 April 2024
Guarantor		-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Yuanta Securities Co., Ltd.	Yuanta Securities Co., Ltd.	Masterlink Securities Corporation
Legal counsel		N.C. Liao	N. C. Liao	N. C. Liao
CPA		Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo
Repayment		50% of the face value of the bond is repayable at the end of the 4 th and 5 th 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 th and 5 th 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.
Outstanding amount		NT\$ 6,000,000,000	NT\$ 8,000,000,000	NT\$ 8,000,000,000
Redemption or early repayment clause		None	None	None
Covenant applicable		None	None	None
Credit rating		N.A.	N.A.	N.A.
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		2 nd Unsecured Bond 2019	1 st Unsecured Bond 2020	2 nd Unsecured Bond 2020 (Tranche A)
Issue Date		8 August 2019	22 April 2020	10 June 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\$ 6,000,000,000	NT\$ 6,000,000,000	NT\$ 2,200,000,000
Coupon rate		0.79%	0.66%	0.77%
Maturity		5 years Maturity date: 8 August 2024	5 years Maturity date: 22 April 2025	5 years Maturity date: 10 June 2025
Guarantor		-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Taishin International Bank Co., Ltd.	Masterlink Securities Corporation	Taishin International Bank Co., Ltd.
Legal counsel		N. C. Liao	N. C. Liao	N. C. Liao
CPA		Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih 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\$ 6,000,000,000	NT\$ 6,000,000,000	NT\$ 2,200,000,000
Redemption or early repayment clause		None	None	None
Covenant applicable		None	None	None
Credit rating		N.A.	N.A.	N.A.
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

Corporate Bond Type		2 nd Unsecured Bond 2020 (Tranche B)	3 rd Unsecured Bond 2020	4 th Unsecured Bond 2020	1 th Unsecured Bond 2021
Issue Date		10 June 2020	17 September 2020	21 December 2020	28 April 2021
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\$ 3,000,000,000	NT\$ 5,500,000,000	NT\$ 3,800,000,000	NT\$ 9,500,000,000
Coupon rate		0.85%	0.83 %	0.54 %	0.67%
Maturity		7 years Maturity date: 10 June 2027	7 years Maturity date: 17 September 2027	5 years Maturity date: 21 December 2025	5 years Maturity date: 28 April 2026
Guarantor		-	-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.	CTBC Bank Co., Ltd.	Masterlink Securities Corporation
Legal counsel		N. C. Liao	N. C. Liao	N. C. Liao	N. C. Liao
CPA		Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo	Chih-Ming Shao Cheng-Hung Kuo	Chih-Ming Shao 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\$ 3,000,000,000	NT\$ 5,500,000,000	NT\$ 3,800,000,000	NT\$ 9,500,000,000
Redemption or early repayment clause		None	None	None	None
Covenant applicable		None	None	None	None
Credit rating		N.A.	N.A.	N.A.	N.A.
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

3. Preferred Shares

None

4. Issuance of Overseas Depository Receipts

Book closure date: 01 May 2021

Item		Content	
Date of issuance		25 Oct 1999 & 19 Nov 1999	
Place of issuance		Listed in Luxembourg Stock Exchange Traded in Asia, Europe, and US.	
Total amount of issuance		US\$ 202,631,674	
Unit price of issuance		US\$ 14	
Total number of units issued		14,473,691 units	
Source of underlying securities		New shares of capital increase, and original shares owned by Asia Cement Corp. and Far Eastern Department Stores Ltd.	
Amount of securities		Common Stock 144,736,910 shares	
Rights and obligations of subscribers		Same as common stock shareholders	
Trustee		None	
Depository bank		The Bank of New York Mellon	
Custodian bank		Far Eastern International Bank	
Number of outstanding shares		5,855.90 Units	
Bearers of related charges incurred during issuance and holding period		Charges of GDR issuance shall be borne by sellers on a pro rata basis.	
Major terms of Depository Agreement and Custodian Agreement		Voting rights can be exercised only if the owners hold at least 51% of the depository receipts outstanding vote at the same manner in respect of one or more resolutions to be proposed at the Shareholders' Meeting.	
Unit market price	High	Low	Average
2020	USD8.10	USD7.59	USD7.82
Until 01 May 2021	USD8.10	USD8.10	USD8.10

5. Employee Stock Options

None

6. Employee Restricted Stock Options

None

7. Share Issued for Merger or Acquisition

None

8. 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

Operational Highlights

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	2020		2019	
	Amount	% of sales	Amount	% of sales
Petrochemical	33,386,694	14	58,226,381	20
Polyester	72,387,529	31	86,889,252	30
Textile	29,136,503	12	39,030,249	14
Telecommunication	79,500,965	34	83,865,872	29
Property	9,542,037	4	9,122,603	3
Investment & Others	10,719,317	5	12,361,731	4

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® 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

- High brightness antimony-free PET, novel process for mechanical recycling of PET fabrics, thermoplastic polyester elastomer made from recycled PET bottle flakes, smoke-suppressant polyol, Antibacterial Aquafabric dressing, and Quick-Dry spun yarn.
- Smart road lights, smart parking, smart building, environment/air pollution detection, battery power monitoring, asset tracking, and FriDay.
- 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 2020, the global PTA production was 72.81 million tons (Source: Wood Mackenzie and PAL), remaining roughly the same as last year. In 2020, the global PTA capacity increased 7.33 million tons to 88.62 million tons, an increase of 9% from the previous year. The utilization rate went down from 89% to 82%.

China saw a massive increase of PTA capacity in 2020, while the pandemic of COVID-19 resulted in a decline in downstream demand and squeezed PTA profitability.

The world's top five PTA producing countries are China, India, South Korea, Taiwan and the United States, whose combined production accounts for more than 80% of the global market. In 2020, China's PTA production increased by 4.12 million tons from the prior year, up 10% to 45.98 million tons, making up 63% of the world's total. Taiwan's PTA production in 2020 was 3.15 million tons, down 13% from the year before.

Two major applications, polyester fibers and PET, respectively took up 60% and 30% of the PTA consumptions in 2020, leaving the remaining 10% for others.

1.2.1.2 Polyester Business

In 2020, the global polyester production dropped by 6% to 81.11 million tons (Source: Wood Mackenzie). The global capacity grew 5% to 106.82 million tons. As capacity increased and production declined, the utilization rate fell to 76%. The top five polyester producing countries, in order of output, are China, India, the United States, South Korea and Taiwan, making up 78% of the global production. China's contribution of 47.22 million tons, a 7% drop from the previous year, accounted for 60% of the world's total production. India came in second, accounting for nearly 10% of the global output, but saw a drop of 10% to 6.68 million tons in 2020. The US, however, grew 3% in 2020 to 4.46 million tons. South Korea and Taiwan both contributed 3% to the global output, and both experienced a decline of 11% output.

Polyester is mostly used to produce PET and polyester fibers which include filament and staple fibers. In 2020, PET accounted for approximately 30% of the global output, and polyester fibers 65%.

■ PET

In 2020, global PET production dropped 1% to 24.29 million tons (Source: Wood Mackenzie). This was the first decline since the financial crisis of 2007–2008. The utilization rate was down three percentage points from the year before at 73%. The world's five leading PET producing countries in order are China, the United States, India, Mexico and Taiwan, making up 61% of the global output. China's PET production decreased 4% to 8.17 million tons in 2020, accounting for 34% of the world's total. The United States grew 1% in 2020 from the year before to 2.82 million tons. Taiwan dropped 5% to 1.01 million tons in 2020. In terms of utilization rate, Mexico and India both kept it around 80%; China, Taiwan and the U.S. were somewhere around 70%.

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, geotextile, medical supplies, and fish nets.

■ Polyester fibers

The global production of polyester fibers slid 9% to 52.65 million tons (Source: Wood Mackenzie) in 2020, among which, filaments made up around 70% and staple fibers around 30%.

In 2020, the global production of polyester filaments fell 10% to 35.73 million tons. The top five producing countries are China, India, the United States, South Korea and Taiwan in order. China's production of polyester filaments in 2020 was down 10% to 27.59 million tons, accounting for 77% of the world's total output. Similarly, India's production of polyester filaments dropped 13% to 3.16 million tons, taking up 9% of the global output. The U.S., South Korea and Taiwan, each produced roughly 2% of the global production, and all the three of them saw a decline in production from a year before. The global capacity for polyester filaments expanded 4% in 2020, whereas capacity utilization dropped nearly ten percentage points from the year before.

In 2020, the global production of staple fibers fell 6% to 16.92 million tons. China, accounting for 60% of the total as the world's largest producer, was down 4% from last year to 10.01 million tons in 2020. It was followed in order by India at 9% and then Indonesia, South Korea, the United States, Turkey and Taiwan, each producing somewhere from 2 to 4% of the global share. The global capacity for polyester staple fibers expanded 2% in 2020. The utilization rate was down by 6 percentage points to 66%.

The COVID-19 pandemic resulted in a decline in the production of polyester fibers. The production of polyester staple fibers was not reduced as much as that of polyester filaments mainly because of the robust demand for face masks for pandemic protection.

1.2.1.3 Textile Business

■ Spun yarn

In 2019/2020 crop year, the world's production of cotton increased 3% or 0.77 million tons to 26.59 million tons (Source: the U.S. Department of Agriculture). The world's top three cotton producing countries were India, China and the United States. China was the only one of three countries to drop 2% from the previous year. India and the U.S. both experienced a growth in cotton production due to expansion in planted area, 14% and 8% respectively. In 2019/2020 crop year, India overtook China once again and became the world's largest cotton producing country.

Operational Highlights

According to the National Bureau of Statistics of China, China's cotton production amounted to 5.91 million tons in 2019/2020 crop year, with Xinjiang as its largest producing region representing around 87% of the national total production.

In 2019/2020 crop year, the global cotton consumption amounted to 22.34 million tons, 15% down 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 80% of global cotton consumption. However, all of them witnessed a decline in consumption from the year before. Due to the rise in cotton production and decline in consumption, the global cotton inventory in 2019/2020 crop year shot up to 21.52 million tons, the highest since the 2014/2015 crop year.

In 2020, plagued by the pandemic, the cotton market witnessed an oversupply. Cotton prices dropped to a new low in five years as of April 2020, to be followed by a gradual rebound thanks to recovery in market demand.

■ Industrial yarn

The global demand for polyester industrial yarn declined 13% to 1.82 million tons in 2020 (source: Wood Mackenzie and market survey). With more than 80% of the global capacity for industrial polyester yarn, China is the world's largest producer. The pandemic coupled with China's massive capacity expansion caused the global utilization rate to drop by 20 percentage points from the year before in 2020.

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. In 2020, its exports of textiles and apparel increased by 10% to \$ 291.2 billion from the year before (Source: China's customs authority); a decline of 6% in apparel as opposed to a tremendous growth of almost 30% in textiles triggered by exports of epidemic prevention supplies such as face masks. As labor cost in China climbed up on the back of a growing economy, the proportion of apparel in the nation's exports of textiles decreased continuously over the years, dropping to 47%, down by 8 percentage points from 2019. The proportion of textiles, conversely, continued to expand mainly because major apparel-producing countries, such as Vietnam, Bangladesh and Cambodia are highly dependent on China for textiles.

Vietnam surpassed Bangladesh in 2020 as the world's second largest exporting country of textiles and apparel. Vietnam's export value of textiles and apparel in 2020 stood at \$33.5 billion (Source: Vietnam's customs authority), down 9% from the year before. Its top three export destinations were the U.S. (\$14.1 billion, down 5%), Japan (\$3.6 billion, down 12%) and China (\$3.5 billion, down 13%), which in total accounted for 63%.

1.2.1.4 Telecommunication Business

■ Consumer business

According to the report issued by Taiwan Network Information Center (TWNIC), Taiwan's mobile internet usage rate surpassed 80% in 2020, which drove people's lives towards digital mobility. Also, 5G network and COVID-19 pandemic boost the telecom industry

■ Enterprise business

Looking back on 2020, the global economy was hit by COVID-19. IMF published the World Economic Outlook Report, "A Long and Difficult Ascent", in October 2020, which stated that the global economy was emerging from the plunge caused by the Great Lockdown in April. However, as COVID-19 continued to spread, many countries slowed down their pace of re-opening. The global economic growth was negative in 2020.

1.2.1.5 Property Business

In 2020, the global pandemic of COVID-19 triggered worldwide lockdowns and economic recessions. Against the backdrop of the pandemic-induced economic downturns and rollout of QE and relief measures, a V-shaped recovery was seen in the global real estate market, a steep decline in the first half of the year and a rebound in the second half. Due to a combination of various factors, including the intensifying US-China trade war, industrial strategic transfer, low interest rates, and growth of private equity funds, hot money from around the world poured into parts of Asia Pacific where the epidemic was relatively under control, with investors favoring stock markets over assets.

According to UNCTAD's World Investment Report, cross-regional FDI decreased sharply by 42% from \$1.5 trillion in 2019 to \$859 billion in 2020. As a result, global investment in real estate declined 28% over the year to \$762 billion in 2020. The breakdown of investments is as follows: commercial property remained stable at 34%; residential and industrial both saw a significant increase, up to 27% and 20% respectively; retail and hotel went down to 14% and 5% respectively. Industrial went up by 3% whereas hotel was down by 3%. Major international gateway cities such as New York, London, Paris, Los Angeles and Tokyo remained favored by international investors, with \$23.1 billion (+39%) invested in Paris, \$22.8 billion (+38%) in London and \$22.7 billion (+40%) in Tokyo.

In the domestic market throughout 2020, the trend of overseas Taiwanese businesses returning to make investments continued, life insurance companies and real estate developers acquiring land reserves. Meanwhile, the success in the prevention and control of COVID-19 and massive inflows of hot money contributed to the recovery of the real estate market in the second half of the year. In 2020, the total turnover of land and commercial property transactions exceeded NT\$442.6 billion. Land transactions amounted to NT\$297.6 billion, up 14.8% from a year earlier, of which commercial accounted for 28%, residential 54%, and industrial 18%. Commercial property transactions stood at NT\$144.8 billion, down 2.2% from a year earlier, of which industrial accounted for 55%, office 11%, retail 13%, and hotel 21%. Housing transactions still concentrated in metropolitan areas. The nationwide number of ownership transfers increased 8.8% over the past year to approximately 322,000 units, some 250,000 of which were completed in the six special municipalities, up 7.7% from a year earlier.

1.2.1.6 Investment & Others Business

In 2020, the pandemic of COVID-19 has brought a massive impact on economic activities, trade, transportation and supply chains. In addition, tensions between the United States and China continued to run high; oil and commodity prices went through fluctuations. The global economy thus took a nosedive and businesses developed an inclination to be conservative in investments and operations. According to the report published by the Directorate General of Budget, Accounting and Statistics in February 2021, Taiwan's GDP growth in 2020 was 3.11%, and CPI was down 0.23%. Its projected GDP growth in 2021 is 4.64% with CPI up 1.33%. While the global economy is expected to recover in 2021, there remain uncertainties. The recovery depends on the efficacy and progress of vaccines, duration of government relief measures, development of US-China tensions, trade negotiations between the UK and EU. As economic developments continue to look uncertain, it is top priorities for Taiwan's central bank to keep prices and the overall financial system stable. It is expected to keep accommodative monetary policies in place to foster economic growth. 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 pages 83-84 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 2021, the global PTA capacity is expected to grow 13% from the year before to 100 million tons (Source: Wood Mackenzie and PAL). With many new facilities up and running, new additional capacity in total will exceed 10 million tons. China's massive expansion in capacity is expected to bring its PTA utilization rate down to 75%, a significant reduction of 10 percentage points from 2020. Since there is no new capacity, Taiwan's PTA utilization rate will bounce back to 88% in 2021 as market demand rebounds.

Operational Highlights

Global economy is expected to gradually recover starting from Q1 2021 as COVID-19 vaccination opens up in one country after another around the world. Oil-producing countries continue with cutbacks in production. Freezing temperatures brought an immense impact on the US petrochemical industry, causing hikes in oil prices and those of petrochemical raw materials. PTA prices have also risen. The Company has PTA production sites in Taiwan and China and plans to build the largest integrated PTA/PET plant in the Americas. The expansion of the plant in Yangzhou will also be implemented in due course. We will continue to strengthen our advantages in internal vertical integration to reap benefits from operational synergy.

1.2.3.2 Polyester Business

■ PET

As demand rises owing to the recovery in global economy, the global production of PET is estimated to grow 6% from 2020 to 25.85 million tons in 2021 (Source: Wood Mackenzie). This will be the highest growth rate since 2012. The PET global capacity is projected to grow 3% in 2021 to 34.33 million tons. Of the new capacity, 90% will be added in China.

Rising oil prices led to an upward movement in PET prices in Q1 2021. Due to the short supply of feedstock—PTA, the utilization rate declined among some manufacturers in North America and Europe, leaving the market undersupplied. The Company, nevertheless, has managed to keep the feedstock supply very steady by leveraging its strengths in vertical integration. Meanwhile, it has also maximized profits by keeping production and sales in balance through its global network of business operation.

FENC is currently one of the world's top three PET suppliers, having an annual capacity of more than 2 million tons and production sites located across Asia, including Taiwan, China, Japan and Vietnam. Its global footprint has stretched across the Pacific Ocean to the Americas. In 2018, it built its first production site in the U.S. and continues to scale up its 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 are currently one of the world's top two companies in recycled polyester business and world number one in capacity for food-grade quality. The Company is going ahead full throttle on the expansion of its global capacity, including the projects in the U.S., Vietnam and the Philippines. The second recycled PET production line in Japan was completed and started to operate in the first half of 2021.

■ Polyester fibers

In 2021, the global production of polyester fibers is expected to increase 8% to 57.04 million tons (Source: Wood Mackenzie), back to the level in 2019. It is projected that the production of polyester filaments will grow by 10% to 39.20 million tons and polyester staple fibers grow by 5% to 17.84 million tons.

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, sanitation, building materials, sports, automobile and household goods. We are also highly committed to the R&D of functional fibers for medical use. The Company is currently the world's largest supplier of medical grade composite fibers such as PE/PP and PE/PET. In collaboration with global brands in sanitary products, we have developed ultra-fine denier fiber for baby and women products to provide delightful comfort for users.

The Company's production of filaments focuses on differentiation, including coolness, moisture absorption generating heat, moisture absorption wicking sweat, flame-retardant and UV-Cut effect. In addition, TOPGREEN®, polyester filament made from recycled PET bottles, has been not only designated as the material of the sportswear in major international events, but also a quality product that enables our brand customers to keep their green commitment.

Additionally, the Company's Nylon 6,6 Filament (for apparel) has been a champion in the Asia-Pacific market, suitable for the making of yoga wear, gym suits, lingerie, etc. As home fitness has come into vogue in the wake of the pandemic, the demand for Nylon 6,6 fibers is on the rise.

The Company has completed the establishment of production lines for polyester fibers in Taiwan and China, and is currently focused on the expansion in Vietnam. The Vietnamese facilities for polyester staple fibers started to operate in 2020 and are planned to expand in scale. The construction of facilities for filament production is expected to complete in 2021. These projects will surely enable the Company to harness its strengths in integrated production and sales planning and thereby maximize its value proposition to clients.

1.2.3.3 Textile Business

■ Spun yarn

According to U.S. Department of Agriculture, in the 2020/2021 crop year, the global production of cotton is forecast at 24.67 million tons, down 7% from the previous crop year, with the US significantly down 26% mainly due to unstable climate conditions and farmers' switch to other crops, which also led to declines in both unit production and planted area. In the 2020/2021 crop year, the global demand for cotton is estimated to rise 14% from the previous crop year to 25.57 million tons. As demand surpasses production, cotton inventories will drop 4% to 20.6 million tons.

Global economy started to recover in Q1 2021, prompting the demand for cotton to go up. Weak dollars provided support for international cotton prices. ICE cotton futures price exceeded 90 cents per pound in February, the highest in the last two years and a half.

The Company continues to watch the cotton market very closely, adjusting in a timely manner the procurement source of cotton. Prices have also been raised to reflect the price increase of raw materials.

■ Industrial yarn

Global demand for polyester industrial yarn is expected to rise 6% in 2021 from the previous year to 1.93 million tons (Source: Wood Mackenzie and market survey), but it is 8% less than 2019 and still yet to rebound to the pre-pandemic level. Since there is no major expansion in global capacity in 2021, an improvement in the utilization rate is expected.

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. The rebound in worldwide car sales in Q1 2021 triggered the growth in demand for the Company's products, and thereby the utilization rate is nearly 100%.

■ Knitted fabrics and apparel

The United States was the world's largest apparel importer. In 2020, the pandemic dampened the consumer demand and the import value plummeted as much as 23% from the year before to \$64.1 billion as a result. China, Vietnam and Bangladesh were the top three apparel suppliers. China, nevertheless, was hit with a double whammy of raised tariffs amid the US-China trade war and a public health catastrophe and thus lost ground in apparel exports as much as nearly 40%. Vietnam and Bangladesh dropped 7% and 12% respectively. The overall trend of variation in proportion among sources of imports suggests that U.S. fashion companies have been sourcing increasingly more from Vietnam in place of China. In 2015, China still accounted for 36% of the apparel imports in the U.S., Vietnam 12% and Bangladesh 6%, but in 2020, China declined to 24% while Vietnam and Bangladesh rose to 20% and 8% respectively.

According to Vietnam Textile and Apparel Association, the export value target in 2025 set for the Vietnamese textiles and apparel industry is \$55 billion. The compound annual growth rate from 2021 to 2025 is estimated around 10%. Vietnam has exerted itself to join regional economic integration in recent years. It has entered CPTPP, reached an FTA with the EU, and signed RECP at the end of 2020. As tariffs on imports from Vietnam are lowered over time, this target is reachable.

The Company's dyeing & finishing plant in Vietnam is now in operation, with Phase II expansion underway. It works closely with the existing apparel production sites. We will continue with the on-going vertical integration with brand customers to cement our status as the key 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 has become a 5G speed champion in Taiwan according to 2020 network quality test result, certified by both Speedtest and OpenSignal, the authoritative international institutions. FET will continuously enhance our network quality, and 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.

Operational Highlights

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 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 4G network development 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/healthcare, smart manufacturing and smart retail. 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 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.

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. Taipei's Xinyi A13 is an intelligent shopping mall that connects consumers to fashion and Chubei New Century Shopping Mall is scheduled to open for the second half of this year. 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 2020 & 2019 were NT\$866.814 million and NT\$1,061.969 million, respectively.

1.3.2 Successful Technology or Products from the Development

1.3.2.1 Production Business(Petrochemical, Polyester & Textile Business)

Black Impact-resistance PET sheet; Low density opacity shrinkable film; Deodorizing PET fiber; Durable hydrophilic finishing agent; Cotton-like poly spun yarn; Antibacterial ZnO polyol; Flame-retardant polyol; Acne Dressing with Calendula Essential Oil; Thin Border Acne Dressing; Heat resistance tire cord

1.3.2.2 Telecommunication Business

friDay Video; friDay Omusic; friDay Shopping; friDay Finance; friDay Cloud Game; Smart Speaker; Smart Watch; FET Cloud Email Service; NB-IoT Application; Information Security; Private 5G network

1.3.2.3 Property 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 Leverage Vertical Integration

In the early stage after the outbreak of the pandemic in 2020, the world was mired in the disruption of global supply chains and was struggling with the reconfiguration of supply chain networks. In the future, customers will favor suppliers that are reliable and resilient even more. The Company features a vertically integrated network of production and sales that sets itself apart from competitors around the world, operating in petrochemical, polyester and textile businesses. Our services are streamlined from R&D to sales. FENC is self-sufficient in raw material and has earned the trust of global brands. We will continue to consolidate our internal resources and technologies to capture business opportunities and maximize profits.

1.4.1.2 Expand Operation Scale

The Company continues to increase its global presence by rolling out multiple capacity expansion projects. We have increased our investments in the circular economy in Taiwan and Japan, built an integrated PTA/PET plant in Texas, US, moved on with the construction of a new production line for polyester fibers and Phase II expansion for the dyeing & finishing plant in Vietnam, and planned to start the expansion of PTA and PET production facilities in Yangzhou, China. We aspire to be a global leader in the industry of polyester and fiber materials with diversified product offering and multi-region deployment of production sites.

1.4.1.3 Accelerate Digital Transformation

For the sake of industrial transformation and upgrading, the Company has been adopting AI across the board. In addition to the introduction of automated equipment and manufacturing processes, an assortment of high technologies, such as 3D VR, big data analysis, cloud computing, and RFID, have also been widely applied to improve efficiency in production and management. Multiple application projects have been completed, including models for product quality prediction, smart phone management system, war room management console, etc. The Company is committed to continuous perfection and innovation.

1.4.2 Long-term Business Plan

1.4.2.1 Strengthen Research and Development

Enterprises must realize that the key to staying on top of today's ever-changing consumer landscape is continuous innovation in products so as to maintain growth. The Company's R&D center has been established for more than 20 years, focusing on polyester materials, fibers and textiles, new materials, energy, biotech, etc. They have developed a wide array of high value-added products, including high-end sanitary products, automotive parts and accessories, functional footwear and apparel, to tap into various sectors for promising opportunities.

1.4.2.2 Nurture the Circular Economy

FENC has worked diligently to establish green industrial chains. It has launched multiple circular economy projects such as Bottle to Bottle—rPET resin, Bottle to Fiber—recycled yarn, and Bottle to Other Packaging—recycled packaging solutions. The Company is also committed to developing Fiber to Fiber—recycling technology for apparel. In addition, TopGreen®ChemCycle was successfully developed in 2020, a technology that chemically converts polyester wastes into rPTA. Well-accepted by customers, it is now fully harnessed to help protect the environment.

1.4.2.3 Maintain Leadership in ESG

FENC has spared no effort in fulfilling corporate social responsibilities. It has been striving to strike a balance among corporate governance, environmental protection and social responsibility and aspires to be the global champion in sustainability. With the contribution made by everyone in the Company, we have been widely acknowledged for our ESG achievements, earning multiple accolades, such as the World's Best Practice Award in 2020 Global Corporate Sustainability Awards (GCSA) and several titles in Taiwan Corporate Sustainability Awards (TCSA), including Taiwan's Top 10 Model Enterprises for Sustainability, and Best Report of the Year. In addition, in order to advance the implementation of sustainability practices, the Sustainability Committee was established at the board-level in 2020, which is responsible for keeping the Company on track of sustainable development.

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 (18%), Europe (8%), and others (4%).

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)	860,209	53,180	190,890	189,123	57,748	36,117
Taiwan (tons)	3,035,415	1,579,681	442,913	438,792	581,831	361,932
Market Share(%)	28.3%	3.4%	43.1%	43.1%	9.9%	10.0%

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

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

2020 Market share of mobile subscribers by carriers: Chunghwa Telecom at 38.6%, Far EasTone at 26.0%, Taiwan Mobile at 24.3%, Taiwan Star Telecom (VIBO) and Asia Pacific Telecom, combined at 11.1%.

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

2.1.3.1 Petrochemical, Polyester & Textile Business

FENC has been operating in Taiwan for more than 70 years since its establishment in 1949. It is well-known for agile responsiveness and outstanding performance. The outbreak of COVID-19 pandemic in 2020 has presented the business world with unprecedented challenges, including widespread lockdowns, supply chain reconfiguration, and plunge of crude oil prices into negative territory. The Company has been able to adapt its operation swiftly with vertical integration, diversified production sites and green transformation, and thereby set itself apart from competitors and demonstrate its operational resilience in trying times.

As vaccination picks up pace and governments roll out economic recovery packages, global economy is expected to emerge strongly from the gloom in 2021. According to the IMF's forecast published in April 2021, the world economy is expected to grow 6.0% in 2021; the IMF estimated growth of 5.1% for advanced economies and 6.7% for emerging economies. Growth rates both are expected to be the highest in the last ten years, with recoveries across the board. FENC has seized this growth opportunity to expand its global presence, accelerating capacity expansion with multi-region deployment, meanwhile tapping into RTA-integrated markets around the world.

The Company has prepared itself for the post-COVID new normal with sustained commitment to innovation in product offering for medical and sanitary applications, including surgical masks, protective gowns, face shields, and blood collection tubes, etc. Meanwhile, we are speeding up digital transformation, enabling remote working and building highly efficient intelligent factories. In addition, the pandemic has underscored the influence of enterprises on society. FENC has worked closely for years with global brands to build a robust ecosystem of circular economy, ambitiously intent on contributing even more to social well-being with its prosperity.

As the business climate evolves, FENC will capitalize on its decades-long experience and core strengths and stride toward sustainable development with innovative thinking, superior technology and outstanding management.

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.

5G also fulfills different needs of enterprise clients, and thus enterprise business is expected to become a new engine of revenue growth of the telecom companies. FET, focusing on big data, AI and IoT technologies to develop advanced 5G applications including smart manufacturing, smart city, smart medical treatment, cloud services, information security and IoT. FET expands business to private 5G network services at the same time, expecting to have diversity of revenue source to drive company growth.

2.1.3.3 Property Business

The rollouts of COVID-19 vaccines in 2021 have boosted the confidence of bringing the pandemic under control. Central banks around the world continue to keep accommodative monetary policies in place and stimulate the economy with low interest rates in the first half of the year. The global economy is expected to recover gradually over time. However, bottlenecks in transportation and logistics slow down the flows of labor and raw materials, hampering the supply of consumer goods in the markets. The resultant inflation will be the focal point of global attention. Taiwan's domestic economy remains stable. According to the Directorate General of Budget, Accounting and Statistics, Executive Yuan, Taiwan's economy is expected to grow by 4.64% in 2021, up 0.81% from the forecast made in November 2020. The movements in the financial markets in the course of the year mainly depend on the Central Bank's policies—whether it will edge up interest rates or adopt exchange control measures as inflows of global hot money persist.

Expanding domestic demand and investing in public infrastructure are the priorities of Taiwan's national development plan. A budget of NT\$534 billion has been proposed for public infrastructure, an increase of NT\$96.2 billion (+22%) from a year earlier. A portion of it, NT\$229.8 billion was approved by the Legislative Yuan in January 2020 for Phase III of the Forward-looking Infrastructure Development Program. In addition, the Healthy Real Estate Market Plan implemented by the Executive Yuan is expected to have a positive impact on construction industries and the real estate market and contribute to the safety and security of investments.

The number of low-use houses nationwide climbs gradually. According to the Ministry of the Interior, there were as many as 891,900 units of vacant housing by the end of 2019, of which 500,900 (63%) were in the six special municipalities, a decrease of 20,000 units from the previous year. There were a remainder of 78,000 newly-built units for sale, of which 58,000 (74%) were in the six special municipalities, an increase of 200 units. The depletion rate of residential property remains stable. However, there are challenging variables, such as demographic changes, including low birth rate, aging population, and negative population growth, and the decline in housing affordability of urban residents. There are also some other complicated factors, including the implementation of social housing, urban renewal and reconstruction of old or dilapidated buildings.

Even though commercial and industrial properties have endured a bigger hit by the pandemic, industrial and office space are expected to go up slightly in rent and remain low in vacancy rates because Taiwanese businesses are still expanding production bases very actively, supply of land is low in the short term, institutional investors are acquiring land to hedge against risks and optimism permeates the market in general. As the economy picks up, a turnaround is expected for the retail property market in the second half of the year. Land supply will not measure up to last year for some time to come. Institutional investors will be more cautious.

Overall, the real estate market continues to enjoy a bright outlook since the second half of last year, seeing stability in price and a rise in volume. As metro systems continue to sprawl across vast areas in northern Taiwan, residential and commercial properties near the metro system are less susceptible to price volatility. In the future, for any real estate product to be competitive, it must be differentiated from others in value-added aspects, including brand recognizability of design, energy efficiency, intelligent solutions, security and safety, adaptation to demographic changes, etc.

Operational Highlights

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

A. Competitive advantages

- (1) Decades-long accumulation of industrial know-hows
- (2) Diversified and differentiated product offering
- (3) Superior and innovative R&D capabilities
- (4) Vertical integration from upstream to downstream

B. Positive factors

- (1) Recovery in global economy
- (2) Increased environmental awareness
- (3) Growing consumption of healthcare and sanitary products for prevention and control of pandemic
- (4) Distinctive trade benefits accrued through investments in Vietnam

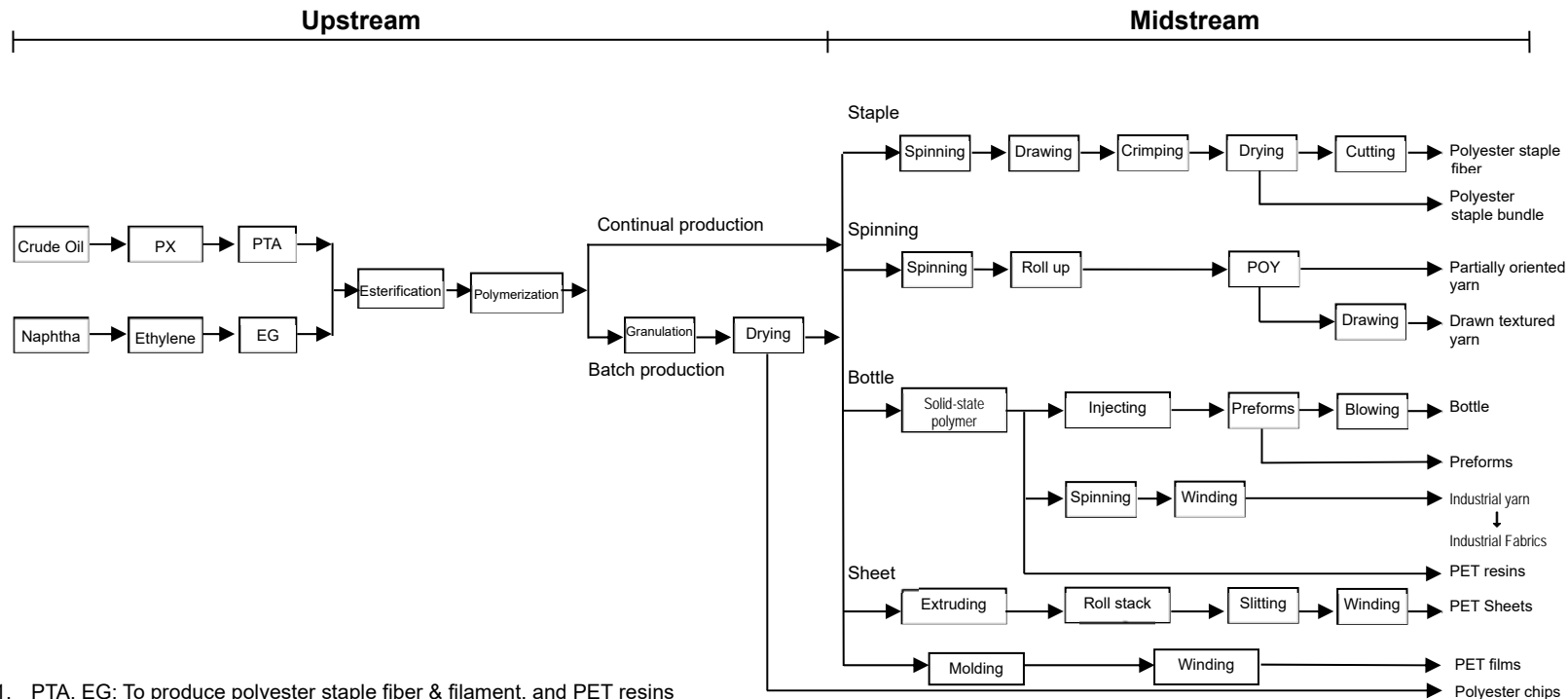
C. Negative factors

- (1) Tensions in US-China relations
- (2) Lack of progress in Taiwan's participation in regional economic integration
- (3) International geopolitical risks
- (4) Rise in labor cost

D. Company's measures to counteract negative factors

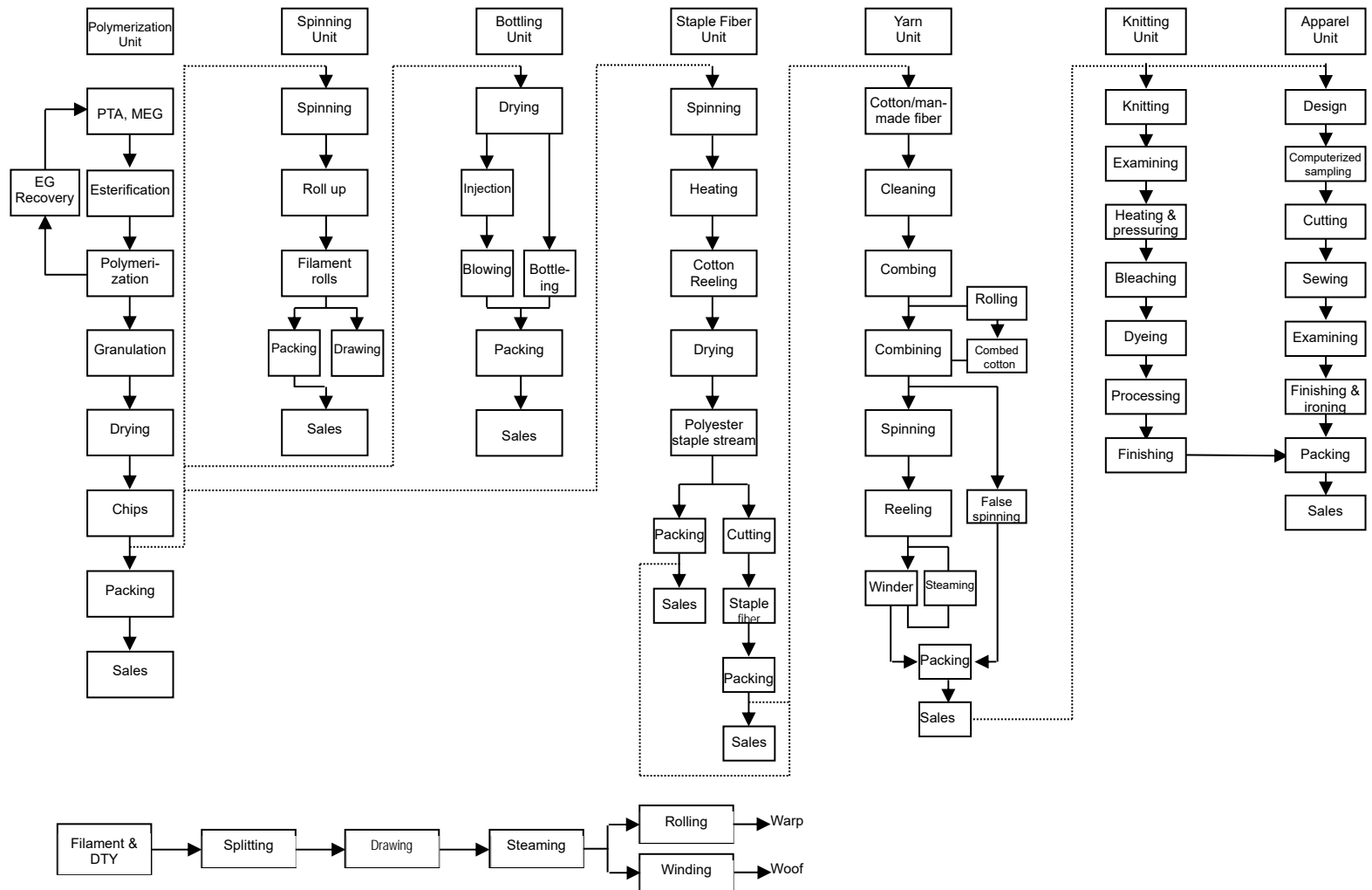
- (1) Speeding up and scaling up R&D of green products
- (2) Leveraging vertical integration of production and sales
- (3) Introducing intelligent production and smart management
- (4) Deploying production sites across regions harnessing advantages of localized production and sales

2.2 Applications and Production Process of Major Products



1. PTA, EG: To produce polyester staple fiber & filament, and PET resins
2. Polyester staple fiber: staple fiber yarn, blended yarn, conjugate yarn, non-woven yarn
3. Polyester filament: apparel, garment, upholstery and home furnishing textile
4. Industrial yarn(Industrial fabrics): seat belt, conveyor belt, water-proof coated fabrics
5. Elastic Fiber: stretch apparel and tights
6. PET resins: PET bottle, PET sheet
7. PET bottle: packaging materials or containers of beverages and food
8. Polyester chip: polyester filament, polyester staple fiber
9. PET films: PET heat shrinkable bottle labels
10. Yarn: fabrics for clothing, industrial usage, or home furnishing purpose through weaving or knitting process
11. Fabrics : Finished fabrics for clothing, industrial usage, or home furnishing purpose after dyeing and finishing process
12. Knitted fabrics: apparel, garments, upholstery and home furnishing products
13. Apparel : Underwear, clothing, shirts, fashions, etc.

Downstream



Note: Arrows represent the production sequence, and the dotted arrows represent the inter-unit transferring.

2.3 Sources of Major Raw Materials

Item	PTA, EG	Cotton, Polyester Staple Fibers	Fabrics	Finished fabrics	Remarks
Major sources	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			2020			2019		
			Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Petro-chemical	PTA	MT	2,750,000	2,363,318	34,887,930	2,750,000	2,554,731	56,265,014
Polyester	Polyester Chip	MT	2,666,200	2,098,353	43,224,548	2,567,800	1,999,825	59,176,773
	PET Resin (Note)	MT	2,198,550	1,928,288	43,127,460	2,125,550	1,801,725	55,721,556
	PET Bottle Preform	Thousand pieces	2,840,000	2,147,032	1,881,440	2,780,000	2,178,131	2,440,593
	PET Sheet	MT	123,600	97,353	2,948,750	139,200	92,933	3,690,638
	Polyester Staple Fiber	MT	444,600	318,399	9,913,787	390,600	280,578	11,021,994
	PET Film	MT	21,120	17,651	891,370	20,160	16,618	988,617
	Partially Oriented Yarn	MT	93,480	79,624	3,383,937	98,880	87,766	4,422,080
	Drawn Textured Yarn	MT	42,682	42,682	2,852,111	52,440	47,590	3,506,799
Textile	Yarn	Bales	302,810	248,749	3,299,297	373,340	319,727	4,717,075
	Knitted Fabrics	MT	42,300	27,359	9,512,444	43,440	32,828	11,838,407
	Industrial Fabrics	MT	21,600	17,848	1,317,254	21,600	21,166	1,720,162
	Industrial Yarn	MT	143,600	114,094	5,331,092	143,600	123,461	7,082,711
	Apparel	Thousand pieces	85,719	48,948	6,466,735	75,801	70,358	9,135,362

Note: Including recycled PET

Operational Highlights

2.6 Sales Volume and Revenue in Recent Two Years

Unit: NT\$ thousands

Main Products			2020				2019			
			Domestic sales		Export sales		Domestic sales		Export sales	
			Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue
Petro-chemical	PTA	MT	1,775,137	25,136,828	605,675	8,256,066	1,807,424	41,025,240	706,161	15,788,030
Polyester	Polyester Chip (Note1)	MT	35,678	861,918	41,491	977,649	53,993	1,689,773	22,545	861,387
	PET Resin (Note2)	MT	763,654	20,623,777	996,862	25,902,083	686,515	24,011,429	923,494	32,322,672
	PET Bottle Preform	Thousand pieces	1,316,734	1,214,096	657,582	851,684	1,359,015	1,594,483	653,384	996,923
	PET Sheet	MT	67,828	2,269,673	29,405	1,211,704	57,937	2,433,534	34,731	1,687,436
	Polyester Staple Fiber	MT	143,436	5,702,512	206,931	8,020,474	110,751	5,076,892	176,855	8,763,459
	PET Film	MT	7,419	535,532	11,023	872,495	7,958	532,525	11,844	965,125
	Partially Oriented Yarn	MT	34,379	1,376,963	9,778	475,010	37,307	1,732,737	12,263	664,657
	Drawn Textured Yarn	MT	29,562	2,109,047	17,021	1,320,721	34,524	2,702,326	16,622	1,461,472
Textile	Yarn	Bales	158,448	2,402,857	106,296	1,147,329	207,952	3,553,240	142,326	1,667,120
	Knitted Fabrics	MT	7,011	1,951,923	29,875	8,611,313	12,322	2,954,833	34,565	9,996,709
	Industrial Fabrics	MT	6,104	535,288	12,525	1,169,305	5,632	619,219	14,848	1,707,680
	Industrial Yarn	MT	35,991	1,672,000	52,083	2,761,683	28,561	1,651,381	60,098	3,902,630
	Apparel	Thousand pieces	5,740	1,259,452	44,200	5,690,598	8,745	1,833,357	83,241	8,368,230

Note1: Mainly due to internal consumption

Note2: Including recycled PET

3. Information about Employees

Year		2020	2019	Mar 31, 2021
Number of employees		30,478	33,833	29,259
Average age		36	35	37
Average years of service		7.6	6.7	7.9
Breakdown of educational level (Note)	Ph.D	0.2%	0.2%	0.2%
	Master	6.8%	6.3%	7.1%
	Bachelor	43.0%	40.2%	44.4%
	High school and below	50.0%	53.3%	48.3%

Note: Foreign Labors in Taiwan are not included in this statistics.

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

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 economic impact of the COVID-19 pandemic in 2020, the Company managed to keep up its demand for talent and recruited 226 people (5% 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

Employee training has always been one of the top priorities on the Company's agenda. Since the Company relocated to Taiwan in 1949, it has been providing employees various educational training courses each year. In March 1973, the Company established an occupational training center, in advance of the promulgation of Occupational Training Act implemented by the central government. To enhance overall personnel quality, cultivate professional management talents, and satisfy requirements of organizational operations, the training center was re-organized and expanded into the Learning and Development Center in February 2008.

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The establishment of the Learning and Development Center (the Center) attests to the Company's commitment to nurturing talent. Since 2011, the Company has been evaluated and granted the silver award of "Talent Quality-management System" (TTQS), a national level evaluation for talent development, from the Workforce Development Agency, the Ministry of Labor. In response to the fast expansion of the polyester and textile businesses globally, various competence training courses have been provided, such as leadership management for supervisors and professional skill enhancement for staff. Customized programs have also been created to train professionals needed for global operations. The Center keeps its curriculum up-to-date to supply employees with the knowledge and skills required for the Company's constant growth.

As challenges ahead become ever more unpredictable, "lifelong learning" is the key to survival for both individuals and enterprises. Besides continuously offering various professional courses, the Company provides long-term training development at all levels in line with the training requirements. The high-level management has to focus on "global business management and strategic planning," whilst the focus for the mid-level managers is "execution" and that for the entry-level supervisors is "teamwork." For non-supervisory employees, the major focus is on "skill." Besides, innovation is the core competency expected of all employees. Training courses of varying levels have been developed based on the structure delineated in the above, which enables employees to think and communicate in a consistent system of logical reasoning.

Due to the coronavirus outbreak, the Company's online training platform became one of the highlighted methods for training this year, providing a user-friendly and convenient real-time learning channel. All employees can improve their competency by self-learning through an online library system, e-book library service, online English learning platform, and various digital courseware tools. The wealth of learning resources accessible to employees continues to grow over time and builds the Company as an "innovative learning organization."

Furthermore, in collaboration with Yuan Ze University, the Company has launched "Digital Innovation EMBA" and "Industrial Engineering and Management Program" at Far Eastern Corporate University by tapping into the university's educational resources and jointly designing up-to-date course modules. These customized programs incorporate the characteristics of FENC's industries into the curriculum, allowing theories and practices to complement one another. This aligns with the trend of digital innovation, creates a corporate culture conducive to learning, and also enhances the digital competitiveness of the Company's personnel.

FENC has established multiple production bases around the world and has gradually become an influential multinational company. We select key talents with potential and enroll them in training programs, including online courses offered by prestigious universities, such as MIT Sloan School of Management and Wharton School of Business, to perfect their management skills, professional expertise, and English proficiency. Moreover, we have also introduced LinkedIn's online learning platform to host professional learning modules across a broad range of positions and enhance employees' know-how and also their international communication skills. As the Company continues to expand its global presence and thus requires a pool of talent with various foreign language skills, language training courses have been made available for learners of Japanese, Spanish, etc. in addition to English, which is in line with the Company's strategies to go global and digital.

In 2020, the Company conducted 150 training sessions with 2,978 participants, totally 27,250 hours.

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 2020 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.

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

Operational Highlights

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 has obtained Occupational Health and Safety Assessment Series (OHSAS 18001:2007 & ISO 45001) and Taiwan Occupational Safety and Health Management (TOSHMS) certifications among production sites. Each year the third party certification institution reviews and audits the production sites, thus validating the certifications.

C. Work environment sustainability:

In accordance with the procurement policies of Taiwan Occupational Safety and Health Management (TOSHMS), 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. 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.

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.

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

Operational Highlights

6. 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
		Industrial Technology Research Institute	2020.04~2021.09	The development of processing and rheological analysis technology of polymer powder	
	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	2016.05~2021.07	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 2010.09~Present	Procurement agreement for iPhone Wireless Service License for Apple's iPad Product	
		Taiwan International Standard Electronics LTD.	2016.04~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
		Freeway Bureau, MOTC	2017.12~2021.07	National Freeway No.4 Taichung Circle Line, Fengyuan Tamzi sub-section, C711 Fengshi and C714 Tamzi Interchange construction	
Long-Term Borrowing Contract	OPTC	O-Bank	2019.09~2021.09	Bank loan agreement	
		JihSun Bank	2020.05~2023.05	Bank loan agreement	
		Mega International Commercial Bank	2017.07~2022.07	Syndicated loan agreement	
	Far Eastern Construction	Hua Nan Bank	2011.04~2031.04	Bank loan agreement	
	FENC	First Commercial Bank	2020.10~2022.10	Bank loan agreement	
		The Bank of Taiwan	2020.08~2024.02 2019.11~2023.05	Bank loan agreement	
		Mizuho bank	2019.09~2023.09	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 2020.06~2023.12	Unsecured recurring commercial paper	
		Taiwan Finance Corp.	2020.06~2024.06	Unsecured recurring commercial paper	

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

Year		Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Mar 31, 2021 (Note 1)
Item							
Current assets		111,246,067	119,594,481	129,188,871	100,053,197	107,539,316	122,106,957
Property, plant and equipment		162,659,904	163,017,162	164,557,019	152,732,987	148,316,398	163,417,888
Intangible assets		93,617,166	55,286,152	57,997,019	60,311,664	56,965,287	92,129,032
Other assets		249,432,133	238,181,904	213,846,511	203,668,432	200,639,157	250,980,771
Total assets		616,955,270	576,079,699	565,589,420	516,766,280	513,460,158	628,634,648
Current liabilities	Before distribution	107,025,470	114,920,194	128,880,103	101,640,620	107,183,432	132,711,133
	After distribution	(Note 2)	122,949,507	138,515,278	108,064,070	111,465,732	(Note 2)
Non-current liabilities		240,505,160	189,838,322	168,979,880	159,586,567	154,084,074	222,926,660
Total liabilities	Before distribution	347,530,630	304,758,516	297,859,983	261,227,187	261,267,506	355,637,793
	After distribution	(Note 2)	312,787,829	307,495,158	267,650,637	265,549,806	(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	3,320,137	3,270,355	2,908,631	2,859,569	2,859,588	3,289,624
	After distribution						
Retained earnings	Before distribution	150,115,757	150,837,528	149,192,149	141,693,400	137,393,384	152,813,914
	After distribution	(Note 2)	142,808,215	139,556,974	135,269,950	133,111,084	(Note 2)
Other equity		(2,910,395)	(3,089,283)	(2,069,331)	(3,696,270)	(2,870,205)	(3,100,603)
Treasury stocks		(25,063)	(25,063)	(25,063)	(25,063)	(25,063)	(25,063)
Total equity attributable to owners of the Company	Before distribution	204,029,187	204,522,288	203,535,137	194,360,387	190,886,455	206,506,623
	After distribution	(Note 2)	196,492,975	193,899,962	187,936,937	186,604,155	(Note 2)
Non-controlling interests		65,395,453	66,798,895	64,194,300	61,178,706	61,306,197	66,490,232
Total equity	Before distribution	269,424,640	271,321,183	267,729,437	255,539,093	252,192,652	272,996,855
	After distribution	(Note 2)	263,291,870	258,094,262	249,115,643	247,910,352	(Note 2)

Note 1: The financial data of Mar 31, 2021 has been reviewed by the independent auditor.

Note 2: The distribution of 2020 earnings is subject to the approval at the upcoming 2021 Annual General Shareholders' Meeting.

Financial Information

1.1.2 Condensed Consolidated Statements of Comprehensive Income

Unit: NT\$ thousands, except earnings per share

Item \ Year	2020	2019	2018	2017	2016	For the three months ended Mar 31, 2021 (Note 1)
Operating revenues	206,769,281	250,146,590	228,661,933	217,846,948	215,855,921	56,248,001
Gross profit	40,395,676	44,749,930	44,400,112	49,698,205	51,171,122	11,903,027
Operating income	10,002,311	13,762,994	14,783,942	15,434,269	14,536,809	3,104,714
Nonoperating income (expenses)	6,121,173	5,367,261	6,271,188	1,458,022	1,423,301	1,740,967
Income before income tax	16,123,484	19,130,255	21,055,130	16,892,291	15,960,110	4,845,681
Net income	12,980,539	16,435,163	18,391,602	14,201,337	12,702,690	3,918,962
Other comprehensive income, net	258,469	(455,369)	905,869	(97,661)	(7,941,876)	(285,585)
Total comprehensive income	13,239,008	15,979,794	19,297,471	14,103,676	4,760,814	3,633,377
Net income attributable to owner of the Company	8,062,699	10,732,669	12,028,294	8,066,136	6,307,786	2,713,985
Net income attributable to non-controlling interests	4,917,840	5,702,494	6,363,308	6,135,201	6,394,904	1,204,977
Total comprehensive income attributable to owner of the Company	8,036,556	10,546,569	12,883,387	7,808,712	(1,049,835)	2,511,446
Total comprehensive income attributable to non-controlling interests	5,202,452	5,433,225	6,414,084	6,294,964	5,810,649	1,121,931
EPS (NT\$/share, Note 2)	1.62	2.15	2.41	1.61	1.26	0.54

Note 1: The financial data of Mar 31, 2021 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

Item \ Year	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Current assets	30,257,013	31,823,888	31,423,092	23,622,633	27,827,747
Property, plant and equipment	24,271,372	25,325,644	24,507,928	24,216,996	24,509,217
Intangible assets	16,280	18,948	17,087	20,427	24,499
Other assets	271,907,411	271,953,123	261,082,047	238,260,228	233,408,485
Total assets	326,452,076	329,121,603	317,030,154	286,120,284	285,769,948
Current liabilities	Before distribution	22,380,382	24,007,226	23,339,671	15,560,934
	After distribution	(Note)	32,036,539	32,974,846	21,984,384
Non-current liabilities	100,042,507	100,592,089	90,155,346	76,198,963	75,042,525
Total liabilities	Before distribution	122,422,889	124,599,315	113,495,017	91,759,897
	After distribution	(Note)	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	3,320,137	3,270,355	2,908,631	2,859,569
	After distribution				2,859,588
Retained earnings	Before distribution	150,115,757	150,837,528	149,192,149	141,693,400
	After distribution	(Note)	142,808,215	139,556,974	135,269,950
Other equity	(2,910,395)	(3,089,283)	(2,069,331)	(3,696,270)	(2,870,205)
Treasury stocks	(25,063)	(25,063)	(25,063)	(25,063)	(25,063)
Total equity attributable to owners of the Company	Before distribution	204,029,187	204,522,288	203,535,137	194,360,387
	After distribution	(Note)	196,492,975	193,899,962	187,936,937
					186,604,155

Note: The distribution of 2020 earnings is subject to the approval at the upcoming 2021 Annual General Shareholders' Meeting.

1.1.4 Condensed Statements of Comprehensive Income (Stand-alone)

Unit: NT\$ thousands, except earnings per share

Item \ Year	2020	2019	2018	2017	2016
Operating revenues	38,768,801	46,477,960	54,063,801	45,216,423	44,749,437
Gross profit	5,290,621	4,953,143	5,197,053	3,706,024	4,113,602
Operating Income (Loss)	339,915	137,076	260,263	(1,258,899)	(866,363)
Nonoperating income (expenses)	7,544,687	10,606,950	12,458,314	9,375,660	6,858,197
Income before income tax	7,884,602	10,744,026	12,718,577	8,116,761	5,991,834
Net income	8,062,699	10,732,669	12,028,294	8,066,136	6,307,786
Other comprehensive income, net	(26,143)	(186,100)	855,093	(257,424)	(7,357,621)
Total comprehensive income	8,036,556	10,546,569	12,883,387	7,808,712	(1,049,835)
EPS (NT\$/share, Note)	1.62	2.15	2.41	1.61	1.26

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
2020	Chih-Ming Shao & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion
2019	Jing-Bin Shih & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion
2018	Jing-Bin Shih & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion
2017	Jing-Bin Shih & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion
2016	Jing-Bin Shih & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion

Financial Information

2. Financial Ratio Analysis for Recent Five Years

2.1 Financial Ratio Analysis

2.1.1 Financial Ratio Analysis (Consolidated)

Item \ Year		2020	2019	2018	2017	2016	March 31 2021
Financial structure	Ratio of liabilities to assets (%)	56.3	52.9	52.7	50.6	50.9	56.6
	Ratio of long-term capital to property, plant and equipment (%)	255.6	241.9	226.4	231.7	232.6	245.1
Liquidity analysis	Current ratio (%)	103.9	103.6	100.2	98.4	100.3	92.0
	Quick ratio (%)	80.3	78.3	69.9	68.9	76.5	70.2
	Interest coverage ratio (times)	6.5	6.9	8.8	7.5	7.4	8.3
Operating ability	Receivables turnover(times)	7.7	8.9	8.3	8.6	9.0	8.3
	Average collection period (days)	47.4	41.1	43.9	42.3	40.7	44.2
	Inventory turnover (times)	6.8	6.7	6.1	6.9	7.1	7.4
	Average sales days (days)	53.8	54.4	60.0	52.8	51.7	49.1
	Payables turnover (times)	9.2	11.7	9.8	9.2	10.2	10.0
	Property, plant and equipment turnover (times)	1.3	1.5	1.4	1.4	1.5	1.4
	Total assets turnover (times)	0.3	0.4	0.4	0.4	0.4	0.4
Profitability analysis	Return on total assets (%)	2.7	3.4	3.9	3.3	2.9	2.9
	Return on equity attributable to owners of the Company (%)	4.0	5.3	6.1	4.2	3.3	5.3
	Ratio to paid-in capital (%)	Operating profit	18.7	25.7	27.6	28.8	27.2
		Pre-tax income	30.1	35.7	39.3	31.6	29.8
	Ratio of net income to sales (%)	6.3	6.6	8.0	6.5	5.9	7.0
Cash flow	EPS (NT\$/share) (Note)	1.62	2.15	2.41	1.61	1.26	0.54
	Cash flow ratio (%)	38.8	38.2	14.6	29.3	32.3	9.2
	Cash flow adequacy ratio (%)	85.6	78.8	70.5	76.4	77.8	85.6
	Cash reinvestment ratio (%)	10.9	11.0	2.0	8.3	10.4	—
Leverage	Operating leverage	5.0	4.1	3.7	3.8	4.2	4.6
	Financial leverage	1.4	1.3	1.2	1.2	1.2	1.3

Analysis of variations exceeding 20% of the numbers in previous year for 2019 and 2020:

- (1) Operating ability decreased (e.g. payables turnover & total assets turnover): mainly due to the 2020 operating costs and revenues decreased.
- (2) Ratios of profitability analysis decreased (e.g. return on total assets, return on equity attributable to owners of the Company, operating profit to paid-in capital ratio & EPS): mainly due to the 2020 net income & operating profit decreased.
- (3) Ratio on operating leverage increased: mainly due to the 2020 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

2.1.2 Financial Ratio Analysis (Stand-alone)

Item \ Year		2020	2019	2018	2017	2016
Financial structure	Ratio of liabilities to assets (%)	37.5	37.9	35.8	32.1	33.2
	Ratio of long-term capital to property, plant and equipment (%)	1,241.8	1,204.8	1,198.4	1,177.2	1,085.0
Liquidity analysis	Current ratio (%)	135.2	132.6	134.6	151.8	140.3
	Quick ratio (%)	115.8	110.7	105.8	111.5	108.5
	Interest coverage ratio (times)	9.3	11.9	15.0	11.0	7.2
Operating ability	Receivables turnover(times)	7.4	7.5	7.7	6.4	6.3
	Average collection period (days)	49.1	48.4	47.6	56.8	57.8
	Inventory turnover (times)	7.1	7.0	7.6	6.7	6.5
	Average sales days (days)	51.6	52.1	47.8	54.4	56.5
	Payables turnover (times)	14.6	14.6	15.6	13.0	13.6
	Property, plant and equipment turnover (times)	1.6	1.8	2.2	1.9	1.8
	Total assets turnover (times)	0.1	0.1	0.2	0.2	0.2
Profitability analysis	Return on total assets (%)	2.8	3.6	4.3	3.1	2.5
	Return on shareholders' equity (%)	4.0	5.3	6.1	4.2	3.3
	Ratio to paid-in capital (%)	Operating profit	0.6	0.3	0.5	(2.4)
		Pre-tax income	14.7	20.1	23.8	15.2
	Ratio of net income to sales (%)	20.8	23.1	22.3	17.8	14.1
Cash flow	EPS (NT\$/share, Note)	1.62	2.15	2.41	1.61	1.26
	Cash flow ratio (%)	47.0	58.7	39.4	41.2	39.7
	Cash flow adequacy ratio (%)	106.4	106.6	98.0	98.1	83.5
Leverage	Cash reinvestment ratio (%)	0.8	1.5	1.0	0.8	1.0
	Operating leverage	21.1	53.2	30.5	—	—
	Financial leverage	—	—	—	—	—
Analysis of variations exceeding 20% of the numbers in previous year for 2019 and 2020: (1) Interest coverage ratio decreased: mainly due to the 2020 income before tax decreased. (2) Ratios of profitability analysis decreased (e.g. return on total assets, return of shareholders' equity & pre-tax income to paid-in capital ratio): mainly due to the 2020 income before income tax and net income decreased. (3) Operating profit to paid-in capital ratio increased: mainly due to the 2020 operating profit increased. (4) Cash reinvestment ratio decreased: mainly due to the 2020 cash flows from operating activities decreased. (5) Ratio on operating leverage decreased: mainly due to the 2020 operating profit increased.						

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

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)

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 2020 which had been audited by Deloitte & Touche, and found them in order.

The Convener of the Audit Committee: Bing Shen

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平

13 May 2021

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

None

Financial Information

5. Financial Report (Consolidated)

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

2020 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, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

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

Fair Value Evaluation of Investment Property

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

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

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

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

Recognition of Revenue Derived from Mobile Telecommunications Service

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

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

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

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

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

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

Other Matter

We did not audit the financial statements of APG Polytech, LLC and Corpus Christi Polymers, LLC, which are investees included in the consolidated financial statements of the Group for the year ended December 31, 2020, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the Group's consolidated financial statements for these investees, is based solely on the reports of other auditors. The total assets of the aforementioned investees were NTD17,801,322 thousand, representing 3% of the Group's consolidated assets as of December 31, 2020. The total sales revenue of the aforementioned investees were NTD9,560,047 thousand, representing 5% of the Group's consolidated net sales revenue for the years ended December 31, 2020.

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

Financial Information

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chih-Ming, Shao and Cheng-Hung Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 2021

Notice to Readers

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

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

Financial Information

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 36)	\$ 35,198,619	6	\$ 38,924,588	7
Financial assets at fair value through profit or loss (Notes 4, 7, 34, 35 and 36)	5,455,230	1	5,053,716	1
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 35)	86,209	-	80,853	-
Financial assets at amortized cost - current (Notes 9, 10, 35 and 36)	2,507,071	-	1,792,168	-
Contact assets (Notes 4 and 27)	6,098,262	1	6,398,973	1
Notes and accounts receivable, net (Notes 4, 11, 27 and 36)	26,788,957	4	26,932,881	5
Other receivables (Note 36)	3,828,566	1	4,209,711	1
Current tax assets (Note 4)	35,937	-	34,616	-
Inventories (Notes 4, 12 and 37)	21,937,176	4	27,117,492	5
Prepayments	3,349,841	1	2,512,007	-
Other financial assets (Notes 36 and 37)	2,655,502	-	3,079,224	-
Refundable deposits	64,369	-	105,305	-
Other current assets (Note 27)	3,240,328	-	3,352,947	1
Total current assets	111,246,067	18	119,594,481	21
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 35)	2,726,579	-	2,076,085	-
Financial assets at amortized cost (Notes 9, 10, 35, 36 and 37)	510,000	-	519,921	-
Investments accounted for using the equity method (Notes 4, 14, 36 and 37)	75,201,025	12	71,266,263	13
Contract assets (Notes 4 and 27)	3,221,916	1	2,333,037	-
Property, plant and equipment (Notes 4, 16 and 37)	162,659,904	26	163,017,162	28
Right-of-use assets (Notes 4, 17 and 36)	18,710,578	3	18,692,472	3
Investment properties (Notes 4, 5, 18 and 37)	136,853,033	22	127,633,553	22
Concessions (Notes 4, 20 and 37)	77,002,309	13	38,069,295	7
Goodwill (Notes 4 and 19)	12,287,387	2	12,290,228	2
Other intangible assets (Notes 4 and 20)	4,327,470	1	4,926,629	1
Deferred tax assets (Notes 4 and 29)	2,700,290	-	3,117,532	1
Prepayments for equipment (Note 16)	568,398	-	1,596,474	-
Refundable deposits	1,363,405	-	1,478,369	-
Long-term other receivables (Notes 11 and 36)	129,598	-	100,125	-
Incremental costs of obtaining a contract (Notes 4 and 27)	3,490,644	1	3,398,107	1
Net defined benefit assets (Note 24)	642,298	-	487,009	-
Other financial assets (Notes 36 and 37)	2,770,633	1	3,882,293	1
Other non-current assets (Note 20)	543,736	-	1,600,664	-
Total non-current assets	505,709,203	82	456,485,218	79
TOTAL	\$ 616,955,270	100	\$ 576,079,699	100

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2020		2019	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Notes 21 and 36)	\$ 33,474,613	5	\$ 35,429,586	6
Short-term bills payable (Note 21)	6,905,315	1	8,125,603	1
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 35)	10,619	-	1,861	-
Contract liabilities (Notes 4 and 27)	5,509,591	1	4,535,792	1
Notes and accounts payable	17,746,056	3	17,704,125	3
Notes and accounts payable to related parties (Note 36)	291,020	-	336,261	-
Payables to suppliers of machinery and equipment	3,455,701	1	2,518,210	-
Lease liabilities (Notes 4, 17 and 36)	3,220,558	1	3,187,540	1
Other payables	14,431,102	2	14,844,133	3
Current tax liabilities (Note 4)	2,913,079	-	1,693,953	-
Provisions (Notes 4 and 23)	249,424	-	250,396	-
Guarantee deposits received (Note 36)	126,100	-	233,022	-
Current portion of long-term liabilities (Notes 21 and 22)	15,524,620	3	23,071,439	4
Other current liabilities	3,167,672	-	2,988,273	1
Total current liabilities	107,025,470	17	114,920,194	20
NON-CURRENT LIABILITIES				
Financial liabilities for hedging (Note 35)	8,508	-	31,087	-
Contract liabilities (Notes 4 and 27)	189,322	-	210,600	-
Lease liabilities (Notes 4, 17 and 36)	7,289,561	1	7,376,771	1
Bonds payable (Note 22)	104,682,499	17	83,398,393	15
Long-term borrowings (Note 21 and 36)	107,093,501	18	78,289,832	14
Provisions (Notes 4 and 23)	1,049,170	-	961,398	-
Deferred tax liabilities (Notes 4 and 29)	18,359,149	3	17,761,929	3
Net defined benefit liabilities (Note 24)	904,696	-	959,416	-
Guarantee deposits received (Note 36)	761,458	-	635,451	-
Deferred credit-gains on related-party transactions (Note 36)	121,971	-	122,526	-
Other non-current liabilities	45,325	-	90,919	-
Total non-current liabilities	240,505,160	39	189,838,322	33
Total liabilities	347,530,630	56	304,758,516	53
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Share capital				
Common stock	53,528,751	9	53,528,751	9
Capital surplus	3,320,137	1	3,270,355	1
Retained earnings				
Legal reserve	19,028,517	3	17,955,250	3
Special reserve	117,342,360	19	115,505,874	20
Unappropriated earnings	13,744,880	2	17,376,404	3
Total retained earnings	150,115,757	24	150,837,528	26
Other equity	(2,910,395)	(1)	(3,089,283)	(1)
Treasury shares	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	204,029,187	33	204,522,288	35
NON-CONTROLLING INTERESTS (Note 26)	65,395,453	11	66,798,895	12
Total equity	269,424,640	44	271,321,183	47
TOTAL	\$ 616,955,270	100	\$ 576,079,699	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 31, 2021)

Financial Information

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 27 and 36)				
Net sales	\$ 138,939,956	67	\$ 181,946,076	73
Telecommunications service revenue	45,541,683	22	47,518,690	19
Gain on disposal of investments, net	-	-	31,400	-
Construction revenue	7,212,184	4	6,868,908	3
Other operating revenue	<u>15,075,458</u>	<u>7</u>	<u>13,781,516</u>	<u>5</u>
Total operating revenue	<u>206,769,281</u>	<u>100</u>	<u>250,146,590</u>	<u>100</u>
OPERATING COSTS (Notes 12, 28 and 36)				
Cost of goods sold	127,158,892	61	168,419,192	67
Cost of telecommunications services	23,796,630	12	24,651,774	10
Loss on disposal of investments, net	13,458	-	-	-
Construction costs	6,918,007	3	6,608,826	3
Other operating costs	<u>8,486,618</u>	<u>4</u>	<u>5,716,868</u>	<u>2</u>
Total operating costs	<u>166,373,605</u>	<u>80</u>	<u>205,396,660</u>	<u>82</u>
GROSS PROFIT	<u>40,395,676</u>	<u>20</u>	<u>44,749,930</u>	<u>18</u>
REALIZED CONSTRUCTION INCOME	<u>555</u>	<u>-</u>	<u>555</u>	<u>-</u>
OPERATING EXPENSES (Notes 28 and 36)				
Selling and marketing	18,777,380	9	18,810,722	8
General and administrative	10,282,121	5	10,809,934	4
Research and development	866,814	1	1,061,969	-
Expected credit loss	<u>467,605</u>	<u>-</u>	<u>304,866</u>	<u>-</u>
Total operating expenses	<u>30,393,920</u>	<u>15</u>	<u>30,987,491</u>	<u>12</u>
OPERATING INCOME	<u>10,002,311</u>	<u>5</u>	<u>13,762,994</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of associates (Note 14)	5,524,945	3	6,464,485	2
Interest income (Note 36)	299,102	-	354,718	-
Other income (Note 36)	1,901,821	1	1,236,814	-
Exchange gain, net	15,204	-	127,790	-
Gain (loss) on financial assets (liabilities) at fair value through profit or loss, net (Note 5, 7 and 36)	523,420	-	386,597	-
Gain on change in fair value of investment properties (Note 18)	3,245,848	2	1,882,995	1
Interest expense (Notes 28 and 36)	(2,939,261)	(1)	(3,220,315)	(1)
Other expenses (Note 36)	(899,092)	(1)	(879,055)	-
Loss on disposal of property, plant and equipment (Note 16)	(900,039)	(1)	(816,751)	-
(Loss) gain on disposal of investment properties (Note 18)	(12,542)	-	(262)	-
Loss on disposal of concessions (Note 20)	(3,140)	-	(1,467)	-
Gain (loss) on disposal of intangible assets (Note 20)	(4)	-	1,465	-
Net loss on derecognition of financial assets at amortized cost (Note 9)	-	-	(2,800)	-
Impairment loss (Notes 14 and 16)	<u>(635,089)</u>	<u>-</u>	<u>(166,953)</u>	<u>-</u>
Total non-operating income and expenses	<u>6,121,173</u>	<u>3</u>	<u>5,367,261</u>	<u>2</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	2020		2019	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 16,123,484	8	\$ 19,130,255	8
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(3,142,945)</u>	<u>(2)</u>	<u>(2,695,092)</u>	<u>(1)</u>
NET INCOME	<u>12,980,539</u>	<u>6</u>	<u>16,435,163</u>	<u>7</u>
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(209,796)	-	831,265	-
Gain on property revaluation (Note 16)	1,721,507	1	337,927	-
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income	53,125	-	70,739	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	(752,803)	(1)	1,855,646	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(91,796)</u>	<u>-</u>	<u>(169,991)</u>	<u>-</u>
	<u>720,237</u>	<u>-</u>	<u>2,925,586</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(520,593)	-	(2,536,536)	(1)
(Loss) gain on hedging instruments	22,579	-	(96,443)	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>36,246</u>	<u>-</u>	<u>(747,976)</u>	<u>-</u>
	<u>(461,768)</u>	<u>-</u>	<u>(3,380,955)</u>	<u>(1)</u>
Other comprehensive income (loss), net of income tax	<u>258,469</u>	<u>-</u>	<u>(455,369)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 13,239,008</u>	<u>6</u>	<u>\$ 15,979,794</u>	<u>7</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 8,062,699	4	\$ 10,732,669	5
Non-controlling interests	<u>4,917,840</u>	<u>2</u>	<u>5,702,494</u>	<u>2</u>
	<u>\$ 12,980,539</u>	<u>6</u>	<u>\$ 16,435,163</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 8,036,556	4	\$ 10,546,569	5
Non-controlling interests	<u>5,202,452</u>	<u>2</u>	<u>5,433,225</u>	<u>2</u>
	<u>\$ 13,239,008</u>	<u>6</u>	<u>\$ 15,979,794</u>	<u>7</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 30)				
Basic	<u>\$ 1.62</u>		<u>\$ 2.15</u>	
Diluted	<u>\$ 1.61</u>		<u>\$ 2.14</u>	

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

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

(Concluded)

Financial Information

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company				
	Common Stock	Capital Surplus	Retained Earnings		Unappropriated Earnings
			Legal Reserve	Special Reserve	
BALANCE AT JANUARY 1, 2019	\$ 53,528,751	\$ 2,908,631	\$ 16,752,421	\$ 114,443,170	\$ 17,996,558
Effect of retrospective application and retrospective restatement	-	-	-	-	(331,352)
BALANCE AT JANUARY 1, 2019, AS RESTATED	53,528,751	2,908,631	16,752,421	114,443,170	17,665,206
Appropriation of the 2018 earnings					
Legal reserve	-	-	1,202,829	-	(1,202,829)
Special reserve	-	-	-	1,088,579	(1,088,579)
Cash dividends	-	-	-	-	(9,635,175)
Cash dividends distributed by subsidiaries	-	-	-	-	-
Net income for the year ended December 31, 2019	-	-	-	-	10,732,669
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	823,075
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	11,555,744
Change in associates accounted for using the equity method	-	14,084	-	6	45,095
Disposal of investments accounted for using the equity method	-	(212)	-	-	528
Disposal of subsidiaries	-	-	-	-	-
Change in ownership interest of subsidiaries	-	346,449	-	-	-
Increase in non-controlling interests	-	-	-	-	-
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,403	-	-	-
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	10,533
Reversal of special reserve	-	-	-	(25,881)	25,881
Acquisition of subsidiaries	-	-	-	-	-
BALANCE AT DECEMBER 31, 2019	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 capital surplus	-	-	-	-	-
Net income for the year ended December 31, 2020	-	-	-	-	8,062,699
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	(180,004)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	7,882,695
Change in associates accounted for using the equity method	-	48,613	-	-	(417,606)
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(24,376)
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,169	-	-	-
Change in ownership interest of subsidiaries	-	-	-	-	(133,171)
BALANCE AT DECEMBER 31, 2020	<u>\$ 53,528,751</u>	<u>\$ 3,320,137</u>	<u>\$ 19,028,517</u>	<u>\$ 117,342,360</u>	<u>\$ 13,744,880</u>

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

Equity Attributable to Owners of the Company							
Other Equity							
Exchange Differences on Translating 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
\$ (3,589,901)	\$ 771,912	\$ 45,880	\$ 702,778	\$ (25,063)	\$ 203,535,137	\$ 64,194,300	\$ 267,729,437
-	-	-	-	-	(331,352)	(94,653)	(426,005)
(3,589,901)	771,912	45,880	702,778	(25,063)	203,203,785	64,099,647	267,303,432
-	-	-	-	-	-	-	-
-	-	-	-	-	(9,635,175)	-	(9,635,175)
-	-	-	-	-	-	(7,758,030)	(7,758,030)
-	-	-	-	-	10,732,669	5,702,494	16,435,163
(2,955,805)	1,678,830	(34,180)	301,980	-	(186,100)	(269,269)	(455,369)
(2,955,805)	1,678,830	(34,180)	301,980	-	10,546,569	5,433,225	15,979,794
-	-	-	-	-	59,185	409	59,594
-	(244)	-	-	-	72	-	72
-	-	-	-	-	-	(11,276)	(11,276)
-	-	-	-	-	346,449	3,088,551	3,435,000
-	-	-	-	-	-	1,783,277	1,783,277
-	-	-	-	-	1,403	-	1,403
-	(10,533)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	163,092	163,092
(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
(673,235)	(469,545)	7,780	1,288,861	-	(26,143)	284,612	258,469
(673,235)	(469,545)	7,780	1,288,861	-	8,036,556	5,202,452	13,239,008
-	-	-	-	-	(368,993)	(3,859)	(372,852)
-	24,376	-	-	-	-	-	-
-	-	-	-	-	1,169	-	1,169
-	651	-	-	-	(132,520)	131,121	(1,399)
\$ (7,218,941)	\$ 1,995,447	\$ 19,480	\$ 2,293,619	\$ (25,063)	\$ 204,029,187	\$ 65,395,453	\$ 269,424,640

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 31, 2021)

Financial Information

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 16,123,484	\$ 19,130,255
Adjustments for:		
Expected credit loss	467,605	304,866
Depreciation	20,320,980	21,689,323
Amortization	5,431,770	4,372,487
Interest expense	2,939,261	3,220,315
Net loss on disposal of financial assets at amortized cost	-	2,800
Interest income	(299,102)	(354,718)
Dividend income	(146,494)	(70,241)
Share of the profit of associates	(5,524,945)	(6,464,485)
Loss on disposal of property, plant and equipment	900,039	816,751
Loss on disposal of investment properties	12,542	262
Loss (gain) on disposal of intangible assets	4	(1,465)
Loss on disposal of concessions	3,140	1,467
Gain on disposal of investments	-	(39,053)
Impairment loss	635,089	166,953
Write-down (reversal) of inventories	117,536	(57,622)
Realized gain on the transactions with associates	(555)	(555)
Gain on change in fair value of investment properties	(3,245,848)	(1,882,995)
Loss (gain) on modifications of lease	4,678	(1,101)
Loss on disposal of subsidiaries	-	773
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(401,514)	1,021,888
Financial instruments for hedging	-	1,868
Contract assets	(588,168)	(1,367,612)
Notes and accounts receivable	(770,835)	2,347,777
Other receivables	916,113	(127,491)
Inventories	3,503,967	6,889,155
Prepayments	(837,834)	2,538,599
Other current assets	112,619	(407,029)
Incremental cost of obtaining a contract	(92,537)	(1,595,944)
Financial liabilities at fair value through profit or loss	8,758	(4,987)
Contract liabilities	952,521	(158,586)
Notes and accounts payable	41,931	638,431
Notes and accounts payable to related parties	(45,241)	(29,256)
Other payables	(406,217)	(2,630,602)
Provisions	86,800	7,097
Other current liabilities	179,399	(416,220)
Net defined benefit assets and liabilities	(419,805)	(511,763)
Cash generated from operations	39,979,141	47,029,342
Interest received	294,075	362,404
Dividends received	4,745,631	4,204,534
Interest paid	(2,973,209)	(3,281,446)
Income tax paid	(556,183)	(4,365,548)
Net cash generated from operating activities	<u>41,489,455</u>	<u>43,949,286</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in prepayments for investments	-	(100,000)
Cash received by reduction of capital of financial assets at fair value through other comprehensive income	13,500	-

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	2020	2019
(Increase) decrease in financial assets at amortized cost	\$ (704,982)	\$ 189,356
Acquisition of financial assets at fair value through other comprehensive income	(522,455)	(5,207)
Acquisition of investments accounted for using the equity method	(4,080,195)	(1,855,556)
Proceeds from the disposal of investments accounted for using the equity method	-	162,010
Acquisition of property, plant, equipment and prepayments for equipment	(19,332,091)	(24,629,959)
Proceeds from the disposal of property, plant and equipment	222,484	106,912
Decrease (increase) in refundable deposits	155,900	(386,900)
Increase in other receivables	(550,590)	(2,591,284)
Acquisition of intangible assets	(758,880)	(897,241)
Proceeds on the disposal of intangible assets	2,061	9,282
Acquisition of investment properties	(5,370)	(12,441)
Proceeds from the disposal of investment properties	101	1,440,000
Acquisition of right-of-use assets	(208,951)	(927,705)
Increase in concessions	(42,150,715)	(107,419)
Proceeds from disposal of concessions	40	375
Decrease in other financial assets	1,535,382	1,477,887
Net cash outflow on acquisition of subsidiaries	-	(436,659)
Net cash outflow on disposal of subsidiaries	-	(39,803)
Increase in other non-current assets	(59,262)	(1,089,954)
Net cash used in investing activities	(66,444,023)	(29,694,306)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(1,954,973)	(12,403,859)
(Decrease) Increase in short-term bills payables	(1,218,878)	1,409,000
Proceeds from issue of bonds	34,500,000	25,100,000
Repayments of bonds payables	(20,600,000)	(17,800,000)
Proceeds from long-term borrowings	266,586,037	300,343,176
Repayments of long-term borrowings	(237,847,021)	(291,083,741)
Repayment of the principal portion of lease liability	(4,160,695)	(3,852,159)
Increase in guarantee deposits received	19,085	80,600
(Decrease) increase in other non-current liabilities	(45,594)	131
Cash dividends paid	(8,028,144)	(9,633,772)
Cash capital increase by subsidiaries	162	5,218,277
Cash capital reduction by subsidiaries	-	-
Partial acquisition of interests in subsidiaries from non-controlling interests	-	-
Dividends paid to non-controlling interests	(6,733,082)	(7,758,030)
Net cash (used in) generated from financing activities	20,516,897	(10,380,377)
EFFECTS OF EXCHANGE RATE CHANGES	711,702	(292,575)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,725,969)	3,582,028
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	38,924,588	35,342,560
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 35,198,619	\$ 38,924,588

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 31, 2021)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

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

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

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

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

d. Basis of consolidation

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

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

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

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

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

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

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

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

e. Business combinations

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

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

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

f. Foreign currencies

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

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

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

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

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

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

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

g. Inventories

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

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

h. Investments in associates

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

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

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

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

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

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

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

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

i. Joint operations

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

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

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

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

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

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

j. Property, plant and equipment

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

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

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

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

k. Investment properties

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

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

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

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

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

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

l. Goodwill

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

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

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

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

m. Intangible assets

1) Intangible assets acquired separately

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

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

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

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

n. Assets related to contract costs

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

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

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

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

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

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

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

p. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

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

ii. Financial assets at amortized cost

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

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

Financial liabilities at FVTPL

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

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

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

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

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

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

q. Hedge accounting

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

1) Fair value hedges

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

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

2) Cash flow hedges

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

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

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

r. Provisions

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

1) Decommissioning, restoration and similar liabilities

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

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

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

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

2) Onerous contracts

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

3) Warranties

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

s. Revenue recognition

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

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

1) Revenue from sale of goods

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

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

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

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

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

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

2) Revenue from rendering of services

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

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

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

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

3) Construction contract revenue

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

4) Service concession revenue

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

t. Leasing

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

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

1) The Group as lessor

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

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

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

2) The Group as lessee

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

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

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

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

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

decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the consolidated balance sheets.

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

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

u. Borrowing costs

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

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

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

v. Government grants

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

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

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

w. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and rereasurement) 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

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

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

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

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

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

a. Forward exchange contracts

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

As of December 31, 2020 and 2019, the Group had outstanding forward exchange contracts, which were stated as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2020</u>			
Sell	USD/NTD	2021.1.6-2021.4.19	USD69,490/NTD1,960,358
Sell	EUR/USD	2021.1.29-2021.2.26	EUR5,000/USD6,027
Buy	USD/JPY	2021.1.28-2021.3.15	USD5,000/JPY519,830
Sell	JPY/NTD	2021.1.11-2021.1.11	JPY80,000/NTD21,930
Sell	USD/JPY	2021.1.27-2021.2.26	USD8,300/JPY864,843
Buy	USD/NTD	2021.1.11-2021.1.11	USD500/NTD14,252
Sell	USD/RMB	2021.1.15-2021.6.30	USD49,000/JPY326,547
<u>December 31, 2019</u>			
Sell	USD/NTD	2020.1.6-2020.4.29	USD69,750/NTD2,104,757
Sell	EUR/USD	2020.1.31-2020.2.26	EUR6,000/USD6,670
Buy	USD/JPY	2020.1.8-2020.3.17	USD14,500/JPY1,572,912
Buy	USD/RMB	2020.1.31-2020.2.26	USD12,000/RMB84,204
Sell	USD/JPY	2020.1.28-2020.2.26	USD6,000/JPY649,146
Buy	USD/NTD	2020.1.7-2020.1.16	USD2,300/NTD70,199
Sell	USD/RMB	2020.1.14-2020.2.24	USD17,000/JPY119,713
Sell	SGD/MYR	2020.1.30-2020.3.26	SGD500/MYR1,534

b. Option contracts

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

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

(Continued)

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

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

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

9. FINANCIAL ASSETS AT AMORTIZED COST

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

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

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

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

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

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

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

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

11. NOTES AND ACCOUNTS RECEIVABLE

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

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

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

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

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

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

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

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

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

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

The following table details the loss allowance of notes and accounts receivables.

December 31, 2020

	1 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 25,738,760	\$ 1,787,256	\$ 108,848	\$ 561,884	\$ 28,196,748
Loss allowance (Lifetime ECL)	<u>(597,505)</u>	<u>(241,767)</u>	<u>(36,307)</u>	<u>(532,212)</u>	<u>(1,407,791)</u>
Amortized cost	<u>\$ 25,141,255</u>	<u>\$ 1,545,489</u>	<u>\$ 72,541</u>	<u>\$ 29,672</u>	<u>\$ 26,788,957</u>

December 31, 2019

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

The above aging schedule was based on the invoice date.

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

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

Sale of Overdue Accounts Receivable

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

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

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

12. INVENTORIES

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

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

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

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

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

(Continued)

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

(Concluded)

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

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

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

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

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

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

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

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

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

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

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

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2020	2019	2020	2019
Far EasTone	\$ 5,245,826	\$ 5,463,118	\$ 42,472,796	\$ 43,893,802
			December 31	
			2020	2019
Current assets			\$ 25,152,457	\$ 27,257,217
Non-current assets			148,276,863	106,905,719
Current liabilities			(22,079,547)	(22,132,215)
Non-current liabilities			(83,102,564)	(41,424,301)
Equity			\$ 68,247,209	\$ 70,606,420
Equity attributable to:				
Owners of the Group			\$ 25,774,413	\$ 26,712,618
Non-controlling interests of Far EasTone			41,539,281	43,051,337
Non-controlling interests of Far EasTone's subsidiaries			933,515	842,465
			\$ 68,247,209	\$ 70,606,420
			For the Year Ended December 31	
			2020	2019
Revenue			\$ 79,500,965	\$ 83,865,872
Net income for the year			\$ 8,444,622	\$ 8,807,743
Other comprehensive income for the year			(135,736)	(14,847)
Total comprehensive income for the year			\$ 8,308,886	\$ 8,792,896

(Continued)

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

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

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

(Continued)

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

(Concluded)

Note: The merger will change the operating dynamics and will achieve cost-saving benefits and tax incentives by reducing operational duplication in environment, energy, and quality perspectives. The merger of associates Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Union Chemical Corporation, Oriental Petrochemical (YangZhou) Corporation will enhance the overall competency of the three companies. Far Eastern Union Petrochemical (Yangzhou) Corporation is the surviving company, and Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (YangZhou) Corporation are the dissolved companies. Oriental Petrochemical (YangZhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The record date of the merger was December 31, 2020.

a. Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31	
			2020	2019
Asia Cement Corporation	Cement production	Taiwan	27%	26%

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

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

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

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

Asia Cement Corporation

	December 31	
	2020	2019
Current assets	\$ 87,023,947	\$ 89,242,066
Non-current assets	210,062,908	208,282,515
Current liabilities	(64,027,610)	(74,338,007)
Non-current liabilities	<u>(63,172,293)</u>	<u>(53,491,467)</u>
Equity	169,886,952	169,695,107
Non-controlling interests	<u>(22,118,393)</u>	<u>(23,381,680)</u>
	<u>\$ 147,768,559</u>	<u>\$ 146,313,427</u>
Proportion of the Group's ownership	26.87%	26.14%
Equity attributable to the Group	39,705,412	38,246,330
Cross shareholdings	<u>(14,016,379)</u>	<u>(13,618,347)</u>
Carrying amount	<u>\$ 25,689,033</u>	<u>\$ 24,627,983</u>
	For the Year Ended December 31	
	2020	2019
Operating revenue	<u>\$ 78,240,880</u>	<u>\$ 89,347,637</u>
Net income for the year	\$ 18,773,807	\$ 22,243,953
Other comprehensive income	<u>(1,189,331)</u>	<u>(371,235)</u>
Total comprehensive income for the year	<u>\$ 17,584,476</u>	<u>\$ 21,872,718</u>
Dividends received from Asia Cement Corporation	<u>\$ 2,705,902</u>	<u>\$ 2,409,991</u>

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

b. Aggregate information of associates that are not individually material

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

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

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

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

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

15. JOINT OPERATIONS

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

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

16. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

	December 31									
	2020		2019							
<u>Carrying amount</u>										
Property, plant and equipment	\$ 162,659,904		\$ 163,017,162							
Prepayments for equipment	<u>568,398</u>		<u>1,596,474</u>							
	<u>\$ 163,228,302</u>		<u>\$ 164,613,636</u>							
<u>Cost</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Telecommunications Equipment</u>	<u>Computer Equipment</u>	<u>Leasehold Improvements</u>	<u>Operating and Miscellaneous Equipment</u>	<u>Construction-in-progress and Prepayments for Equipment</u>	<u>Total</u>	
Balance at January 1, 2020	\$ 20,061,400	\$ 37,512,980	\$ 148,743,860	\$ 81,464,024	\$ 15,371,587	\$ 6,231,251	\$ 21,378,723	\$ 33,597,375	\$ 364,361,200	
Additions	73,879	44,503	556,290	3,696	25,828	23,096	333,206	19,209,084	20,269,582	
Disposals	-	(173,792)	(2,547,979)	(3,747,565)	(541,716)	(172,611)	(472,390)	(43,959)	(7,700,012)	
Reclassification	(126,891)	3,650,701	6,531,158	7,901,938	571,314	153,236	1,126,409	(22,634,569)	(2,826,704)	
Effect of exchange rate differences	(46,219)	(111,007)	96,513	-	(60,136)	(3,190)	(27,433)	(779,318)	(930,790)	
Balance at December 31, 2020	<u>\$ 19,967,160</u>	<u>\$ 40,973,385</u>	<u>\$ 153,379,842</u>	<u>\$ 85,627,093</u>	<u>\$ 15,366,877</u>	<u>\$ 6,231,782</u>	<u>\$ 22,338,515</u>	<u>\$ 29,348,613</u>	<u>\$ 373,173,276</u>	
<u>Accumulated depreciation and impairment</u>										
Balance at January 1, 2020	\$ (95,894)	\$ (16,869,686)	\$ (88,498,294)	\$ (59,940,554)	\$ (13,278,224)	\$ (4,880,766)	\$ (16,184,146)	\$ -	\$ (199,747,564)	
Disposals	-	123,488	2,315,660	2,987,195	540,701	163,801	446,644	-	6,577,489	
Impairment loss	-	(1,960)	(572,454)	-	-	-	(5,713)	(22,428)	(602,555)	
Depreciation expense	-	(1,035,823)	(5,654,767)	(6,921,574)	(727,142)	(284,701)	(1,382,324)	-	(16,000,331)	
Reclassification	-	79,357	(25,025)	1	447	(791)	65,598	-	119,587	
Effect of exchange rate differences	-	(27,407)	(267,783)	-	6,485	1,497	1,608	-	(285,600)	
Balance at December 31, 2020	<u>\$ (95,894)</u>	<u>\$ (17,732,031)</u>	<u>\$ (92,707,663)</u>	<u>\$ (63,874,932)</u>	<u>\$ (13,457,733)</u>	<u>\$ (5,000,960)</u>	<u>\$ (17,058,333)</u>	<u>\$ (22,428)</u>	<u>\$ (209,944,974)</u>	
Carrying amount at January 1, 2020/December 31, 2019	<u>\$ 19,965,506</u>	<u>\$ 20,643,294</u>	<u>\$ 60,245,566</u>	<u>\$ 21,523,470</u>	<u>\$ 2,093,363</u>	<u>\$ 1,250,485</u>	<u>\$ 5,194,577</u>	<u>\$ 33,597,375</u>	<u>\$ 164,613,636</u>	
Carrying amount at December 31, 2020	<u>\$ 19,866,275</u>	<u>\$ 23,191,354</u>	<u>\$ 60,677,179</u>	<u>\$ 21,747,161</u>	<u>\$ 1,909,144</u>	<u>\$ 1,230,822</u>	<u>\$ 5,280,182</u>	<u>\$ 29,326,185</u>	<u>\$ 163,228,302</u>	
<u>Cost</u>										
Balance at January 1, 2019	\$ 20,320,013	\$ 35,367,004	\$ 142,989,148	\$ 80,706,468	\$ 15,012,127	\$ 4,703,657	\$ 22,122,453	\$ 34,740,587	\$ 355,961,457	
Adjustments on initial application of IFRS 16	-	-	-	(281,281)	-	(68,892)	(214,020)	-	(564,193)	
Balance at January 1, 2019 (restated)	20,320,013	35,367,004	142,989,148	80,425,187	15,012,127	4,634,765	21,908,433	34,740,587	355,397,264	
Additions	50,647	286,719	414,344	15,616	34,811	101,588	349,630	18,794,707	20,048,062	
Disposals	-	(109,198)	(3,246,913)	(2,680,139)	(1,024,276)	(271,105)	(595,429)	(40,533)	(7,967,593)	
Acquisitions through business combinations	-	98,028	1,129,205	-	1,192	5,395	13,637	546	1,248,003	
Derecognition of a subsidiary	-	-	-	-	(2,869)	-	(241)	-	(3,110)	
Reclassification	(293,864)	2,299,898	9,325,114	3,703,360	1,382,210	1,762,511	(115,831)	(19,204,710)	(1,141,312)	
Effect of exchange rate differences	(15,396)	(429,471)	(1,867,038)	-	(31,608)	(1,903)	(181,476)	(693,222)	(3,220,114)	
Balance at December 31, 2019	<u>\$ 20,061,400</u>	<u>\$ 37,512,980</u>	<u>\$ 148,743,860</u>	<u>\$ 81,464,024</u>	<u>\$ 15,371,587</u>	<u>\$ 6,231,251</u>	<u>\$ 21,378,723</u>	<u>\$ 33,597,375</u>	<u>\$ 364,361,200</u>	
<u>Accumulated depreciation and impairment</u>										
Balance at January 1, 2019	\$ (95,894)	\$ (16,063,508)	\$ (86,311,873)	\$ (53,749,336)	\$ (13,389,707)	\$ (4,083,176)	\$ (16,304,363)	\$ -	\$ (189,997,857)	
Adjustments on initial application of IFRS 16	-	-	-	188,608	-	40,004	116,913	-	345,525	
Balance at January 1, 2019 (restated)	(95,894)	(16,063,508)	(86,311,873)	(53,560,728)	(13,389,707)	(4,043,172)	(16,187,450)	-	(189,652,332)	
Disposals	-	82,502	3,161,067	1,942,023	1,023,018	244,596	590,724	-	7,043,930	
Impairment loss	-	(20,554)	(140,773)	-	-	-	-	-	(161,327)	
Acquisitions through business combinations	-	(17,356)	(690,890)	-	(908)	(1,940)	(11,740)	-	(722,834)	
Derecognition of a subsidiary	-	-	-	-	2,369	-	176	-	2,545	
Depreciation expense	-	(987,314)	(5,394,494)	(8,323,529)	(912,140)	(348,427)	(1,415,724)	-	(17,381,628)	
Reclassification	-	25,477	(32,720)	1,680	(3,028)	(732,654)	751,750	-	10,505	
Effect of exchange rate differences	-	111,067	911,389	-	2,172	831	88,118	-	1,113,577	
Balance at December 31, 2019	<u>\$ (95,894)</u>	<u>\$ (16,869,686)</u>	<u>\$ (88,498,294)</u>	<u>\$ (59,940,554)</u>	<u>\$ (13,278,224)</u>	<u>\$ (4,880,766)</u>	<u>\$ (16,184,146)</u>	<u>\$ -</u>	<u>\$ (199,747,564)</u>	
Carrying amount at December 31, 2019	<u>\$ 19,965,506</u>	<u>\$ 20,643,294</u>	<u>\$ 60,245,566</u>	<u>\$ 21,523,470</u>	<u>\$ 2,093,363</u>	<u>\$ 1,250,485</u>	<u>\$ 5,194,577</u>	<u>\$ 33,597,375</u>	<u>\$ 164,613,636</u>	

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

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

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

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

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

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

As of December 31, 2020 and 2019, farmland was recognized as property, plant and equipment amounting to \$241,912 thousand and \$238,430 thousand, respectively and recognized as investment properties both amounting to \$39,489 thousand. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing that the farmland belongs to the Group or have pledged the land to the Group.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

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

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

b. Lease liabilities

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

Range of discount rate for lease liabilities was as follows:

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

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

c. Material leasing activities and terms

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

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

d. Other lease information

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

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

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

18. INVESTMENT PROPERTIES

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

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

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

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

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

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

The main investment properties are as follows:

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

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

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

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

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

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

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

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

The fair values of investment properties were as follows:

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

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

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

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

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

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

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

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

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

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

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

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

19. GOODWILL

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

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

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

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

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

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

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

20. CONCESSIONS AND OTHER INTANGIBLE ASSETS

	December 31	
	2020	2019
<u>Carrying amount</u>		
Concessions	\$ 77,002,309	\$ 38,069,295
Other intangible assets		
Computer software	3,089,240	3,357,779
Others	<u>1,238,230</u>	<u>1,568,850</u>
	<u>4,327,470</u>	<u>4,926,629</u>
	\$ 81,329,779	\$ 42,995,924

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

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

Concessions	21 years
Computer software	10 years
Others	24 years

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

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

21. BORROWINGS

a. Short-term borrowings

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

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

b. Short-term bills payable

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

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

c. Long-term borrowings

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

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

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

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

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

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

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

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

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

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

22. BONDS PAYABLE

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

Bonds

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

(Continued)

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

(Concluded)

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

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

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

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

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

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

23. PROVISIONS

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

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

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

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

b. Defined benefit plans

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

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

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

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

Movements in net defined benefit liabilities were as follows:

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

(Continued)

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

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

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

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

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

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

	December 31	
	2020	2019
Discount rate(s)		
0.50% increase	<u>\$ (285,146)</u>	<u>\$ (221,496)</u>
0.50% decrease	<u>\$ 299,460</u>	<u>\$ 234,432</u>
Expected rate(s) of salary increase		
0.50% increase	<u>\$ 293,779</u>	<u>\$ 230,461</u>
0.50% decrease	<u>\$ (281,944)</u>	<u>\$ (219,923)</u>

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

	December 31	
	2020	2019
The expected contributions to the plan for the next year	<u>\$ 515,035</u>	<u>\$ 432,975</u>
The average duration of the defined benefit obligation	3.63-14.8 years	4.5-14.9 years

25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

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

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

26. EQUITY

a. Share capital

1) Common stock

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

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

2) Global depositary receipt

The Company issued global depositary receipts (GDRs), one GDR represents 10 common stock of the Company. The GDRs were traded and listed on the Luxembourg Stock Exchange. As of December 31, 2020 and 2019, there are 10 thousand units and 6 thousand units outstanding, which were equal to 95 thousand and 60 thousand common stock of the Company.

b. Capital surplus

	December 31	
	2020	2019
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>		
Difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 2,654,932	\$ 2,654,932
<u>May be used to offset a deficit only (2)</u>		
Arising from changes in percentage of ownership interests in subsidiaries	495,232	495,232
Treasury share transactions	16,638	15,469
<u>May not be used for any purpose</u>		
Changes in equity-method associates' capital surplus	<u>153,335</u>	<u>104,722</u>
	<u>\$ 3,320,137</u>	<u>\$ 3,270,355</u>

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

c. Retained earnings and dividend policy

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

On June 30, 2020 the Group issued the dividend policy as set forth in the Company's Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside current net income plus other items for undistributed retained earnings as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used as the basis for proposing a distribution plan. After adding prior years' unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the distribution of dividends evenly by all of the shares. When capital increase, the amount of dividend for new shares of that year would be according to resolution of the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, refer to Note 28, d. "Employees' compensation and remuneration of directors."

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

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

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

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

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

The appropriation of earnings for 2020 were proposed by the Company's board of directors on March 24, 2021. The appropriations and dividends per share were as follows:

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

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

d. Special reserve

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

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

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

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

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

e. Other equity items

The changes in other equity items were as follows:

	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Gain on Property Revaluation	Total
Balance at January 1, 2020	\$ (6,545,706)	\$ 2,439,965	\$ 11,700	\$ 1,004,758	\$ (3,089,283)
Exchange differences arising on translation of foreign operations	(634,580)	-	-	-	(634,580)
Unrealized gain (loss) on financial assets at FVTOCI	-	125,029	-	-	125,029
Gain (loss) on hedging instruments	-	-	7,780	-	7,780
Gain on property revaluation	-	-	-	1,288,857	1,288,857
Share of the other comprehensive gain (loss) of associates	(38,655)	(594,574)	-	4	(633,225)
Change in ownership interest of subsidiaries	-	651	-	-	651
Associate disposed the investment in equity instruments designated as at FVTOCI	<u>-</u>	<u>24,376</u>	<u>-</u>	<u>-</u>	<u>24,376</u>
Balance at December 31, 2020	<u>\$ (7,218,941)</u>	<u>\$ 1,995,447</u>	<u>\$ 19,480</u>	<u>\$ 2,293,619</u>	<u>\$ (2,910,395)</u>

	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Gain on Property Revaluation	Total
Balance at January 1, 2019	\$ (3,589,901)	\$ 771,912	\$ 45,880	\$ 702,778	\$ (2,069,331)
Exchange differences arising on translation of foreign operations	(2,134,469)	-	-	-	(2,134,469)
Unrealized gain (loss) on financial assets at FVTOCI	-	43,707	-	-	43,707
Gain (loss) on hedging instruments	-	-	(33,459)	-	(33,459)
Gain on property revaluation	-	-	-	302,152	302,152
Disposal of associates accounted for using the equity method	-	(244)	-	-	(244)
Associate disposed the investment in equity instruments designated as at FVTOCI	-	(10,533)	-	-	(10,533)
Share of the other comprehensive gain (loss) of associates	<u>(821,336)</u>	<u>1,635,123</u>	<u>(721)</u>	<u>(172)</u>	<u>812,894</u>
Balance at December 31, 2019	<u>\$ (6,545,706)</u>	<u>\$ 2,439,965</u>	<u>\$ 11,700</u>	<u>\$ 1,004,758</u>	<u>\$ (3,089,283)</u>

f. Non-controlling interests

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

g. Treasury shares

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>December 31, 2020</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 22,563</u>
<u>December 31, 2019</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 23,265</u>

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

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

27. REVENUE

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

a. Description of customer contract

Refer to Note 4 the summary of significant accounting policies.

b. Contract balances

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

For notes and accounts receivable, refer to Note 11.

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

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

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

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

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

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

c. Assets related to contract costs

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

1. Costs to fulfill a contract

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

2. Incremental costs of obtaining a contract

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

d. Disaggregation of revenue

Refer to Note 43 for information about disaggregation of revenue.

e. Partially completed contracts

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

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

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

28. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

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

b. Depreciation and amortization

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

(Continued)

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

c. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Post-employment benefits		
Defined contribution plans	\$ 522,491	\$ 789,394
Defined benefit plans	68,326	(49,971)
Other employee benefits	<u>19,199,573</u>	<u>22,126,200</u>
Total employee benefits expense	<u>\$ 19,790,390</u>	<u>\$ 22,865,623</u>
Analysis of employee benefit expense by function		
Operating costs	\$ 9,610,727	\$ 11,871,893
Operating expenses	<u>10,179,663</u>	<u>10,993,730</u>
	<u>\$ 19,790,390</u>	<u>\$ 22,865,623</u>

d. Employees' compensation and remuneration of directors

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

Accrual rate

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

Amount

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

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

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

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

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

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

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

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

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

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2020	2019
<u>Deferred tax</u>		
In respect of the current period		
Fair value changes of financial assets at FVTOCI	\$ (4,336)	\$ (299)
Gains on property revaluation	(138,159)	(35,775)
Remeasurement of defined benefit plans	<u>42,027</u>	<u>(133,917)</u>
	<u>\$ (91,796)</u>	<u>\$ (169,991)</u>

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Investment credits	\$ 18,671	\$ (18,671)	\$ -	\$ -
Allowance for doubtful accounts	272,864	39,475	-	312,339
Inventory write-downs	100,707	(16,525)	-	84,182
Loss carryforwards	1,654,451	(400,980)	-	1,253,471
Defined benefit obligation	149,093	(17,444)	42,027	173,676
Impairment loss	528,843	(51,952)	-	476,891
Others	<u>392,903</u>	<u>2,345</u>	<u>4,483</u>	<u>399,731</u>
	<u>\$ 3,117,532</u>	<u>\$ (463,752)</u>	<u>\$ 46,510</u>	<u>\$ 2,700,290</u>
<u>Deferred tax liabilities</u>				
Share of profit of associates	\$ 1,499,633	\$ (156,876)	\$ -	\$ 1,342,757
Amortization of goodwill	2,056,606	-	-	2,056,606
Provision of land value incremental tax	13,312,257	493,531	124,932	13,930,720
Investment properties	675,589	61,480	13,227	750,296
Others	<u>217,844</u>	<u>60,779</u>	<u>147</u>	<u>278,770</u>
	<u>\$ 17,761,929</u>	<u>\$ 458,914</u>	<u>\$ 138,306</u>	<u>\$ 18,359,149</u>

For the year ended December 31, 2019

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

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

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

- e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2020 comprised:

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

f. Income tax assessments

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

30. EARNINGS PER SHARE

Unit: NT\$ Per Share

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

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

Net Income for the Year

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

Weighted Average Number of Common Stock Outstanding

Unit: In Thousand Shares

	For the Year Ended December 31	
	2020	2019
Weighted average number of common stock used in the computation of basic earnings per share	4,984,665	4,998,304
Effect of potentially dilutive common stock: Employees' compensation	<u>14,106</u>	<u>15,887</u>
Weighted average number of common stock used in the computation of diluted earnings per share	<u>4,998,771</u>	<u>5,014,191</u>

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

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

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

31. BUSINESS COMBINATIONS

a. Subsidiaries acquired

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

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

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

b. Consideration transferred

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

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

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

d. Non-controlling interests

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

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

e. Goodwill recognized on acquisitions

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

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

f. Net cash outflow on the acquisition of subsidiaries

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

g. Impact of acquisitions on the results of the Group

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

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

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

32. DISPOSAL OF SUBSIDIARIES

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

- a. Consideration received from disposal

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

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

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

- c. Loss on disposal of a subsidiary

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

- d. Net cash outflow on disposal of a subsidiary

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

33. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the year ended December 31, 2020

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

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

**Yuanshi Digital
Technology Co.,
Ltd.**

Cash consideration received	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>(14,217)</u>
Differences recognized from equity transactions	<u>\$ (14,217)</u>

Line items adjusted for equity transactions

Unappropriated Earnings	<u>\$ (14,217)</u>
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In August 2020, the Group exchanged its shares in Perform Technologies, LLC, which were held by the Group as financial assets measured at fair value through other comprehensive income, with the 10% non-controlling interest in subsidiary Phoenix Technologies International, LLC, and received \$162 thousand in cash, resulting in increase in its continuing interest from 90% to 100%

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

**Phoenix
Technologies
International,
LLC**

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

Line items adjusted for equity transactions

Unappropriated earnings	<u>\$ (2,200)</u>
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In December 2020, the Group subscribed for additional new shares of Yuan Hsin Digital Payment Co., Ltd. in cash at a percentage different from its existing ownership percentage, increasing its continuing interest from 65.01% to 74.36%.

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

	Yuan Hsin Digital Payment Co., Ltd.
Cash consideration received	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>(5,224)</u>
Differences recognized from equity transactions	<u>\$ (5,224)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earnings	<u>\$ (5,224)</u>
<u>For the year ended December 31, 2019</u>	

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

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

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

34. CAPITAL MANAGEMENT

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

35. FINANCIAL INSTRUMENTS

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

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

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

- 2) Fair value hierarchy

December 31, 2020

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

December 31, 2019

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

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

- 1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
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>

(Continued)

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

December 31, 2019

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

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

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

For the year ended December 31, 2020

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

For the year ended December 31, 2019

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

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

Financial Instruments	Valuation Techniques and Inputs
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

Financial Instruments	Valuation Techniques and Inputs
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

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

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

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

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

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

b) Interest rate risk

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

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

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

Sensitivity analysis

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

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

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

Hedge accounting

For the year ended December 31, 2020

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

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

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

December 31, 2020

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

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

December 31, 2019

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

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

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

For the year ended December 31, 2020

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

For the year ended December 31, 2019

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

c) Other price risks

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

Sensitivity analysis

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

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

2) Credit risk

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

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

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

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

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

3) Liquidity risk

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

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

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

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

Additional information about the maturity analysis for lease liabilities

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

36. TRANSACTIONS WITH RELATED PARTIES

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

37. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

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

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

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

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

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

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

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

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

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

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

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

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

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

39. OTHER ITEMS

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

40. SUBSEQUENT EVENTS AFTER REPORTING PERIOD

- a. In order to enhance the efficiency of the usage of assets, the board of directors of subsidiary New Century InfoComm Tech Co., Ltd. resolved on February 25, 2021 to authorize its chairman to sell a part of its properties located in the Neihu District of Taipei City for an amount no lower than the appraised value.
- b. On March 24, 2021, the Company's board of directors approved to issue ten-year unsecured bonds amounting to \$15,000,000 thousand (or equivalent value in foreign currency) at a unit face value of \$1,000 thousand (face value in foreign currency will be decided by the board of directors); the bonds will be issued one time or multiple times dependings on the market condition.
- c. On March 24, 2021, in order to reduce the related management costs, the parent company's board of directors resolved to terminate the GDR program and to delist from the Luxembourg Stock Exchange.

41. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2020

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

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 310,266	29.98 (USD:NTD)	\$ 9,031,955
USD	80,108	6.964 (USD:RMB)	2,401,638

Financial liabilities

Monetary items			
USD	189,322	29.98 (USD:NTD)	5,675,874
USD	50,191	7.800 (USD:HKD)	1,504,726

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

42. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees

- 1) Financing provided to others: Table 5 (attached)
- 2) Endorsements/guarantees provided: Table 6 (attached)
- 3) Marketable securities held: Table 7 (attached)
- 4) Marketable securities acquired and disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: Table 8 (attached)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 9 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 10 (attached)
- 9) Trading in derivative instruments: Notes 7 and 35
- 10) Intercompany relationships and significant intercompany transactions: Table 11 (attached)
- 11) Information on investees: Table 12 (attached)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Tables 13 and 13-1 (attached)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Tables 3, 4, 5, 6, 9, 10 and 11 (attached)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information on major shareholders: shareholders' name holding amounts and ratio whose holding ratio exceed 5%: Schedules 14 (attached)

43. SEGMENT INFORMATION

Industry Information

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

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

a. Segments revenue and results

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

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

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

b. Segment total assets and liabilities

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

c. Geographical information

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

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

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

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

d. Information about major customers

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

TABLE 1

FEAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP

DECEMBER 31, 2020

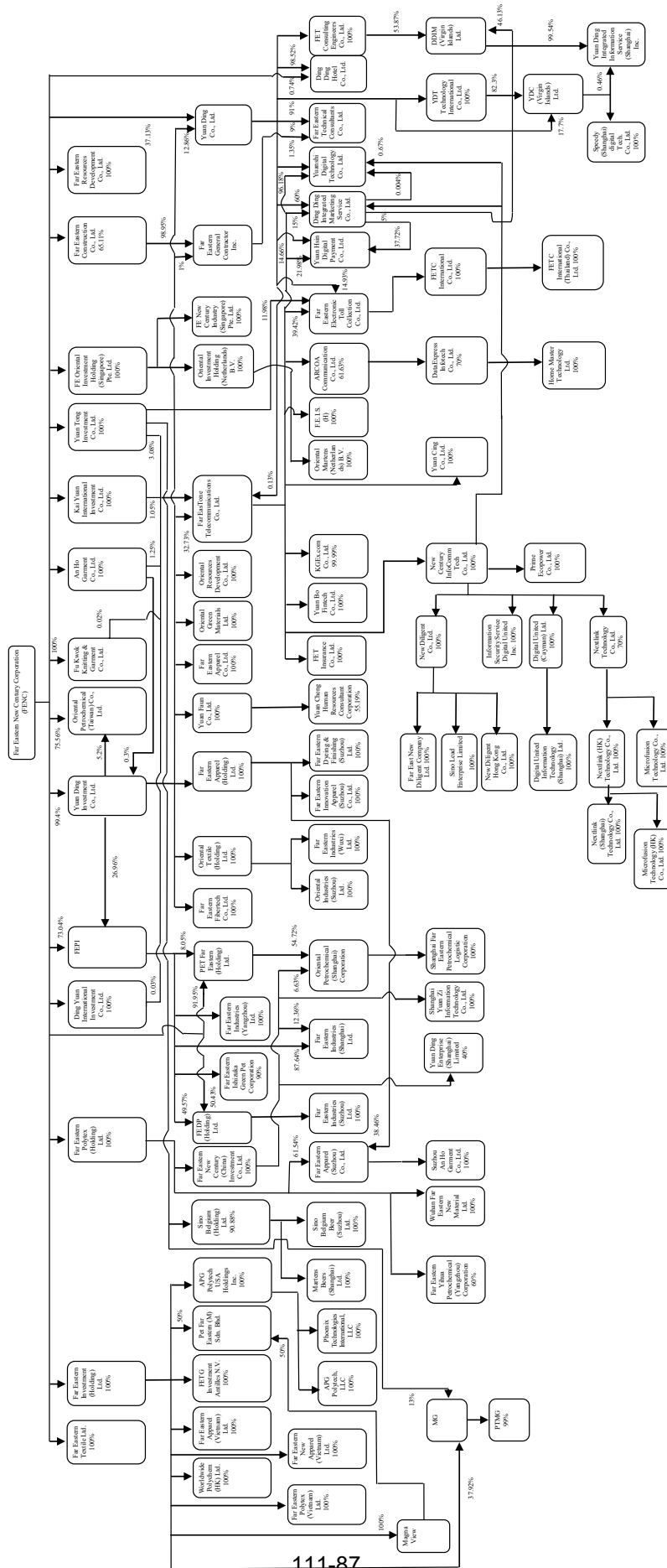


TABLE 2**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****RELATED PARTY NAMES AND CATEGORIES
DECEMBER 31, 2020**

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

(Continued)

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

(Continued)

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

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

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

Note 3: The merger will change the operating dynamics and will achieve the cost-saving benefits and tax incentives by reducing operational duplication in environment, energy, and quality perspectives. The merger of associates Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (YangZhou) Corporation will enhance the overall competency of the three companies. Far Eastern Union Petrochemical (Yangzhou) Corporation is the surviving company, and Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (YangZhou) Corporation are the dissolved companies. Oriental Petrochemical (YangZhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The record date of the merger was December 31, 2020.

(Concluded)

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

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

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

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

(Continued)

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

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

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

Lease arrangements - Group is lessee

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

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

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

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

(Continued)

Lease arrangement - Group is lessor

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

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

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

Compensation of key management personnel:

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

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

(Concluded)

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

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

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

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

(Continued)

Financing to related parties

Loans to related parties (recognized as other receivables):

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

Interests income from loans to related parties:

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

Loans from related parties:

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

Interests expense from loans from related parties:

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

Bank deposits, time deposits and other financial assets

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

(Continued)

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

Financial assets (liabilities) at FVTPL - current

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

The Group signed forward exchange contracts and option contracts with Far Eastern International Bank. The gain or (loss) of financial assets (liabilities) at FVTPL was \$(46,663) thousand and \$6,345 thousand for the years ended December 31, 2020 and 2019, respectively.

Note:

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2020

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral	Financing Limit for Each Borrower	Aggregate Financing Limits	Note
0	Far Eastern New Century Corporation	Far Eastern Resources Development Co., Ltd. Oriental Green Materials Limited	Receivables from related parties Receivables from related parties	Yes Yes	\$ 2,500,000 1,300,000	\$ 2,500,000 1,300,000	\$ 660,000 -	0.994 -	2 2	\$ -	For revolving fund For revolving fund	\$ -	Promissory note Promissory note	\$ 10,201,459 10,201,459	\$ 102,014,594 102,014,594	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note G)
1	Yuan Ding Investment Co., Ltd.	Far Eastern Resources Development Co., Ltd. Oriental Resources Development Co., Ltd. Yuan Tong Investment Co., Ltd. Ding Yuan International Investment Co., Ltd. Yu Ding Industry Co., Ltd. Da Ju Fiber Co., Ltd.	Receivables from related parties Receivables from related parties Receivables from related parties Receivables from related parties Receivables from related parties Receivables from related parties	Yes Yes Yes Yes Yes Yes	1,500,000 50,000 750,000 400,000 810,000 1,060,000	1,000,000 50,000 500,000 200,000 810,000 742,000	- - 500,000 176,000 470,000 477,000	- - 0.9878 0.9878 0.9878-1.05 0.9878-1.05	2 2 2 2 2 2	- - - - - -	For revolving fund For revolving fund For revolving fund For revolving fund For revolving fund For revolving fund	- - - - - -	Promissory note Promissory note Promissory note Promissory note Promissory note Promissory note	4,201,284 4,201,284 4,201,284 4,201,284 4,201,284 4,201,284	21,006,419 21,006,419 21,006,419 21,006,419 21,006,419 21,006,419	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C); maximum amounts allowed for the period (Note C); maximum amounts allowed for the period (Note C) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C)
		Kai Yuan International Investment Co., Ltd. Oriental Green Materials Limited Oriental Petrochemical Corporation (Taiwan) Far Eastern Apparel Co., Ltd. An Ho Garment Co., Ltd.	Receivables from related parties Receivables from related parties Receivables from related parties Receivables from related parties Receivables from related parties	Yes Yes Yes Yes Yes	1,200,000 600,000 1,500,000 350,000 800,000	600,000 400,000 1,000,000 - 400,000	600,000 - - - 400,000	0.9878 0.9878-1.05 - 1.055 0.9878	2 2 2 2 2	- - - - -	For revolving fund For revolving fund For revolving fund For revolving fund For revolving fund	- - - - -	Promissory note Promissory note Promissory note Promissory note Promissory note	4,201,284 4,201,284 4,201,284 4,201,284 4,201,284	21,006,419 21,006,419 21,006,419 21,006,419 21,006,419	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
2	Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd. Far Eastern Apparel Co., Ltd.	Receivables from related parties Receivables from related parties	Yes Yes	\$ 181,500 \$ 340,000	\$ - 340,000	\$ - 170,000	0.257272/0.0922 0.9889	2 2	\$ - -	For revolving fund For revolving fund	\$ - -	Promissory note Promissory note	- -	\$ 829,983 829,983	\$ 4,464,916 4,464,916	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
3	Far Eastern Resources Development Co., Ltd.	Kai Yuan International Investment Co., Ltd. An Ho Garment Co., Ltd.	Receivables from related parties Receivables from related parties	Yes Yes	250,000 250,000	- -	- -	- -	2 2	- -	For revolving fund For revolving fund	- -	Promissory note Promissory note	- -	2,705,361 2,705,361	13,526,806 13,526,806	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
4	New Century InfoComm Tech Co., Ltd.	Yuanshi Digital Technology Co., Ltd. Far East Tone Telecommunications Co., Ltd. Far East Tone Telecommunications Co., Ltd.	Receivables from related parties Receivables from related parties Receivables from related parties	Yes Yes Yes	300,000 1,500,000 9,500,000	- 1,500,000 8,500,000	- 1,500,000 6,500,000	1.28-1.53 0.53-0.83 0.58-0.83	2 1 2	- 2,294,182 -	For revolving fund - For revolving fund	- - -	- - -	- - -	9,794,950 2,294,182 9,794,950	12,243,687 12,243,687 12,243,687	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G)
5	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd.	Receivables from related parties Receivables from related parties	Yes Yes	800,000 200,000	800,000 200,000	200,000 50,000	0.8590-0.8857 0.8767	2 2	- -	For revolving fund For revolving fund	- -	Promissory note Promissory note	- -	1,651,306 1,651,306	4,128,266 4,128,266	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
6	Far Eastern Investment (Holding) Ltd.	Far Eastern New Apparel (Vietnam) Ltd. Far Eastern Polytex (Vietnam) Ltd. PFE New Century Industry (Singapore) PTE. LTD. FILSYN Corporation	Receivables from affiliates Receivables from affiliates Receivables from affiliates Receivables from affiliates	Yes Yes Yes Yes	569,600 1,424,000 142,400 256,320	569,600 - 142,400 256,320	- - -	- 0.2-67173 - -	2 2 2 2	- - - -	For revolving fund For revolving fund For revolving fund For revolving fund	- - - -	Promissory note Promissory note Promissory note Promissory note	- - - -	12,577,832 12,577,832 12,577,832 10,062,266	37,733,497 37,733,497 37,733,497 10,062,266	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
7	Oriental Textile (Holding) Ltd.	FYN Green PET Corporation Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates Receivables from affiliates	Yes Yes	- 85,440	- 85,440	- -	- 2.09922	2 2	- -	For revolving fund For revolving fund	- -	Promissory note Promissory note	- -	3,589,586 11,003,190	11,003,190	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)

(Continued)

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

(Continued)

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

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
22	Shanghai Yuan Zi Information Technology Co., Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	\$ 43,770	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 58,187	\$ 87,280	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J)
23	Shanghai Far Eastern Petrochemical Logistic Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	52,524	-	-	-	2	-	For revolving fund	-	Promissory note	-	48,428	87,170	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note H)
24	Far Eastern Industries (Yangzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	306,390	306,390	306,390	3.00-3.60	2	-	For revolving fund	-	Promissory note	-	1,245,712	2,768,248	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	525,240	525,240	525,240	3.00-3.60	2	-	For revolving fund	-	Promissory note	-	553,650	553,650	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)

Notes: A. Reasons for financing are as follows:

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

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

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

No.	Endorser/Guarantor	Endorse/Guarantee		Limits on Each Counterparty's Endorsement/Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated 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
1	Yuan Ding Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	(Note A)	\$ 21,006,419	\$ 268,000	\$ 228,000	\$ -	\$ -	0.54	\$ 42,012,837	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		APG Polytech, LLC	(Note B)	20,402,919	6,724,480	6,521,920 (Note N)	1,851,200	-	15.52	20,402,919	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note H)
		APG Polytech USA Holdings, Inc.	(Note B)	20,402,919	2,692,250	2,107,520 (Note N)	108,224	-	5.02	20,402,919	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note H)
		Far Eastern Ishizuka Green Pet Corporation	(Note B)	20,402,919	677,520	-	-	-	-	20,402,919	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note H)
		Phoenix Technologies International, LLC	(Note B)	20,402,919	1,296,450	1,281,600	572,448	-	3.05	20,402,919	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note H)
2	Far Eastern Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note C)	13,526,806	5,658,332	5,158,332	2,640,000	5,158,332	2.53	27,053,611	-	Yes	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
3	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	(Note D)	4,128,266	1,650,000	1,650,000	739,026	350,000	0.81	8,256,531	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
4	Far Eastern Investment (Holding) Ltd.	APG Polytech USA Holdings, Inc.	(Note D)	102,014,594	6,664,075	6,274,144	569,600	-	3.08	204,029,187	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note J)
		APG Polytech, LLC	(Note D)	102,014,594	2,607,550	1,429,696	297,331	-	0.70	204,029,187	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note J)
		Phoenix Technologies International, LLC	(Note D)	102,014,594	605,000	-	-	-	-	204,029,187	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); 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 lower of 10% of 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 Lending of Funds and Marketing of Endorsements/Guarantees by Public Companies.

L. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in mainland China.

M. The tariff guarantees maximum amounts allowed for a subsidiary in mainland China for the period and the actual appropriation as of period end are as follows: Oriental Industries (Suzhou) Ltd.: RMB6,000 thousand (NT\$26,262 thousand), the actual remittance: RMB6,000 thousand (NT\$26,262 thousand), Far Eastern Apparel (Suzhou) Co., Ltd.: RMB4,000 thousand (NT\$17,508 thousand), the actual remittance: RMB4,000 thousand (NT\$17,508 thousand), the actual remittance: RMB13,000 thousand (NT\$56,901 thousand), the actual remittance: RMB13,000 thousand (NT\$56,901 thousand).

N. Endorsement/guarantee in the amount of \$64,000 was provided to APG USA Holdings, Inc. by Yun Ding Investment Co., Ltd. and co-used by APG Polytech, LLC. and APG USA Holdings, Inc.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2020

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	730,511	\$ 19,555,827	22.33	\$ 32,422,089	19,900 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	5,078,558	17.06	5,802,473	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,095,081	9.17	1,648,685	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	140	1,180	0.03	1,377	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	141,961	2,024,150	19.65	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	135,000	2,009,899	16.83	-	(Note F)
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	87,767	1,166,486	2.62	978,458	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	41,433,997	99.40	-	
	Far Eastern Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	775,836	106,334,081	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	168	9,647,375	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,739,405	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	739,953	8,737,914	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	367,143	5,582,758	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	5,072	25,734,569	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	397	4,497,126	91.95	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,712,218	9,057,496	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	245,829	9,956,499	65.11	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	75,704	3,243,038	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	255,031	2,109,554	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	244	913,226	50.43	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	4,000	211,101	100.00	-	
	Fu Kwok Knitting & Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	769	7,700	0.74	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	100	1,720	100.00	-	
	Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	-	-	-	-	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	52,722	2,205,639	1.57	2,277,570	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	70,818	1,130,946	8.00	1,437,599	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	139,785	3,355,101	9.87	3,354,840	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	831,947	128,618	25.23	1,266,891	
	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	21,968,490	32.73	65,279,446	8,807 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,856,714	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	4,314,142	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,662	2,303,416	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,772	70,445	100.00	-	
	Yuan Fun Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,000	144,492	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	4,745	64,307	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	398,076	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,133,113	100.00	-	
	Oriental Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,484	68,642	100.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	2,432,813	35.00	-	
	Preudenberg Far Eastern Spinweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	33,003	586,556	29.80	-	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	187,470	2,779,679	25.96	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,759	1,136,900	12.86	-	31,600 thousand shares pledged or mortgaged as collateral for loans. 10,000 thousand shares pledged or mortgaged as collateral for loans.

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020			Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)
Far Eastern Investment (Holding) Ltd.	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	75,268	\$ 949,125	16.87	\$ -
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	7,950,473	100.00	-
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	119,653	1,695,192	14.92	(Note F)
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	98,198	958,927	18.96	-
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	1,490	23,624	1.00	-
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	117,746	643,372	5.20	-
	Oriental Green Materials Limited	(Note A)	Investments accounted for using the equity method	55,311	606,730	100.00	-
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	122,687	1,586,439	3.56	1,331,149
	Chung Nan Textile Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	2,985	95,874	5.27	89,456
	Overseas Investment and Development Co., Ltd.	-	Financial asset at FVTOCI - non-current	1,000	7,060	1.11	6,230
	Universal Venture Capital Investment Corporation	-	Financial asset at FVTOCI - non-current	1,400	10,444	1.16	10,444
	China Investment and Development Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	1,287	10,939	0.80	10,939
	Taiwan Stock Exchange Corporation	-	Financial asset at FVTOCI - non-current	1,169	64,267	0.16	64,267
	Oriental Securities Investment Consultant Co., Ltd.	(Note I)	Financial asset at FVTOCI - non-current	1	11	-	11
	Dah Chung Bills Finance Corporation	-	Financial asset at FVTOCI - non-current	2,254	32,071	0.50	32,071
	U-Ming Marine Transport Corporation	(Note B)	Financial asset at FVTOCI - non-current	8,869	327,266	1.05	327,266
	Financial assets under asset management contracts (Note E)	-	Financial assets at fair value through profit or loss - current	105	705	-	705
	Yuanta Taiwan 50 ETF	-	Financial assets at fair value through profit or loss - current	128	3,514	-	3,514
	Cathay FTSE China A50 ETF	-	Financial assets at fair value through profit or loss - current	600	9,000	-	9,000
	Tainan Spinning Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	9,575	-	9,575
	Maklot Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss - current	430	15,717	-	15,717
	Emelot Materials Co., Ltd.	-	Financial assets at fair value through profit or loss - current	150	4,695	-	4,695
	Ta Chen Stainless Pipe Co., Ltd.	-	Financial assets at fair value through profit or loss - current	100	9,200	-	9,200
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	30	15,900	-	15,900
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	210	13,398	-	13,398
	Lelei Electronics Corp.	-	Financial assets at fair value through profit or loss - current	290	14,761	-	14,761
	Parady Technology	-	Financial assets at fair value through profit or loss - current	31	15,810	-	15,810
	Advanced Ceramic X Corporation	-	Financial assets at fair value through profit or loss - current	560	17,052	-	17,052
	Gemtek Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	76	4,727	-	4,727
	Taiwan Semiconductor Co., Ltd.	-	Financial assets at fair value through profit or loss - current	170	5,057	-	5,057
	Farglory F T Z Investment Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	200	13,280	-	13,280
	Chipbond Technology Corporation	-	Financial assets at fair value through profit or loss - current	80	10,320	-	10,320
	Taiwan Surface Mounting Technology Corp.	-	Financial assets at fair value through profit or loss - current	100	9,980	-	9,980
	Formosa Petrochemical Corp.	-	Financial assets at fair value through profit or loss - current	115	5,267	-	5,267
	E Ink Holdings Inc.	-	Financial assets at fair value through profit or loss - current	50	9,975	-	9,975
	Feng Tay Enterprises Co., Ltd.	-	Financial assets at fair value through profit or loss - current	0.03	3,000,000	-	-
	Oriental Petrochemical (Taiwan) Corporation	-	Financial assets at fair value through profit or loss - current	-	-	-	-
	2020 First Term Unsecured Privately Placed Corporate Bonds	-	Investments accounted for using the equity method	45,066	-	21.85	-
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	6	32,236	100.00	-
	FEIG Investment Anilines N.V.	(Note A)	Investments accounted for using the equity method	5,000	198,447	50.00	-
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	-	-	-
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	-	20.00	-
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	939,969	100.00	-
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	109,670	100.00	-
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note G)	1,585	34.00	-
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,481,568	100.00	-
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	149,719	100.00	-
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	198,472	100.00	-

(Continued)

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

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020			Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	\$ 16,359	0.01	\$ 20,261
	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	6,022	-	5,508
Far Eastern General Contractor Inc.	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	12	156	0.01	-
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	450	6,939	9.00	-
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	746	27,546	0.09	27,546
	Kaohsiung Rapid Transit Corporation	(Note K)	Financial asset at FVTOCI - non-current	9,687	54,539	3.48	54,539
	Ya-Li Precast Prestressed Concrete Industries Corporation	(Note I)	Financial asset at FVTOCI - non-current	3,106	12,764	16.03	12,764
	Jhi Sun Money Market	-	Financial assets at fair value through profit or loss - current	1,484	22,185	-	22,185
	CTBC Hwa-Yin Money Market Fund	-	Financial assets at fair value through profit or loss - current	20,707	230,002	-	230,002
	Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,257	30,035	-	30,035
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	20,513	-	9.95	-
	Arpeggio International Resources Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	-	40.00	-
Malaysia Garment Manufacturers Pte. Ltd.	PT Malaysia Garment Bintan	(Note A)	Other liabilities - other	(Note G)	(38)	99.00	-
	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	1,018,618	1.25	2,498,037
An Ho Garment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	257,100	0.18	263,247
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	235,825	1.26	227,441
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	11,925	0.03	8,875
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	8,723	11,874	1.21	11,874
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,682	406,573	15.66	-
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	139,586	9,681	1.21	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	168,700	0.30	-
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	22,702	293,641	0.66	246,313
	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	12,513	55.19	-
	Yi Tong Fiber Co., Ltd.	-	Financial asset at FVTOCI - non-current	3,154	55,413	3.56	55,413
Fu Kwok Knitting & Garment Co., Ltd.	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	4,811	62,253	0.14	52,194
	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	19,037	0.02	31,824
Yuan Tong Investment Co., Ltd.	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,673,311	3.08	6,134,506
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	59,073	1,776,669	4.17	1,417,741
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,705	1,570,671	5.61	1,009,020
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	32,465	1,349,928	0.97	1,402,505
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	248,579	2.24	-
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	35,934	514,235	11.98	-
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	35	-	-
	Sino Belgium (Holding) Ltd.	(Note A)	Other liabilities - other	36	(741,428)	90.88	-
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	3	54	-	-
	Malaysia Garment Manufacturers Pte. Ltd.	(Note A)	Investments accounted for using the equity method	10	157,923	13.00	-
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	110,457	1,427,704	3.20	1,198,462
	Ding Shen Investment Co., Ltd.	(Note M)	Financial asset at FVTOCI - non-current	40,329	301,356	18.00	301,356
	Beckhold N.V. - stock contracts (Note E)	-	Financial asset at FVTOCI - non-current	1	324,005	12.51	324,005
	Yuantai Taiwan 50 ETF	-	Financial assets at fair value through profit or loss - current	60	7,335	-	7,335
	Yuantai Daily CSI300 Bull 2X ETF	-	Financial assets at fair value through profit or loss - current	280	7,809	-	7,809
	Yuantai FTSE4Good TIP Taiwan ESG ETF	-	Financial assets at fair value through profit or loss - current	379	11,071	-	11,071
	Taiwan Cement Corporation	-	Financial assets at fair value through profit or loss - current	470	20,304	-	20,304
	Taiwan Spinning Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,300	19,500	-	19,500
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	26	6,838	-	6,838

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020			Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)
Far Eastern Apparel (Suzhou) Co., Ltd. PET Far Eastern (Holding) Ltd. Oriental Textile (Holding) Ltd. FEDP (Holding) Ltd. FE Oriental Investment Holding (Singapore) Pte. Ltd. Oriental Investment Holding (Netherlands) B.V. Far Eastern Polytex (Holding) Ltd. Far Eastern Apparel (Suzhou) Co., Ltd. Far Eastern New Century (China) Investment Co., Ltd. Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Yageo Corporation	-	Financial assets at fair value through profit or loss - current	20	\$ 10,360	-	\$ 10,360
	MediaTek Inc.	-	Financial assets at fair value through profit or loss - current	10	7,470	-	7,470
	Leion Electronics Corp.	-	Financial assets at fair value through profit or loss - current	180	11,484	-	11,484
	Ardentec Corporation	-	Financial assets at fair value through profit or loss - current	244	9,431	-	9,431
	Aurus Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	20	4,280	-	4,280
	Gemtek Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	100	3,045	-	3,045
	Sonix Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	35	2,299	-	2,299
	Feng Tay Enterprises Co., Ltd.	-	Financial assets at fair value through profit or loss - current	30	5,985	-	5,985
	Suzhou An Ho Apparel Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	55,900	100.00	-
	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	2,504,418	54.72	-
Far Eastern Polytex (Holding) Ltd. Far Eastern Apparel (Suzhou) Co., Ltd. Far Eastern New Century (China) Investment Co., Ltd. Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	2,815,672	44.20	- (Note Q)
	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,819,128	100.00	-
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	6,015,936	100.00	-
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	8	300,819	-	300,819
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	4	210,876	-	210,876
	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,600,766	100.00	-
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note A)	Investments accounted for using the equity method	49	162,367	100.00	-
	Oriental Investment Holding (Netherlands) B.V.	(Note A)	Investments accounted for using the equity method	-	-	100.00	- (Note O)
	Oriental Martens (Netherlands) B.V.	(Note A)	Investments accounted for using the equity method	-	-	100.00	- (Note P)
	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	941,333	100.00	-
Far Eastern New Century (China) Investment Co., Ltd. Far Eastern Apparel (Suzhou) Co., Ltd. Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	985,388	61.54	-
	Far Eastern New Century (China) Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	3,873,694	100.00	-
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	3,844,424	60.00	-
	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,065,545	12.36	-
	Shanghai Yuan Zi Information Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	58,187	100.00	-
	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	269,715	6.63	-
	Yuan Ding Enterprise (Shanghai) Limited	(Note A)	Investments accounted for using the equity method	(Note G)	2,794,170	40.00	-
	Sino Belgium Beer (Suzhou) Ltd.	(Note A)	Other liabilities - other	(Note G)	(677,683)	100.00	-
	Martens Beers (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	14,922	100.00	-
	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	146,362	100.00	-
Sino Belgium (Holding) Ltd. Oriental Petrochemical (Shanghai) Corporation Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	986	4,316	-	4,316

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020			Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	625,169	\$ 2,736,363	-	\$ 2,736,363
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd. Far Eastern Technical Consultants Co., Ltd. YDC (Virgin Islands) Ltd. Yuanishi Digital Technology Co., Ltd. FET Consulting Engineers Co., Ltd. Asia Cement Corporation Far EastTone Telecommunications Co., Ltd. Yu Yuan Investment Co., Ltd.	(Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Other liabilities - other Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	13,992 21,787 154,063 68,953 10,226 1,499 (934) 37,000 50,695 214,368 5,329 107,673 4,164 129,637	263,419 154,063 68,953 10,226 (934) 50,695 214,368 5,329 107,673 2,052,950	100.00 60.00 91.00 17.70 1.35 100.00 0.16 0.13 25.02	- - - - - - 230,197 254,806 - -
	Yue Ming Corporation Yu Ding Industry Co., Ltd. FEDS Asia Pacific Development Co., Ltd.	(Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	104 3,091 10,650	607 66,869 131,214	1.00 2.59 5.00	- - -
	Far Eastern Electronic Toll Collection Co., Ltd. Far Eastern International Bank Yuan Hsin Digital Payment Co., Ltd. Ding Ding Hotel Co., Ltd. Far Eastern New Century Corporation	(Note A) (Note A) (Note A) (Note A) (Note D)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial assets at fair value through profit or loss - current	44,796 8,582 10,968 102,509 779	635,567 111,087 82,421 81,826 22,563	14.93 0.25 14.66 98.52 -	- 93,115 - - 22,563
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanishi Digital Technology Co., Ltd. Yuan Hsin Digital Payment Co., Ltd. DDIM (Virgin Islands) Ltd. Pacific SOGO Department Stores Co., Ltd.	(Note A) (Note A) (Note A) (Note J)	Other liabilities - other Investments accounted for using the equity method Investments accounted for using the equity method Financial asset at FVTOCI - non-current	5 28,231 (Note G) 1	(3) 212,070 23,329 42	- 37.72 46.13 -	- - 42 -
Far Eastern Technical Consultants Co., Ltd.	Cosmos Foreign Exchange Intl. Co., Ltd.	-	Financial asset at FVTOCI - non-current	480	9,648	4.00	9,648
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	27,243	53.87	-
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc. Speedy (Shanghai) digital Tech. Co., Ltd.	(Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method	(Note G) (Note G)	233 56,337	0.46 100.00	- -
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	50,359	99.54	-
YDT Technology International Co., Ltd.	Everest Textile Corporation Far Eastern Department Stores Co., Ltd. Asia Cement Corporation YDC (Virgin Islands) Ltd. Far Eastern International Bank Oriental Securities Investment Consultant Co., Ltd.	(Note A) (Note A) (Note A) (Note A) (Note A) (Note J)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial asset at FVTOCI - non-current	130 2,764 61 (Note G) 3,018 1	818 98,929 2,421 47,547 39,308 11	0.03 0.20 - 82.30 0.09 -	1,283 66,333 2,615 - 32,745 11
Far Eastern Electronic Toll Collection Co., Ltd.	FETC International Co., Ltd Millierful No.1 REIT Subordinated perpetual corporate bonds of Cathy Life Insurance Co., Ltd.	(Note A) - -	Investments accounted for using the equity method Financial asset at FVTOCI - non-current Financial assets at amortized cost	20,000 30,000 5,000	142,750 316,200 500,000	100.00 - -	- 316,200 -
FETC International Co., Ltd	FETC International (Thailand) Co., Ltd	(Note A)	Investments accounted for using the equity method	825	6772	100.00	-
Far EastTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd. ARCOA Communication Co., Ltd. KGEX.com Co., Ltd.	(Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	2,100,000 82,762 68,897	26,974,867 679,411 903,588	100.00 61.63 99.99	- - -

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020			Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)
	YuanShi Digital Technology Co., Ltd. Yuan Cing Co., Ltd. Far Eastern Info Service (Holding) Ltd. Yuan Bao FinTech Co., Ltd. Yuan Bao FinTech Co., Ltd. Far East One Property Insurance Agent Co., Ltd. Far Eastern Electronic Toll Collection Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd. Yuan Hsin Digital Payment Co., Ltd. App Works Fund II Co., Ltd. CDB Capital Innovation Accelerator Co., Ltd. LINE Bank Taiwan Limited	(Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note L) (Note L) -	Other liabilities - other Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial asset at FVTOCI - non-current Financial asset at FVTOCI - non-current Investments accounted for using the equity method Financial asset at FVTOCI - non-current Financial asset at FVTOCI - non-current	107,004 2,000 1 6,000 500 118,251 5,447 16,452 7,500 9,000 50,000 13,896 1,214 161	\$ (66,543) 40,712 4,811 52,045 64,587 1,269,488 38,681 123,425 68,251 91,491 456,110 246,341 12,190 1,618	96.18 100.00 100.00 100.00 100.00 100.00 39.42 15.00 21.98 11.11 10.71 5.00 70.00 18.32 0.63	\$ - - - - - - - - 68,251 91,491 456,110 - 12,190 1,618
ARCOA Communication Co., Ltd. THH consultants Web Point Co., Ltd.		(Note A) (Note A) (Note L) -	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial asset at FVTOCI - non-current	54,000 10,249 10,320 750	82,075 129,170 163,344 (466)	100.00 100.00 100.00 0.67	- - - -
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd. Information Security Service Digital United Inc. Digital United (Cayman) Ltd. YuanShi Digital Technology Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd. Prime EcoPower Co., Ltd. Drive Catalyst SPC-SP Tranche One Nextlink Technology Co., Ltd. Kaohsiung Rapid Transit Corporation Bank Pro E-service Technology Co., Ltd. Changning ai Inc. Opus Fund Segregated Portfolio Tranche A Opus Fund Segregated Portfolio Tranche B	(Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note K) (Note K) (Note K)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Other liabilities - other Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial asset at FVTOCI - non-current Financial asset at FVTOCI - non-current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current	16,000 1,816 4 4 3,430 8,858 450 500 13 5	16,000 12,894 4 4 49,872 8,858 4,500 8,299 498,042 192,597	100.00 5.00 25.00 25.00 70.00 3.18 3.33 2.50 - -	- - - - 49,872 8,299 4,500 498,042 192,597
New Diligent Co., Ltd.	Sino Lead Enterprise Limited Far East New Diligent Company Ltd. New Diligent Hong Kong Co., Ltd.	(Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	30 - (Note G)	290 20,068 2,291	100.00 100.00 100.00	- - -
DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	47,290	100.00	-
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd. Nextlink (HK) Technology Co., Ltd. Microfusion (HK) Technology Co., Ltd.	(Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	2,600 - -	30,209 8,463 1,109	100.00 100.00 100.00	- - -
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Ltd. TBCASoft, Inc.	(Note A) -	Other liabilities - other Financial asset at FVTOCI - non-current	(Note G) 980	5,987 117,229	100.00 6.77	- 117,229
Nextlink (HK) Technology Co., Ltd.	Nextlink (Shanghai) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,207	70.00	-

Notes: A. Equity-method investee.

B. Investor and investee have the same chairman.

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

D. Parent company.

(Continued)

- E. Financial assets under asset management contracts can be sold in the open market investee, Oriental Securities Investment Consultant Co., Ltd.
- F. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
- G. Company limited.
- H. The fair value of unlisted equity investments held by the Group was not disclosed due to it cannot be reliably measured.
- I. The subsidiary of the invested company accounted for using the equity method.
- J. The subsidiary of FENC's associate.
- K. Related party in substance.
- L. The investor is the corporate director of the investee.
- M. The investor is the corporate supervisor of the investee.
- N. Joint operation entity.
- O. Oriental Investment Holding (Netherlands) was established and registered on January 23, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.
- P. Oriental Martens (Netherlands) B.V. was established and registered on February 12, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.
- Q. The merger will change the operating dynamics and will achieve cost-saving benefits and tax incentives by reducing operational duplication in environment, energy, and quality perspectives. The merger of associates Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Union Chemical Corporation, Oriental Petrochemical (Yangzhou) Corporation will enhance the overall competency of the three companies. Far Eastern Union Petrochemical (Yangzhou) Corporation is the surviving company, and Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (Yangzhou) Corporation are the dissolved companies. Oriental Petrochemical (Yangzhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The record date of the merger was December 31, 2020.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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

Notes: A. Subsidiary.

B. Associates

C. Same ultimate parent company.

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

E. Unrealized gain on financial asset at FVTPL.

F. Unrealized gain on financial asset at FVTOCI.

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

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

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

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	
Far Eastern Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	\$ (937,550)	(35)	Based on contract	-	-	\$ -	-	\$ 418,950	81
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(1,256,690)	(47)	Based on contract	-	-	-	-	(23,062)	(15)
	Far Eastern New Century Corporation	(Note B)	Purchase	201,888	8	Based on contract	-	-	-	-	(23,440)	(17)
Worldwide Polychem (HK) Ltd.	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	287,985	12	Based on contract	-	-	-	-	(81,846)	(50)
	Far Eastern New Century Corporation	(Note B)	Purchase	1,851,936	55	Based on contract	-	-	-	-	(826,954)	(50)
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	1,535,889	45	Based on contract	-	-	-	-	(9,327)	(12)
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	274,459	32	Based on contract	-	-	-	-	(130,974)	(88)
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Purchase	241,886	28	Based on contract	-	-	-	-	-	-
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	167,233	2	Based on contract	-	-	-	-	-	-
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	197,302	67	Based on contract	-	-	-	-	-	-
	Oriental Industries (Suzhou) Ltd.	(Note C)	Purchase	1,537,031	97	Based on contract	-	-	-	-	(3,074)	(24)
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Sale	(121,735)	(92)	Based on contract	-	-	-	-	46,386	92
Far Eastern Industries (Shanghai) Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(167,233)	(1)	Based on contract	-	-	-	-	-	-
	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(197,302)	(1)	Based on contract	-	-	-	-	-	-
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(367,266)	(2)	Based on contract	-	-	-	-	121,212	5
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(460,306)	(2)	Based on contract	-	-	-	-	137,172	5
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(218,928)	(1)	Based on contract	-	-	-	-	62,831	8
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(693,416)	(4)	Based on contract	-	-	-	-	708,865	27
Far Eastern New Century Corporation	Far Eastern Fibertech Co., Ltd.	(Note B)	Purchase	2,454,535	15	Based on contract	-	-	-	-	(348,203)	(17)
	Far Eastern Fibertech Co., Ltd.	(Note C)	Purchase	245,850	1	Based on contract	-	-	-	-	(70,798)	(4)
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	461,502	3	Based on contract	-	-	-	-	(49,056)	(2)
Far Eastern Polytex (Vietnam) Ltd.	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	298,816	2	Based on contract	-	-	-	-	(85,542)	(4)
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	4,609,361	27	Based on contract	-	-	(306,390)	(79)	(172,235)	(9)
Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(201,345)	(10)	Based on contract	-	-	-	-	84	-
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	359,630	20	Based on contract	-	-	-	-	(90,879)	(31)
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	218,928	25	Based on contract	-	-	-	-	(62,831)	(28)
Wuhan Far Eastern New Material Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Sale	(359,630)	(9)	Based on contract	-	-	-	-	90,879	13
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(879,354)	(21)	Based on contract	-	-	-	-	348,558	49
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(1,642,086)	(39)	Based on contract	-	-	-	-	1,871	-
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	460,306	13	Based on contract	-	-	-	-	(137,172)	(19)
	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(1,537,031)	(24)	Based on contract	-	-	-	-	3,074	-
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	367,266	6	Based on contract	-	-	-	-	(121,212)	(21)
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(4,609,361)	(44)	Based on contract	-	-	306,390	30	172,235	100
	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note C)	Purchase	121,735	1	Based on contract	-	-	-	-	(46,386)	(13)
Far EastTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Cost of sales and marketing expenses	6,506,929	13	Based on contract	-	-	-	-	(874,204)	(5)
	ARCOA Communication Co., Ltd.	(Note C)	Operating revenue	(1,133,697)	(2)	Based on contract	-	-	-	-	408,078	7
	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(176,957)	-	Based on contract	-	-	-	-	1,320	-
Note F	New Century InfoComm Tech Co., Ltd.	(Note C)	Cost of sales	2,117,225	5	Based on contract	-	-	-	-	(522,015)	(3)
	DataExpress InfoTech Co., Ltd.	(Note C)	Cost of sales and marketing expenses	122,754	-	Based on contract	-	-	-	-	(66,155)	-
	Yuanshi Digital Technology Co., Ltd.	(Note C)	Operating revenue	(149,779)	-	Based on contract	-	-	-	-	26,541	-
(Continued)	Far EastTone Property Insurance Agent Co., Ltd.	(Note C)	Operating revenue	(282,045)	-	Based on contract	-	-	-	-	95,990	2

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd. Far EasTone Telecommunications Co., Ltd. KGEx.com Co., Ltd.	(Note C) (Note C) (Note C)	Operating revenue Cost of sales Cost of sales and rent expenses	\$ (2,117,225) 176,957 140,701	(21) 3 2	Based on contract Based on contract Based on contract	- - -	- - -	\$ 522,915 (1,320) (30,336)	- - -	33 (31) (2)	Note G
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Limited Pet Far Eastern (M) Sdn. Bhd. Far Eastern New Apparel (Vietnam) Ltd. Far Eastern Apparel (Vietnam) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern New Century Corporation Oriental Petrochemical (Taiwan) Corporation	(Note C) (Note C) (Note C) (Note C) (Note C) (Note B) (Note C)	Sale Sale Sale Sale Sale Purchase Purchase	(1,535,889) (274,459) (227,777) (287,985) (198,816) 417,797 4,431,853	(11) (2) (2) (2) (2) 4 39	Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract	- - - - - - -	- - - - - - -	826,954 9,327 14,278 25,440 85,542 (34,922) (663,857)	- - - - - - -	45 1 1 1 5 (2) (29)	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd. Far EasTone Telecommunications Co., Ltd. Home Master Technology Ltd.	(Note C) (Note C) (Note C)	Operating revenue Cost of sales Operating revenue	(6,506,929) 1,133,697 (923,095)	(64) 12 (9)	Based on contract Based on contract Based on contract	- - -	- - -	874,204 (408,788) 330,027	- - -	56 (31) 21	
KGEx.com Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(140,701)	(25)	Based on contract	-	-	30,336	-	52	
DataExpress Infotech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Sale revenue	(122,754)	(3)	Based on contract	-	-	66,155	-	13	
Yuanshi Digital Technology Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	149,779	7	Based on contract	-	-	(26,541)	-	(10)	
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Operating revenue	923,095	66	Based on contract	-	-	(330,027)	-	(97)	
Far EasTone Property Insurance Agent Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	282,045	90	Based on contract	-	-	(95,990)	-	(97)	
Microfusion Technology	Nextlink (HK) Technology	(Note C)	Sale revenue	(143,525)	(23)	Based on contract	-	-	44,558	-	29	
Nextlink (HK) Technology	Microfusion Technology	(Note C)	Operating revenue	143,525	15	Based on contract	-	-	(44,558)	-	(19)	

Notes: A. Subsidiary.

B. Parent company.

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

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

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

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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

(Continued)

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

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

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

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

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

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020**
(In Thousands of New Taiwan Dollars)

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

(Continued)

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

(Continued)

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

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

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

(Continued)

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

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE FOR THE YEAR ENDED DECEMBER 31, 2020

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount December 31, 2020	Investment Amount December 31, 2019	Shares (Thousands)	Balance as of December 31, 2020 % of Ownership	Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
Far Eastern New Century Corporation	Asia Cement Corporation	Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	750,511	22.23	\$ 19,555,827	\$ 14,664,682	\$ 3,009,171	Investment gain or loss recognized under the treasury shares method (Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	5,078,558	1,939,139	330,817	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,095,081	(93,945)	(89,494)	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	140	0.03	1,180	(936,987)	(281)	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	159,823	159,823	140,278	19.65	2,024,150	97,350	19,129	(Notes A and E)
	Pacific Lai Tong Investment Co., Ltd.	Taiwan	Investment	81,470	81,470	1,009,469	6.63	1,009,469	13,740	1,129	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	805,590	805,590	87,767	3.70	1,009,469	2,518,703	34,317	(Notes A and K)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,052	100,052	1,822,822	99.40	41,433,997	4,274,881	4,250,564	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$1,332 (Notes B and H)
	Far Eastern Resources Development Co., Ltd.	Taiwan	Real estate construction and sales	14,931,733	14,931,733	775,836	100.00	106,334,081	1,569,370	1,583,149	Including the adjustments of the transactions between subsidiaries \$13,779 (Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	10,382,911	10,382,911	168	100.00	9,647,375	(95,091)	(95,091)	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment and sale of chemical fiber production	7,318,312	7,318,312	830,815	73.04	7,739,405	107,429	78,466	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	739,953	100.00	8,737,914	573,219	583,125	Including the adjustments of the transactions between subsidiaries \$9,906 (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	361,486	100.00	5,582,758	323,009	323,009	(Note B)
Yuan Ding Investment Co., Ltd.	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment and sale of petrochemicals	23,386,997	23,386,997	4,894	100.00	25,734,569	(100,906)	(100,906)	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	6,626,110	6,626,110	397	91.95	4,497,126	(1,189,775)	(1,084,271)	Including discounted amortization \$9,727 (Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	16,209,038	16,209,038	1,712,218	75.56	9,057,496	(2,512,959)	(1,084,271)	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$2,0312 (Notes B and J)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and sales	143,450	143,450	223,481	65.11	9,956,499	1,700,033	1,088,745	(Note B)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,243,038	47,072	25,454	(Notes B and J)
	An Ho Garment Co., Ltd.	Taiwan	Garment production and investment	1,023	1,023	75,704	100.00	2,109,554	176,101	176,204	Including the adjustments of the transactions between subsidiaries \$103 (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	253,977	100.00	3,088,477	134,679	134,758	Including the adjustments of the transactions between subsidiaries \$79 (Note B)
	PEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	913,226	(15,700)	(7,917)	(Note B)
	Fu Kwok Knitting & Garment Co., Ltd.	Taiwan	Garment production	9,205	9,205	4,000	100.00	211,101	15,615	15,615	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	401,042	401,042	769	0.74	7,700	(703,961)	(5,409)	(Note B)
	Far Eastern Textile Ltd.	Taiwan	Textile production	1,000	1,000	100	100.00	1,720	63	63	(Note B)
	PE Oriental Investment Holding (Singapore) Pte. Ltd.	Singapore	Investment	147,400	-	50	100.00	165,064	23,515	23,515	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	2,051,009	1,116,755	52,722	1.57	2,205,639	14,664,682	-	(Note A)
Yuan Ding Investment Co., Ltd.	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,085,488	1,085,488	70,818	8.00	1,130,946	(975,945)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	3,286,166	812,136	1,939,139	9.87	3,353,101	1,939,139	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,286,618	1,286,618	23,497	2.87	2,882,497	(9,000)	-	(Note B)
	Far East Textile Industries Co., Ltd.	Taiwan	Textile production	2,723,598	2,723,598	1,066,638	32.73	21,968,400	8,354,129	-	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment and sale of chemical fiber production	1,392,692	1,392,692	306,644	26.96	2,856,714	107,429	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment and sale of textile	217,942	217,942	111	100.00	4,314,142	339,556	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taiwan	Sale of polychemical products	263,790	263,790	64,662	41.86	2,303,416	183,254	-	(Note A)
	Yuan Faun Co., Ltd.	Taiwan	Sale of textiles, garments, and clothing	387,984	387,984	24,772	100.00	70,445	(44,789)	-	(Note B)
	Yuan Faun Co., Ltd.	Taiwan	Production management consulting	51,671	51,671	5,000	100.00	144,492	5,337	-	(Note A)
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	4,745	45.50	64,307	446	-	(Note A)
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and sales	319,380	319,380	36,706	46.20	398,076	22,666	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount December 31, 2020	Investment Amount December 31, 2019	Shares (Thousands)	% of Ownership	Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
Far Eastern Investment (Holding) Ltd.	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	\$ 585,000	\$ 585,000	91,000	100.00	\$ 1,133,113	\$ 56,445	-	(Note B)
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing	13,475	13,475	2,484	100.00	68,642	36,761	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Medical gas production and sales	594,806	594,806	35,000	100.00	2,432,413	2,036,627	-	(Note A)
	Preidenteg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	1,356,356	1,356,356	32,000	100.00	4,825,216	48,252	-	(Note A)
	Yuan Ding Steel Corporation	Taiwan	Blasting	255,424	255,424	187,470	23.96	2,277,529	97,550	-	(Note B)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	13.86	1,136,900	47,072	-	(Note B)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	949,125	173,611	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment and sale of textile	7,142,602	7,142,602	110	100.00	7,950,473	11,005	-	(Notes A and E)
	Pacific Lai Tong Investment Co., Ltd.	Taiwan	Investment	796,491	796,491	119,653	14.92	1,695,192	814,794	-	(Notes A and E)
	Yu Yuan Investment Co., Ltd.	Taiwan	Real estate construction	673,704	673,704	98,198	18.96	958,927	712,538	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	14,682	14,682	1,490	1.00	23,624	202,829	-	(Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	779,399	779,399	117,746	5.20	643,372	(2,512,959)	-	(Note B)
	Oriental Green Materials Limited	Taiwan	waste recycling and processing	647,083	647,083	55,311	100.00	606,730	51,533	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,095,981	1,095,981	122,687	3.56	1,586,439	2,518,703	-	(Note A)
	Filky Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	-	-	(Note A)
APG Polytex USA Holdings, Inc.	PETG Investment Antilles N.V.	Netherlands	Investment	US\$ 6	US\$ 6	6	100.00	32,236	(1,221)	-	(Note B)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	198,447	14,705	-	(Note B)
	Com-2B	Cyprus Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	-	-	-	(Note A)
	Worldwide Polychem (HK) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	(Note D)	100.00	939,969	(47,138)	-	(Note B)
	Opus Fund Segregated Portfolio Company	Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	109,670	46,901	-	(Note B)
	Far Eastern Polytex (Vietnam) Ltd.	Cyprus Islands	Investment	US\$ 51	US\$ 51	(Note D)	34.00	1,481,585	34	-	(Note A)
	Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Chemical fiber and textile production	US\$ 240,000	US\$ 240,000	(Note D)	100.00	7,481,568	816,407	-	(Note B)
	Magna View Sdn. Bhd.	Vietnam	Garment production	US\$ 18,465	US\$ 18,465	3,000	100.00	(21,110)	(1,715)	-	(Note B)
	Manila Textile Corporation	Singapore	Investment	US\$ 1,465	US\$ 1,465	3,000	100.00	198,427	7,150	-	(Note B)
	Drive Catalyst SRC	Cyprus Islands	Investment	US\$ 15,849	US\$ 15,849	30	37.92	460,550	(3,790)	-	(Note B)
	APG Polytex USA Holdings, Inc.	America	Investment	US\$ 17	US\$ 17	(Note D)	34.00	495	2	-	(Note A)
	Drive Catalyst SRC-SP Tameche One	Cyprus Islands	Investment	US\$ 506,467	US\$ 506,467	5	100.00	14,246,026	(56,585)	-	(Note B)
	Drive Catalyst SRC-SP Tameche Three	Cyprus Islands	Investment	US\$ 4,000	US\$ 4,000	4	25.00	106,357	(27,519)	-	(Note A)
	Far Eastern International Garments	Philippines	Garment production	US\$ 4,000	US\$ 4,000	59	41.00	127,616	(5,572)	-	(Note A)
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	US\$ 1	US\$ 1	90	50.00	(11,732)	-	-	(Note A)
Magna View Sdn. Bhd.	Corpus Christi Polymers LLC	America	Petrochemical materials production and Polychemical products production	US\$ 422,800	US\$ 422,800	(Note D)	33.33	11,853,091	(300,219)	-	(Note K)
	APG Polytex, LLC	America	Polychemical products production	US\$ 90,000	US\$ 90,000	(Note D)	100.00	2,865,479	220,047	-	(Note B)
	Phoenix Technologies International, LLC	America	Production and sale of recycled plastic resins and their waste and general industrial waste handling	US\$ 16,500	US\$ 10,000	(Note D)	100.00	237,358	(142,601)	-	(Note B)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	19,447	14,705	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	339,088	337,260	12,279	0.37	464,945	14,664,682	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	238,466	114,506	1,783	0.85	278,839	1,939,593	-	(Note A)
	Diverse Textile Corporation	Taiwan	Chemical fiber production	1,356,356	1,356,356	11,983	0.35	9,958,987	(9,958,987)	-	(Note A)
	Far East Telecommunications Co., Ltd.	Taiwan	Petrochemical materials production	677,665	677,665	27,365	3.09	605,182	(975,945)	-	(Note A)
	Pacific Lai Tong Investment Co., Ltd.	Taiwan	Telecommunications	90,000	38,457	920	0.03	41,032	8,354,128	-	(Note B)
	Yu Ding Industry Co., Ltd.	Taiwan	Investment	95,624	90,000	18,000	2.24	249,576	814,794	-	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	814,399	814,399	15,738	13.20	425,408	123,495	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	732,627	732,627	91,166	2.64	1,178,220	2,518,703	-	(Note A)
	Far East Tone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	793,702	25,312	0.75	1,009,524	14,664,682	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	742,686	742,686	34,299	1.05	1,107,782	8,354,128	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	519,473	32,474	3.67	598,227	(975,945)	-	(Note A)
Far Eastern Polychem Industries Ltd.	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	20,672	1.46	597,205	1,939,139	-	(Note A)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	1,127	49.00	450,602	45,515	-	(Note A)
	Pacific Lai Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	74,970	16.80	950,069	173,611	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	988,714	988,714	18,000	2.24	249,779	814,794	-	(Notes A and E)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	8.05	394,067	(1,189,775)	-	(Note B)
	FEDF (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	897,653	(157,000)	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	Production and sale of recycled plastic resins and their waste and general industrial waste handling	JPY 2,991,678	JPY 2,991,678	3,578	90.00	1,142,565	185,334	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.53	612,922	14,664,682	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	271,587	271,587	147,413	98.95	2,173,332	202,829	-	(Note B)
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	339,088	337,260	12,279	0.37	464,945	14,664,682	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	238,466	114,506	1,783	0.85	278,839	1,939,593	-	(Note A)
	Diverse Textile Corporation	Taiwan	Chemical fiber production	1,356,356	1,356,356	11,983	0.35	9,958,987	(9,958,987)	-	(Note A)
	Far East Telecommunications Co., Ltd.	Taiwan	Petrochemical materials production	677,665	677,665	27,365	3.09	605,182	(975,945)	-	(Note A)
	Pacific Lai Tong Investment Co., Ltd.	Taiwan	Telecommunications	90,000	38,457	920	0.03	41,032	8,354,128	-	(Note B)
	Yu Ding Industry Co., Ltd.	Taiwan	Investment	95,624	90,000	18,000	2.24	249,576	814,794	-	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	814,399	814,399	15,738	13.20	425,408	123,495	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	732,627	732,627	91,166	2.64	1,178,220	2,518,703	-	(Note A)
	Far East Tone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	793,702	25,312	0.75	1,009,524	14,664,682	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	742,686	742,686	34,299	1.05	1,107,782	8,354,128	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	519,473	32,474	3.67	598,227	(975,945)	-	(Note A)
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	20,672	1.46	597,205	1,939,139	-	(Note A)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	1,127	49.00	450,602	45,515	-	(Note A)
	Pacific Lai Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	74,970	16.80	950,069	173,611	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	988,714	988,714	18,000	2.24	249,779	814,794	-	(Notes A and E)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	8.05	394,067	(1,189,775)	-	(Note B)
Far Eastern Construction Co., Ltd.	FEDF (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	897,653	(157,000)	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	Production and sale of recycled plastic resins and their waste and general industrial waste handling	JPY 2,991,678	JPY 2,991,678	3,578	90.00	1,142,565	185,334	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount December 31, 2020	Investment Amount December 31, 2019	Shares (Thousands)	Balance as of December 31, 2020 % of Ownership	Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	\$ 16,246	\$ 16,246	469	0.01	\$	\$ 14,664,682	-	(Note A)
	Far EastTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	6,353	6,353	90	-	6,022	8,354,128	-	(Note B)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	12	0.01	156	123,495	-	(Note A)
	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	6,939	11,909	-	(Note B)
Malaysia Garment Manufacturers Pte. Ltd.	Filspin Corporation	Philippines	Polychemical products	PESO 102,565	PESO 102,565	20,513	9.95	-	-	-	(Note A)
	Areggio 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 -	99.00	99.00	(38)	-	-	(Note B)
	Far EastTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,018,618	8,354,128	-	(Note B)
An Ho Garment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.18	257,100	14,664,682	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	235,825	(975,945)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	370	0.03	11,925	139,586	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	122,420	119,933	8,723	1.25	118,874	97,350	-	(Note A)
Yuan Fuan Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	111,997	111,997	18,682	15.66	406,573	123,495	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	67,285	67,285	9,681	1.21	139,586	814,794	-	(Notes A and E)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	168,700	4,274,881	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	202,798	202,798	22,702	0.66	293,641	2,518,703	-	(Note A)
Fu Kwok Knitting & Garment Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	12,513	2,049	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	42,973	42,973	4,811	0.14	62,253	2,518,703	-	(Note A)
	Far EastTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.02	19,037	8,354,128	-	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,673,311	8,354,128	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,632,237	1,591,618	59,073	4.17	1,776,669	1,939,139	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,755,017	1,755,017	49,705	5.61	1,939,139	(975,945)	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Cement production	1,067,775	1,067,775	32,465	0.97	1,349,928	10,674,681	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	248,579	814,794	-	(Notes A and E)
FE Oriental Investment Holding (Singapore) Pte. Ltd.	Liquid Air Far East Co., Ltd.	Taiwan	Electronic toll collection services	787,104	787,104	35,934	11.98	514,235	541,109	-	(Note B)
	Sino Belgium (Holding) Ltd.	Taiwan	Industrial gas production and sales	20	20	1	-	35	2,036,627	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(741,428)	(33,926)	-	(Note B)
	Malaysia Garment Manufacturers Pte. Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	3	54	461,314	461,314	-	(Note A)
Oriental Investment Holding (Netherlands) B.V.	Far Eastern International Bank	Singapore	Garment production and Investment	7,354	7,354	10	13.00	157,923	(3,790)	-	(Note B)
	FE New Century Industrial (Singapore) Pte. Ltd.	Singapore	Textile product sales	986,735	986,735	110,457	3.20	1,427,704	2,518,703	-	(Note A)
	Oriental Investment Holding (Netherlands) B.V.	Netherlands	Investment	US\$ -	US\$ -	49	100.00	162,367	23,672	(Note B)	(Notes B and L)
	Oriental Martens (Netherlands) B.V.	Netherlands	Investment	-	-	-	100.00	-	-	-	(Notes B and M)
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	Taiwan	Electronic material and relevant by-product sales	100,000	100,000	13,992	100.00	263,419	11,798	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	558,000	558,000	21,787	60.00	154,063	(15,753)	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	68,953	11,909	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	(Note D)	17.70	10,226	4,775	-	(Note B)
Yuan Ding Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	566,896	566,896	1,499	1.35	(934)	(195,262)	-	(Note B)
	FET Consulting Engineers Co., Ltd.	Taiwan	Business management consultants, piping engineering, cable installation, automatic equipment installation and investment business	342,701	342,701	37,000	100.00	50,695	(3,408)	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.16	214,368	14,664,682	-	(Note A)
	Far EastTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	107,673	8,354,128	-	(Note B)
Yuan Ding Co., Ltd.	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	411,187	411,187	129,637	25.02	2,052,950	712,538	-	(Note A)
	Yue Ming Corporation	Taiwan	Trading	787	787	104	1.00	607	446	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	3,091	2.59	66,869	123,495	-	(Note A)
	FE DS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	13,214	1.66	131,214	131,214	-	(Note A)
Yuan Ding Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	977,650	977,650	44,796	14.93	635,567	541,109	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	76,665	76,665	8,582	0.25	111,087	2,518,703	-	(Note A)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	400,000	400,000	10,968	14.66	82,421	(186,581)	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	2,650,238	2,650,238	102,509	98.52	81,826	(730,961)	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2020		Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2020	December 31, 2019	Shares (Thousands)	% of Ownership			
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	\$ 1,828	\$ 1,828	\$ 5	-	\$ (195,262)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	500,200	300,200	28,231	37.72	212,070	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	(Note D)	46.13	23,529	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	(Note D)	53.87	27,243	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Corporation	Taiwan	Chemical fiber production	2,451	2,451	130	0.03	818	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0.20	989,29	-	(Note A)
YDC (Virgin Islands) Ltd.	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	14,664,682	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	(Note D)	82.30	47,547	-	(Note B)
Far Eastern International Bank	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	26,960	26,960	3,018	0.09	2,518,703	-	(Note A)
Far Eastern Electronic Toll Collection Co., Ltd.	PETC International Co., Ltd	Taiwan	Dispatched labor, procuring equipment, and sales agent services	200,000	200,000	20,000	100.00	30,104	-	(Note B)
Far East Tone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	26,974,867	-	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Telecommunications services, sales of telecommunications products and office equipment	1,305,802	1,305,802	82,762	61.63	679,411	-	(Note B)
KCE.com Co., Ltd.	KCE.com Co., Ltd.	Taiwan	Type II telecommunications services	2,240,472	2,240,472	68,897	99.99	903,588	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	1,686,169	886,169	107,004	96.18	(66,543)	-	(Note B)
Yuan Qing Co., Ltd.	Yuan Qing Co., Ltd.	Taiwan	Call center services	-	-	2,000	100.00	16,326	-	(Note B and J)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	4,811	-	(Note B)
Yuan Bao Fintech Co., Ltd.	Yuan Bao Fintech Co., Ltd.	Taiwan	Electronic information providing services	60,000	60,000	6,000	100.00	52,045	-	(Note B)
	Yuan Bao Fintech Co., Ltd.	Taiwan	Type II telecommunications services	5,000	5,000	500	100.00	7,635	-	(Note B)
Far East Tone Property Insurance Agent Co., Ltd.	Far East Tone Property Insurance Agent Co., Ltd.	Taiwan	Property insurance agent	2,542,396	2,542,396	118,231	39.42	64,587	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	600,000	600,000	23,302	30.00	1,269,488	-	(Note B)
Yuan Hsin Digital Payment Co., Ltd.	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	139,500	139,500	5,447	15.00	164,513	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	600,000	600,000	16,452	21.98	38,681	-	(Note B)
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Other financing and supporting services	141,750	141,750	13,896	70.00	123,425	-	(Note B)
	New Diligent Co., Ltd.	Taiwan	Electronic information providing services	540,000	540,000	54,000	100.00	246,341	-	(Note B)
New Century InfoComm Tech Co., Ltd.	Information Security Service Digital United Inc.	Taiwan	Investment	148,777	148,777	10,249	100.00	82,075	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Security and monitoring service via internet	317,446	317,446	10,320	100.00	17,482	-	(Note B)
Yuanshi Digital Technology Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Taiwan	Investment	20,000	20,000	750	0.67	163,344	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Electronic information providing services	46,500	46,500	1,816	5.00	3,691	-	(Note B)
Drive Catalyst SP-SP Tranche One	Drive Catalyst SP-SP Tranche One	Cayman Islands	Marketing	123,220	123,220	4	25.00	(195,262)	-	(Note B)
	Prime EcoPower Co., Ltd.	Cayman Islands	Investment	122,300	122,300	4	25.00	(15,573)	-	(Note A)
Nextlink Technology Co., Ltd.	Nextlink Technology Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000	100.00	108,173	-	(Note A)
	Nextlink Technology Co., Ltd.	Taiwan	Electronic information providing services	420,000	420,000	3,430	70.00	(5,572)	-	(Note B)
Sino Lead Enterprise Limited	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	30	100.00	43,098	-	(Note B)
	Far East New Diligent Company Ltd.	British Virgin Islands	Investment	330,598	330,598	-	100.00	290	-	(Note B)
New Diligent Hong Kong Co., Ltd.	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	3,051	3,051	-	100.00	(4,609)	-	(Note B)
Linkwell Tech. Co., Ltd.	Linkwell Tech. Co., Ltd.	Taiwan	Electronic information providing services	10,000	10,000	(Note D)	-	2,291	-	(Note B)
	Home Master Technology Ltd.	Taiwan	Electronic information providing services	-	-	(Note D)	-	1,443	-	(Note B and N)
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd	Taiwan	Electronic information providing services	17,000	17,000	2,600	100.00	28,060	-	(Note B)
	Nextlink (HK) Technology Co., Ltd	Hong Kong	Electronic information providing services	973	973	-	100.00	13,747	-	(Note B)
Microfusion (HK) Technology Co., Ltd.	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information providing services	1,494	1,494	-	100.00	3,331	-	(Note B)
	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information providing services	-	-	-	-	(341)	-	(Note B)

Notes: A. Equity-method investee;

B. Subsidiary.

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

D. Company limited.

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

F. Shares in thousands.

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

(Continued)

- H. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corporation (TWSE), the Company recognized these items as investment properties in its parent-company-only financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the parent-company-only financial statements and the consolidated financial statements.
- I. The effects from the adjustments of FENC shares which are held by Yuan Ding Co., Ltd. and the transactions between subsidiaries amounted to \$7,976 thousand.
- J. The ending balance of the investment is zero in 2016 because the amount of reduction in capital was over the original investing value.
- K. Joint operation entity
- L. Oriental Investment Holding (Netherlands) was established and registered on January 23, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.
- M. Oriental Martens (Netherlands) B.V. was established and registered on February 12, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.
- N. DataExpress Infotech Co., Ltd. merged with Linkwell Tech. Ltd. on April 1, 2020. DataExpress Infotech Co., Ltd. was the surviving company and Linkwell Tech. Ltd. was the dissolved company

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEES

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note T)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2020 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2020	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Ltd.	Manufacture and sales of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	\$ 8,230,508 (RMB 1,880,399 thousand)	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 101,704	100.00	\$ 101,704	\$ 8,620,916	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	895,434 (RMB 204,577 thousand)	2	1,010,901	-	-	1,010,901	16,163	100.00	16,163	1,601,216	233,172	Notes F and G
Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	1,040,056 (RMB 237,619 thousand)	3	-	-	-	-	19,004	100.00	19,004	1,076,836	-	
Far Eastern Industries (Wuxi) Ltd.	Production and marketing of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, griever woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics	2,107,397 (RMB 481,471 thousand)	2	2,018,430	-	-	2,018,430	(70,842)	100.00	(70,842)	2,819,128	313,458	Notes H and I
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products	7,850,541 (RMB 1,793,590 thousand)	2	3,791,007	-	-	3,791,007	(1,458,015)	61.35	(894,492)	2,774,133	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and sales of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps	1,616,308 (RMB 369,273 thousand)	2	1,342,854	-	-	1,342,854	258,735	100.00	258,735	3,307,071	159,799	Notes H and R
Far Eastern Industries (Suzhou) Ltd.	Production and marketing of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	1,726,156 (RMB 394,370 thousand)	2	1,765,319	-	-	1,765,319	23,059	100.00	(6,805)	1,600,766	-	Note K
Wuhan Far Eastern New Material Ltd.	Manufacture and sales of PET sheets, chips, and filaments PET performs and garments and its by-products	748,675 (RMB 171,048 thousand)	2	724,110	-	-	724,110	11,164	100.00	11,164	941,333	-	

(Continued)

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

(Continued)

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

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

Notes: A. Investment types are classified as follows:

- 1 The investment was made directly in China.
 - 2 The investment was made through a company registered in a third region. Companies which registered in a third region are: Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Far Eastern Apparel (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd., Nextlink Technology Co., Ltd. and Far East New Diligent Company Ltd.
 - 3 Other types.
- B. Recognition of gains or losses was based on the following two information:
1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Far Eastern Apparel (Suzhou) Co., Ltd., Far Eastern Industries (Wuxi) Ltd., Oriental Petrochemical (Shanghai) Corporation, Far Eastern Dyeing and Finishing (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Oriental Industries (Suzhou) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation and Tong Da Air Industry (Yangzhou) Co., Ltd.
 2. Others: Far Eastern Industries (Suzhou) Ltd., Far Eastern New Century (China) Investment Co., Ltd., Sino Belgium Beer (Suzhou) Ltd., Martens Beers (Shanghai) Ltd., Far Eastern Industries (Yangzhou) Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Shanghai Yuan Zi Information Technology Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Corporation, Suzhou An Ho Apparel Ltd., Yuan Ding Enterprise (Shanghai) Limited, Yuan Ding Integrated Information Service (Shanghai) Inc., Digital United Information Technology (Shanghai) Ltd., Far Eastern Tech-Info Ltd. (Shanghai) and Speedy (Shanghai) digital Tech. Co., Ltd.

C. The ending balance of long term investment.

D. As of December 31, 2020, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NTS\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.

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

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

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

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

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

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

(Continued)

- K. As of December 31, 2020, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Co., Ltd.
- L. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.
- M. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by FENC's subsidiaries, YDT Technology International Co., Ltd., FET Consulting Engineers Co., Ltd. and Ding Ding Integrated Marketing Service Co., Ltd.
- N. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.
- O. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Far East-Tone Telecommunications Co., Ltd. The investment project was approved by the local government to be dissolved in 2020.
- P. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.
- Q. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.
- R. As of December 31, 2020, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Ltd.
- S. Investment amounts authorized by the Investment Commission of the MOEA include US\$835,405 thousand, and the original investment RMB6,695 thousand from Far Eastern Polytex (Holding) Ltd. which approved by Investment Commission under the Ministry of Economic Affairs were calculated based on the ending exchange rates of US\$1:28.48 and RMB1:4.377.
- T. Based on MOEA Approval Letter No. 10920434850, there is no limitation on the amount of the Company's investment in China.
- U. The paid-in capital was calculated based on the ending exchange rate of RMB1:4.377 and US\$1:28.48.
- V. The merger will change the operating dynamics and will achieve cost-saving benefits and tax incentives by reducing operational duplication in environment, energy, and quality perspectives. The merger of associates Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Union Chemical Corporation, Oriental Petrochemical (Yangzhou) Corporation will enhance the overall competency of the three companies. Far Eastern Union Petrochemical (Yangzhou) Corporation is the surviving company, and Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (Yangzhou) Corporation are the dissolved companies. Oriental Petrochemical (Yangzhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The record date of the merger was December 31, 2020.

(Concluded)

TABLE 13-1

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA - INVESTMENT TYPES

FOR THE YEAR ENDED DECEMBER 31, 2020

(In Thousands of U.S. Dollars)

Investee Company	Investor Company	Authorized by Investment Commission, MOEA				Investment Type			
		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.	2004.12.29	No. 093032400	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	\$ 1,540	
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Ltd.	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. 093032399	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			
	Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Ltd.	8,198 (Note E)	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			
	Yuan Ding Investment Co., Ltd.	2018.07.16	No. 10730028260	Far Eastern Apparel (Holding) Ltd.	35,000				\$ 35,000
Oriental Petrochemical (Shanghai) Corporation	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			
	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd.	1,228				1,228
	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	PET Far Eastern (Holding) Ltd.	6,592				6,592
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	49,500	49,500			
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	PET Far Eastern (Holding) Ltd.	4,800	4,800			
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	2,936 (Note F)				
	Far Eastern New Century Corporation	2017.09.18	No. 10630056570	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	PET Far Eastern (Holding) Ltd.	27,000	27,000			
	Yuan Ding Investment Co., Ltd.	2008.10.13	No. 09700348610	PET Far Eastern (Holding) Ltd.	20,000	20,000			
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd.	9,352	9,352			9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	FEDP (Holding) Ltd.	1,569			1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	FEDP (Holding) Ltd.	713				713
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	5,288			
	Far Eastern New Century Corporation			FEDP (Holding) Ltd.					

(Continued)

Investee Company	Investor Company	Authorized by Investment Commission, MOEA			Investment Type				Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financial from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
		Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investment	Investor Company in Third Area Using Dividends Received from Investee (US\$)			
Oriental Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	\$ 4,524	\$ 4,524					
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	FEDP (Holding) Ltd.	4,800	4,800					
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	754 (Note G)	754					
	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	18,224	18,224					
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	19,800	19,800					
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	30,200	30,200					
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	23,000	23,000					
	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470	Oriental Textile (Holding) Ltd.	32,500	32,500					
	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note K)	Oriental Textile (Holding) Ltd.	8,000	8,000					
	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note K)	Oriental Textile (Holding) Ltd.	43,000	43,000					
Wuhan Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2006.05.19	No. 09500000070	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					RMB 6,695
	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	Beckhold N.V.	4,304	4,304					4,304
Far Eastern Tech-Info Ltd. (Shanghai)	Yuan Tong Investment Co., Ltd.	2014.04.24	No. 10300091010 (Note L)	Martens HK Ltd.	1,500	1,500					
	Yuan Tong Investment Co., Ltd.	2013.11.28	No. 10200451570 (Note N)	Sino Belgium (Holding) Ltd.	1,100	1,100					
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	1,000	1,000					
	Far East Tone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Limited	2,500	2,500					
Far Eastern Ythua 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 New Century Corporation	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000					
	Far Eastern New Century Corporation	2012.08.31	No. 10300210860 (Note M)	PET Far Eastern (Holding) Ltd.	66,000	66,000					
	Far Eastern New Century Corporation	2020.08.20	No. 10900223750 (Note T)	PET Far Eastern (Holding) Ltd.	9,250	9,250					
Yuan Ding Enterprise (Shanghai) Limited	Far Eastern New Century Corporation	2020.11.23	No. 10900267610 (Note U)	PET Far Eastern (Holding) Ltd.	30,405	30,405					
	Far Eastern New Century Corporation	2013.11.08	No. 10200399280	Far Eastern Polytex (Holding) Ltd.	1,000	1,000					
	Far Eastern New Century Corporation	2019.08.02	No. 10800190930 (Note S)	Far Eastern New Century (China) Investment Co., Ltd.	74,335	74,335					
	Far Eastern New Century Corporation	2019.11.26	No. 10800217150	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)	Far Eastern Polytex (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 Using Dividends Received from Investee (US\$)	Investor Company in Third Area Financial Institutions in Third Area (US\$)
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd. FET Consulting Engineers Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd.	2011.10.19 2011.11.03 2015.08.11	No. 10000429550 No. 10000439470 No. 10400179060	YDC (Virgin Islands) Ltd. DDIM (Virgin Islands) Ltd. DDIM (Virgin Islands) Ltd.	\$ 110 8,100 1,100	\$ 110 8,100 1,100		Investor Company Using Its Own Capital to Invest (US\$)
Speedy (Shanghai) digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	2004.02.11 2005.02.05	No. 093003471 No. 094003122	YDC (Virgin Islands) Ltd. YDC (Virgin Islands) Ltd.	300 500	300 500		
Far Eastern Tech-Info Ltd. (Shanghai)	Far East Tone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,500	2,500		
Far Eastern Tech-Info Ltd. (Shanghai)	New Diligent Co., Ltd.	2014.01.29	No. 10300022990	Far East New Diligent Company Ltd.	3,500	3,500		
Far Eastern Tech-Info Ltd. (Shanghai)	New Century InfoComm Tech Co., Ltd. New Century InfoComm Tech Co., Ltd.	2002.10.07 2013.08.09	No. 091041498 No. 10200302730	Digital United (Cayman) Ltd. Digital United (Cayman) Ltd.	3,100 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		

Notes: A. Far Eastern New Century (China) Investment Co., Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Corporation, and the other US\$2,000 thousand was held by Far Eastern New Century (China) Investment Co., Ltd.

B. Document No. 092035971 had been canceled and replaced with document No. 09800408170.

C. Document No. 092035970 had been canceled and replaced with document No. 09800408160.

D. The approved amount of US\$12,000 thousand on September 18, 2009 as stated in document No. 09800283970, had been changed to US\$11,500 thousand and updated to document No. 09900142680 on April 19, 2010 while completed the review process.

E. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.

F. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.

G. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.

H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly through Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd., under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only through FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).

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

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

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

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

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

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

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

(Continued)

- P. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirect investment to US\$3,500 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., indirectly in Tong Da Air Industry (Yangzhou) Co., Ltd. In 2020, Tong Da Air Industry (Yangzhou) Co., Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation and Oriental Union Chemical Corporation's subsidiary Oriental Petrochemical (Yangzhou) Corporation dissolved by absorption and merger, however, the balance has not yet been cancelled to the MOEA.
- Q. The dissolution of this investment had been approved by the local government on April 13, 2010. On June 27, 2012, the remittance of the remaining shares of US\$73 thousand was made. MOEA approved the cancellation of the amount, the balance has not been cancelled to the MOEA.
- R. The dissolution of this investment had been approved by the local government, but the balance has not been cancelled to the MOEA.
- S. After modifying MOEA approval from No. 10600282650 to No. 10800015840, FENC invested US\$82,340 thousand through its subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly in Far Eastern New Century (China) Investment Co., Ltd., then capitalized to Yuan Ding Enterprise (Shanghai) Limited. On August 2, 2019, the remitted amount had been changed to US\$74,335 thousand and updated to document No. 10800190930.
- T. After obtaining MOEA approval (No. 10900223750), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$9,250 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- U. After obtaining MOEA approval (No. 10900267610), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$30,405 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.

(Concluded)

TABLE 14**FAR EASTERN NEW CENTURY CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020**

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

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

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

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, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

1. We assessed the competencies and independence of the external valuer engaged by the management and discussed with the management the valuer's work scope and process of engagement acceptance we evaluated the risk of possible impairment of the valuer's independence and determined that the valuer's work scope was free from limiting factors.

2. We assessed the reasonableness of the valuer's assumptions and methods used in the valuation.
3. We audited items from management's supporting documentation, including data which was used in the valuation process by the valuer.

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

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

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

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

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

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

Other Matter

The Company's Subsidiaries' Equity-Method Investee APG Polytech, LLC and Corpus Christi Polymers, LLC, their financial statements were audited by other auditors. Our opinion, insofar as it amounts which are investment accounted for using the equity method and its recognition of other comprehensive income 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 were NTD14,718,570 thousand, representing 5% of the Company's total assets as of December 31, 2020. The recognition of other comprehensive losses of the aforementioned investees were NTD653,472 thousand, representing (8)% of the Company's total comprehensive income for the years ended December 31, 2020.

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

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

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

Financial Information

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chih-Ming, Shao and Cheng-Hung Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 31, 2021

Notice to Readers

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

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

Financial Information

FAR EASTERN NEW CENTURY CORPORATION

BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 26)	\$ 19,436,311	6	\$ 20,592,925	6
Financial assets at fair value through profit or loss (Notes 4, 7 and 25)	-	-	7,703	-
Notes and accounts receivable, net (Notes 4, 9 and 26)	5,097,229	2	5,323,584	2
Other receivables (Note 26)	877,192	-	306,089	-
Current tax assets	14,193	-	18,193	-
Inventories (Notes 4 and 10)	4,281,313	1	5,170,448	2
Financial assets at amortized cost (Notes 8)	300,000	-	-	-
Prepayments	56,087	-	78,100	-
Refundable deposits	17,146	-	18,044	-
Other current assets	<u>177,542</u>	-	<u>308,802</u>	-
Total current assets	<u>30,257,013</u>	<u>9</u>	<u>31,823,888</u>	<u>10</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4, 11 and 27)	269,392,281	83	268,034,222	82
Property, plant and equipment (Notes 4, 12 and 27)	24,271,372	8	25,325,644	8
Right-of-use assets (Notes 4 and 13)	663,682	-	890,813	-
Investment properties (Notes 4, 5, 14 and 27)	1,023,412	-	978,404	-
Other intangible assets (Notes 4 and 15)	16,280	-	18,948	-
Deferred tax assets (Notes 4 and 22)	63,353	-	48,070	-
Prepayments for equipment (Note 12)	21,598	-	143,402	-
Refundable deposits (Note 26)	56,244	-	93,874	-
Net defined benefit assets (Note 18)	568,701	-	417,428	-
Other financial assets (Note 27)	71,343	-	1,300,373	-
Other non-current assets	<u>46,797</u>	-	<u>46,537</u>	-
Total non-current assets	<u>296,195,063</u>	<u>91</u>	<u>297,297,715</u>	<u>90</u>
TOTAL	<u>\$ 326,452,076</u>	<u>100</u>	<u>\$ 329,121,603</u>	<u>100</u>

FAR EASTERN NEW CENTURY CORPORATION

BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2020		2019	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 3,462,493	1	\$ 2,400,415	1
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 25)	10,619	-	-	-
Contract liabilities (Note 20)	294,756	-	144,678	-
Notes and accounts payable	1,234,900	1	1,307,574	1
Notes and accounts payable to related parties (Note 26)	743,905	-	1,286,190	-
Payables to suppliers of machinery and equipment	596	-	967	-
Lease liabilities (Notes 4 and 13)	235,201	-	230,906	-
Other payables	4,334,098	1	4,124,706	1
Current portion of long-term liabilities (Notes 17)	11,297,104	4	13,695,421	4
Other current liabilities	766,710	-	816,369	-
Total current liabilities	22,380,382	7	24,007,226	7
NON-CURRENT LIABILITIES				
Lease liabilities (Notes 4 and 13)	438,087	-	668,299	-
Bonds payable (Note 17)	53,931,438	17	44,741,032	14
Long-term borrowings (Notes 16 and 26)	43,438,049	13	52,752,032	16
Deferred tax liabilities (Notes 4 and 22)	2,187,424	1	2,381,837	1
Guarantee deposits received	1,164	-	1,623	-
Deferred credit-gains on related-party transactions (Note 26)	46,345	-	47,266	-
Total non-current liabilities	100,042,507	31	100,592,089	31
Total liabilities	122,422,889	38	124,599,315	38
EQUITY (Note 19)				
Share capital				
Common stock	53,528,751	16	53,528,751	16
Capital surplus	3,320,137	1	3,270,355	1
Retained earnings				
Legal reserve	19,028,517	6	17,955,250	6
Special reserve	117,342,360	36	115,505,874	35
Unappropriated earnings	13,744,880	4	17,376,404	5
Total retained earnings	150,115,757	46	150,837,528	46
Other equity	(2,910,395)	(1)	(3,089,283)	(1)
Treasury shares	(25,063)	-	(25,063)	-
Total equity	204,029,187	62	204,522,288	62
TOTAL	\$ 326,452,076	100	\$ 329,121,603	100

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 31, 2021)

Financial Information

FAR EASTERN NEW CENTURY CORPORATION

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

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

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

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

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

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 31, 2021)

(Concluded)

Financial Information

FAR EASTERN NEW CENTURY CORPORATION

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

	Common Stock	Capital Surplus	Retained Earnings		
			Legal Reserve	Special Reserve	Unappropriated Earnings
BALANCE AT JANUARY 1, 2019	\$ 53,528,751	\$ 2,908,631	\$ 16,752,421	\$ 114,443,170	\$ 17,996,558
Effect of retrospective application and retrospective restatement	-	-	-	-	(331,352)
BALANCE AT JANUARY 1, 2019 AS RESTATED	53,528,751	2,908,631	16,752,421	114,443,170	17,665,206
Appropriation of the 2018 earnings					
Legal reserve	-	-	1,202,829	-	(1,202,829)
Special reserve	-	-	-	1,088,579	(1,088,579)
Cash dividends	-	-	-	-	(9,635,175)
Net income for the year ended December 31, 2019	-	-	-	-	10,732,669
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	823,075
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	11,555,744
Change in associates and subsidiaries accounted for using the equity method	-	360,321	-	6	39,964
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,403	-	-	-
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	16,192
Reversal of special reserve	-	-	-	(25,881)	25,881
BALANCE, DECEMBER 31, 2019	53,528,751	3,270,355	17,955,250	115,505,874	17,376,404
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 December 31, 2020	-	-	-	-	(180,004)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	7,882,695
Change in associates and subsidiaries accounted for using the equity method	-	48,613	-	-	(571,360)
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,169	-	-	-
Associate disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(3,793)
BALANCE, DECEMBER 31, 2020	<u>\$ 53,528,751</u>	<u>\$ 3,320,137</u>	<u>\$ 19,028,517</u>	<u>\$ 117,342,360</u>	<u>\$ 13,744,880</u>

FAR EASTERN NEW CENTURY CORPORATION

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

Exchange Differences on Translating 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
\$ (3,589,901)	\$ 771,912	\$ 45,880	\$ 702,778	\$ (25,063)	\$ 203,535,137
-	-	-	-	-	(331,352)
(3,589,901)	771,912	45,880	702,778	(25,063)	203,203,785
-	-	-	-	-	-
-	-	-	-	-	(9,635,175)
-	-	-	-	-	10,732,669
(2,955,805)	1,678,830	(34,180)	301,980	-	(186,100)
(2,955,805)	1,678,830	(34,180)	301,980	-	10,546,569
-	5,415	-	-	-	405,706
-	-	-	-	-	1,403
-	(16,192)	-	-	-	-
-	-	-	-	-	-
(6,545,706)	2,439,965	11,700	1,004,758	(25,063)	204,522,288
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(8,029,313)
-	-	-	-	-	8,062,699
(673,235)	(469,545)	7,780	1,288,861	-	(26,143)
(673,235)	(469,545)	7,780	1,288,861	-	8,036,556
-	21,234	-	-	-	(501,513)
-	-	-	-	-	1,169
-	3,793	-	-	-	-
\$ (7,218,941)	\$ 1,995,447	\$ 19,480	\$ 2,293,619	\$ (25,063)	\$ 204,029,187

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche audit report dated March 31, 2021)

Financial Information

FAR EASTERN NEW CENTURY CORPORATION

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

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

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

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

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

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 31, 2021)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and

- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

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

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

d. Foreign currencies

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

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

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

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

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

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

e. Inventories

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

f. Investment in subsidiaries

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

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

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

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

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

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

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

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

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

g. Investment in associates

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

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

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

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

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

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

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

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

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

h. Property, plant and equipment

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

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

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

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

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

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

i. Investment properties

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

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

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

k. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill

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

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at amortized cost

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

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

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

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

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

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

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

b) Impairment of financial assets

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

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

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

m. Revenue recognition

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

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

Revenue from the sale of goods

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

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

n. Leasing

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

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

1) The Company as lessor

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

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

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

2) The Company as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the balance sheets.

o. Borrowing costs

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

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

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

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

q. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

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

If the investment properties (including the investment properties held by subsidiaries which are accounted for using the equity method) where Level 1 inputs are not available, the Company or engaged valuers would determine appropriate inputs for investment properties which were measured using the income approach by referring to the existing lease contracts and rentals of similar properties in the vicinity. The Company or engaged valuers would determine appropriate inputs for investment properties which were measured by using a land development analysis approach by considering related policies, macroeconomics, the usage of the land and the investment properties' market conditions. If there are changes of the actual inputs in the future which differ from expectation, the fair value of investment properties held by subsidiaries which are accounted for using the equity method might vary accordingly. The Company updates inputs every quarter to confirm the appropriateness of the fair value measurement.

Information about the valuation techniques and inputs used in determining the fair value is disclosed in Note 14.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2020	2019
Cash on hand and petty cash	\$ 6,389	\$ 5,531
Checking and demand accounts	17,430,235	20,587,394
Cash equivalents (investments with original maturities of less than three months)		
Repurchase of commercial paper	<u>1,999,687</u>	<u>-</u>
	<u>\$ 19,436,311</u>	<u>\$ 20,592,925</u>

As of December 31, 2020 and 2019, the deposits in foreign banks in Japan amounted to \$151,933 thousand (JPY549,883 thousand) and \$301,711 thousand (JPY1,093,158 thousand), respectively.

The market rates and intervals of market rates for bank deposits and cash equivalents as of the balance sheet date were as follows:

	December 31	
	2020	2019
Repurchase of commercial paper	0.25%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2020	2019
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Forward exchange contracts	<u>\$ -</u>	<u>\$ 7,703</u>

(Continued)

	December 31	
	2020	2019
<u>Financial liabilities - current</u>		
Held for trading		
Derivative financial liabilities (not under hedge accounting)		
Forward exchange contracts	<u>\$ 10,619</u>	<u>\$ -</u> (Concluded)

a. Forward exchange contracts

The Company entered into forward exchange contracts to hedge against the exchange risks on foreign currency assets and liabilities. Since these transactions did not meet the criteria for hedge accounting, they were classified as financial instruments at FVTPL.

As of December 31, 2020 and 2019, the Company had outstanding forward exchange contracts, which were stated as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2020</u>			
Sell	USD/NTD	2021.1.6-2021.4.19	USD69,490/NTD1,960,358
Sell	EUR/USD	2021.1.29-2021.2.26	EUR5,000/USD6,027
Buy	USD/JPY	2021.2.17-2021.3.15	USD4,000/JPY415,085
Sell	JPY/NTD	2021.1.11-2021.1.11	JYP80,000/NTD21,931
<u>December 31, 2019</u>			
Sell	USD/NTD	2020.1.6-2020.4.29	USD69,750/NTD2,104,757
Sell	EUR/USD	2020.1.31-2020.2.26	EUR6,000/USD6,670
Buy	USD/JPY	2020.1.8-2020.3.17	USD14,500/JPY1,572,912
Buy	USD/RMB	2020.1.31-2020.2.26	USD12,000/RMB84,204

b. Option contracts

The Company sold option contracts to earn profit from royalties and the difference between exchange rate fluctuations.

The Company had no outstanding option contracts as of December 31, 2020 and 2019.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2020	2019
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 300,000</u>	<u>\$ -</u>

The interest rate for time deposits with original maturities of more than 3 months was 0.30% as of December 31, 2020.

9. NOTES AND ACCOUNTS RECEIVABLE

	December 31	
	2020	2019
<u>Notes and accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 5,371,379	\$ 5,602,119
Less: Allowance for impairment loss	<u>(274,150)</u>	<u>(278,535)</u>
	<u>\$ 5,097,229</u>	<u>\$ 5,323,584</u>

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management believes the Company's credit risk was significantly reduced. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amount.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. The expected credit losses on accounts receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The Company recognizes 100% of an allowance for doubtful accounts when there is information indicating that a debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivable. Furthermore, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes and accounts receivables:

December 31, 2020

	1 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 4,441,632	\$ 694,591	\$ 17,476	\$ 217,680	\$ 5,371,379
Loss allowance (Lifetime ECL)	<u>(51,622)</u>	<u>(4,839)</u>	<u>(9)</u>	<u>(217,680)</u>	<u>(274,150)</u>
Amortized cost	<u>\$ 4,390,010</u>	<u>\$ 689,752</u>	<u>\$ 17,467</u>	<u>\$ -</u>	<u>\$ 5,097,229</u>

December 31, 2019

	1 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 4,514,379	\$ 832,659	\$ 37,401	\$ 217,680	\$ 5,602,119
Loss allowance (Lifetime ECL)	<u>(53,912)</u>	<u>(6,627)</u>	<u>(316)</u>	<u>(217,680)</u>	<u>(278,535)</u>
Amortized cost	<u>\$ 4,460,467</u>	<u>\$ 826,032</u>	<u>\$ 37,085</u>	<u>\$ -</u>	<u>\$ 5,323,584</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2020	2019
Balance at January 1	\$ 278,535	\$ 283,174
Less: Amounts written off	(15,924)	-
Less (Reversal of) impairment losses on receivables	<u>11,539</u>	<u>(4,639)</u>
Balance at December 31	<u>\$ 274,150</u>	<u>\$ 278,535</u>

10. INVENTORIES

	December 31	
	2020	2019
Finished goods	\$ 1,135,254	\$ 1,303,950
Work in progress	1,623,315	1,960,123
Raw materials	1,051,348	1,608,599
Supplies	244,609	244,585
Raw materials in transit	<u>226,787</u>	<u>53,191</u>
	<u>\$ 4,281,313</u>	<u>\$ 5,170,448</u>

For the years ended December 31, 2020 and 2019, the costs of inventories sold were \$33,478,180 thousand and \$41,524,817 thousand, respectively. The cost of goods sold for the years ended December 31, 2020 and 2019, consisted the reversal of inventory write-downs (reversal of write-downs) of \$2,036 thousand and \$(106,178) thousand, respectively.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2020	2019
Investments in subsidiaries	\$ 238,461,100	\$ 237,352,705
Investments in associates	<u>30,931,181</u>	<u>30,681,517</u>
	<u>\$ 269,392,281</u>	<u>\$ 268,034,222</u>

a. Investments in subsidiaries

	December 31			
	2020		2019	
	Carrying Amount	% of Owner-ship	Carrying Amount	% of Owner-ship
Unlisted companies				
Far Eastern Resources Development Co., Ltd.	\$ 106,334,081	100.00	\$ 104,696,964	100.00
Yuan Ding Investment Co., Ltd.	41,433,997	99.40	41,097,475	99.40
Far Eastern Investment (Holding) Ltd.	25,734,569	100.00	26,235,260	100.00
Far Eastern Construction Co., Ltd.	9,956,499	65.11	8,917,885	65.11

(Continued)

	December 31			
	2020		2019	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
Far Eastern Polytex (Holding) Ltd.	\$ 9,647,375	100.00	\$ 9,565,589	100.00
Oriental Petrochemical (Taiwan) Corporation	9,057,496	75.56	9,810,611	75.56
Yuan Tong Investment Co., Ltd.	8,737,914	100.00	8,556,025	100.00
Far Eastern Polychem Industries Ltd.	7,739,405	73.04	7,526,541	73.04
Kai Yuan International Investment Co., Ltd.	5,582,758	100.00	5,567,871	100.00
PET Far Eastern (Holding) Ltd.	4,497,126	91.95	5,660,306	91.95
Yuan Ding Co., Ltd.	3,243,038	37.13	3,299,897	37.13
Ding Yuan International Investment Co., Ltd.	3,088,477	100.00	3,129,935	100.00
An Ho Garment Co., Ltd.	2,109,554	100.00	2,132,201	100.00
FEDP (Holding) Ltd.	913,226	50.43	907,883	50.43
Fu Kwok Knitting & Garment Co., Ltd.	211,101	100.00	233,520	100.00
FE Oriental Investment Holding (Singapore) Pte. Ltd.	165,064	100.00	-	-
Ding Ding Hotel Co., Ltd.	7,700	0.74	13,085	0.74
Far Eastern Textile Ltd.	<u>1,720</u>	100.00	<u>1,657</u>	100.00
	<u>\$ 238,461,100</u>		<u>\$ 237,352,705</u>	

(Concluded)

On September 11, 2020, the Company's overseas subsidiary, FE Oriental Investment Holding (Singapore) Pte. Ltd. issue common stock for cash, for the amount of \$147,400 thousand. (US\$5,000 thousand.)

Ding Ding Hotel Co., Ltd. was recognized as subsidiary because the Company appointed the general manager of Yuan Ding Co., Ltd., and therefore, the Company could exercise control over Yuan Ding Co., Ltd. which is recognized as a subsidiary. In addition, the Company and its subsidiaries owned more than 50% of Ding Ding Hotel Co., Ltd.'s voting shares.

b. Investments in associates

	December 31			
	2020		2019	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
<u>Associates that are individually material</u>				
Listed companies				
Asia Cement Corporation	<u>\$ 19,555,827</u>	22.33	<u>\$ 19,447,206</u>	22.33

(Continued)

	December 31			
	2020		2019	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
<u>Associates that are not individually material</u>				
Listed companies				
Far Eastern Department Stores Co., Ltd.	\$ 5,078,558	17.06	\$ 5,009,751	17.06
Far Eastern International Bank	1,166,486	2.62	1,109,853	2.62
Oriental Union Chemical Corporation	1,095,081	9.17	1,217,537	9.17
Everest Textile Corporation	<u>1,180</u>	0.03	<u>1,490</u>	0.03
	<u>7,341,305</u>		<u>7,338,631</u>	
Unlisted companies				
Oriental Securities Corporation	2,024,150	19.65	2,002,315	19.65
Pacific Liu Tong Investment Co., Ltd.	<u>2,009,899</u>	16.83	<u>1,893,365</u>	16.83
	<u>4,034,049</u>		<u>3,895,680</u>	
	<u>\$ 30,931,181</u>		<u>\$ 30,681,517</u>	

(Concluded)

1) Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31 2020	December 31 2019
Asia Cement Corporation	Cement production	Taiwan	22.33%	22.33%

Fair value (Level 1) of investment in associates with available published price quotation are summarized follows:

Name of Associate	December 31	
	2020	2019
Asia Cement Corporation	<u>\$ 32,422,089</u>	<u>\$ 35,987,018</u>

All the associates above are accounted for using equity method.

The summarized financial information below represents amounts shown in the associate's consolidated financial statements prepared in accordance with IFRSs adjusted by the Company for equity accounting purposes.

Asia Cement Corporation

	December 31	
	2020	2019
Current assets	\$ 87,023,947	\$ 89,242,066
Non-current assets	210,062,908	208,282,515
Current liabilities	(64,027,610)	(74,338,007)
Non-current liabilities	<u>(63,172,293)</u>	<u>(53,491,467)</u>
Equity	169,886,952	169,695,107
Non-controlling interests	<u>(22,118,393)</u>	<u>(23,381,680)</u>
	<u>\$ 147,768,559</u>	<u>\$ 146,313,427</u>
Proportion of the Company's ownership	22.33%	22.33%
Equity attributable to the Company	\$ 32,996,719	\$ 32,671,788
Cross shareholdings	<u>(13,440,892)</u>	<u>(13,224,582)</u>
Carrying amount	<u>\$ 19,555,827</u>	<u>\$ 19,447,206</u>
	For the Year Ended December 31	
	2020	2019
Operating revenue	<u>\$ 78,240,880</u>	<u>\$ 89,347,637</u>
Net income for the year	\$ 18,773,807	\$ 22,243,953
Other comprehensive (loss) income	<u>(1,189,331)</u>	<u>(617,304)</u>
Total comprehensive income for the year	<u>\$ 17,584,476</u>	<u>\$ 21,626,649</u>
Dividends received from Asia Cement Corporation	<u>\$ 2,251,534</u>	<u>\$ 2,101,432</u>

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2020	2019
The Company's share of:		
Net income for the year	\$ 481,618	\$ 532,201
Other comprehensive income (loss)	<u>(50,171)</u>	<u>221,054</u>
Total comprehensive income for the year	<u>\$ 431,447</u>	<u>\$ 753,255</u>

The combined equity of the Company and subsidiaries in some investee companies - Far Eastern Department Stores Co., Ltd., Oriental Union Chemical Corporation (OUCC), Everest Textile Corporation (Everest Textile), Oriental Securities Corporation and Pacific Liu Tong Investment Co., Ltd. (PLT) - exceeded 20% of their respective outstanding common stock. Thus, related investments were accounted for using the equity method.

Investment in Far Eastern International Bank (FEIB) was accounted for using the equity method because the Company has significant influence over FEIB even though the Company and its subsidiaries owned 16% of the investee's voting shares.

The calculation of the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the subsidiaries' or associates' audited financial statements as of December 31, 2020 and 2019.

12. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

		December 31				
		2020	2019			
<u>Carrying amounts</u>						
Total property, plant and equipment		\$ 24,271,372	\$ 25,325,644			
Prepayments for equipment		<u>21,598</u>	<u>143,402</u>			
		<u>\$ 24,292,970</u>	<u>\$ 25,469,046</u>			
<u>Cost</u>	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Construction-in-progress and Prepayments for Equipment	Total
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	<u>-</u>	<u>423,690</u>	<u>2,671,532</u>	<u>385,743</u>	<u>(3,480,965)</u>	<u>-</u>
Balance at December 31, 2020	<u>\$ 7,200,549</u>	<u>\$ 9,944,041</u>	<u>\$ 49,988,303</u>	<u>\$ 5,874,431</u>	<u>\$ 861,953</u>	<u>\$ 73,869,277</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ -	\$ (5,979,972)	\$ (38,249,048)	\$ (4,778,014)	\$ -	\$ (49,007,034)
Disposals	-	18,143	1,469,141	286,502	-	1,773,786
Impairment loss	-	(1,960)	(142,757)	(5,713)	-	(150,430)
Depreciation expense (Note)	<u>-</u>	<u>(215,951)</u>	<u>(1,467,066)</u>	<u>(509,612)</u>	<u>-</u>	<u>(2,192,629)</u>
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ (6,179,740)</u>	<u>\$ (38,389,730)</u>	<u>\$ (5,006,837)</u>	<u>\$ -</u>	<u>\$ (49,576,307)</u>
Carrying amount at January 1, 2020/December 31, 2019	<u>\$ 7,132,040</u>	<u>\$ 3,558,522</u>	<u>\$ 10,549,820</u>	<u>\$ 997,178</u>	<u>\$ 3,231,486</u>	<u>\$ 25,469,046</u>
Carrying amount at December 31, 2020	<u>\$ 7,200,549</u>	<u>\$ 3,764,301</u>	<u>\$ 11,598,573</u>	<u>\$ 867,594</u>	<u>\$ 861,953</u>	<u>\$ 24,292,970</u>
<u>Cost</u>						
Balance at January 1, 2019	\$ 6,422,507	\$ 9,082,502	\$ 50,106,094	\$ 5,543,421	\$ 3,195,475	\$ 74,349,999
Additions	6,863	-	-	-	2,271,729	2,278,592
Disposals	-	(39,379)	(2,671,545)	(320,314)	-	(3,031,238)
Reclassification	<u>702,670</u>	<u>495,371</u>	<u>1,364,319</u>	<u>552,085</u>	<u>(2,235,718)</u>	<u>878,727</u>
Balance at December 31, 2019	<u>\$ 7,132,040</u>	<u>\$ 9,538,494</u>	<u>\$ 48,798,868</u>	<u>\$ 5,775,192</u>	<u>\$ 3,231,486</u>	<u>\$ 74,476,080</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2019	\$ -	\$ (5,803,409)	\$ (39,427,828)	\$ (4,550,983)	\$ -	\$ (49,782,220)
Disposals	-	38,871	2,653,643	313,015	-	3,005,529
Impairment loss	-	-	(20,554)	-	-	(20,554)
Depreciation expense (Note)	-	(215,676)	(1,455,896)	(538,387)	-	(2,209,959)
Reclassification	<u>-</u>	<u>242</u>	<u>1,587</u>	<u>(1,659)</u>	<u>-</u>	<u>170</u>
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ (5,979,972)</u>	<u>\$ (38,249,048)</u>	<u>\$ (4,778,014)</u>	<u>\$ -</u>	<u>\$ (49,007,034)</u>
Carrying amount at December 31, 2019	<u>\$ 7,132,040</u>	<u>\$ 3,558,522</u>	<u>\$ 10,549,820</u>	<u>\$ 997,178</u>	<u>\$ 3,231,486</u>	<u>\$ 25,469,046</u>

Note: For the years ended December 31, 2020 and 2019, the Company transferred depreciation expense of \$5,742 thousand and \$4,309 thousand to related parties, respectively.

The Company expects that there will be no future cash flows of machinery equipment which is utilized by the textile and chemical segments to produce certain products. As a result, the Company recognized the impairment loss amounting to \$150,430 thousand and \$20,554 thousand, respectively, for the years ended December 31, 2020 and 2019. The impairment loss was recognized in the comprehensive income statements under the impairment loss account.

For the year ended 2019 the Company reclassified its owner-occupied land in Neili, Taoyuan to investment property due to the end of owner-occupation and as part of the area's development project. Therefore, the Company recognized gain on property revaluation amounting to \$331,557 thousand for the year ended December 31, 2019.

The above items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings	3-50 years
Machinery and equipment	5-20 years
Operating and miscellaneous equipment	3-15 years

For the amount of property, plant and equipment that the Company pledged or mortgaged as collateral for borrowings, refer to Note 27.

As of December 31, 2020 and 2019, farmland was recognized as property, plant and equipment amounting to \$241,912 thousand and \$238,430 thousand, respectively and recognized as investment properties amounting to \$39,489 thousand for both dates. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmland belongs to the Company or have pledged the land to the Company.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Total
<u>Cost</u>					
Balance at January 1, 2020	\$ 115,879	\$ 1,237,465	\$ 1,783	\$ 12,896	\$ 1,368,023
Increase	307	22,247	-	602	23,156
Decrease	(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>

(Continued)

	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Total
<u>Cost</u>					
Balance at January 1, 2019	\$ 105,898	\$ 1,261,513	\$ 1,375	\$ 14,054	\$ 1,382,840
Increase	9,981	444	408	1,380	12,213
Decrease	<u>-</u>	<u>(24,492)</u>	<u>-</u>	<u>(2,538)</u>	<u>(27,030)</u>
Balance at December 31, 2019	<u>\$ 115,879</u>	<u>\$ 1,237,465</u>	<u>\$ 1,783</u>	<u>\$ 12,896</u>	<u>\$ 1,368,023</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2019	\$ 29,523	\$ 209,554	\$ 1,048	\$ 5,088	\$ 245,213
Depreciation expense	16,926	212,648	276	4,685	234,535
Decrease	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,538)</u>	<u>(2,538)</u>
Balance at December 31, 2019	<u>\$ 46,449</u>	<u>\$ 422,202</u>	<u>\$ 1,324</u>	<u>\$ 7,235</u>	<u>\$ 477,210</u>
Carrying amount at December 31, 2019	<u>\$ 69,430</u>	<u>\$ 815,263</u>	<u>\$ 459</u>	<u>\$ 5,661</u>	<u>\$ 890,813</u>
					(Concluded)

b. Lease liabilities

Item	Summary	Lease Term	Discount Rate	December 31, 2020
Land	Land for plant	2011.06.01-2027.12.31	1.00%	\$ 53,500
Buildings	Office, factory	2016.05.01-2023.12.31	1.00%	617,176
Machinery and equipment	Equipment for production	2013.09.01-2022.05.31	1.00-1.08%	194
Operating and miscellaneous equipment	Corporate vehicle	2018.01.24-2024.10.30	0.95%-1.08%	<u>2,418</u>
				<u>\$ 673,288</u>
Item	Summary	Lease Term	Discount Rate	December 31, 2019
Land	Land for plant	2011.06.01-2027.12.31	1.00%	\$ 70,242
Buildings	Office, factory	2016.05.01-2023.12.31	1.00%	822,798
Machinery and equipment	Equipment for production	2013.09.01-2022.05.31	1.00-1.08%	465
Operating and miscellaneous equipment	Corporate vehicle	2017.03.31-2024.10.30	1.00%-1.08%	<u>5,700</u>
				<u>\$ 899,205</u>

December 31	
2020	2019

Carrying amounts

Current	<u>\$ 235,201</u>	<u>\$ 230,906</u>
Non-current	<u>\$ 438,087</u>	<u>\$ 668,299</u>

For the Year Ended December 31	
2020	2019

Interest expense from lease liabilities	<u>\$ 7,917</u>	<u>\$ 10,036</u>
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c. Material leasing activities and terms

As lessee, the Company leases certain operating and other equipment for use in operations uses with lease terms of 3 to 7 years. These lease arrangements do not contain renewal or purchase options.

The Company also leases land and buildings for the use as plants and offices with lease terms of 3 to 17 years. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 14.

	For the Year Ended December 31	
	2020	2019
Expenses relating to short-term leases	\$ 27,135	\$ 27,697
Expenses relating to low-value asset leases	\$ 21	\$ 22
Total cash outflow for leases	\$ (273,230)	\$ (269,904)

The Company has elected to apply the recognition exemption for short-term leases and low-value asset leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INVESTMENT PROPERTIES

The fair value of investment properties was estimated using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Completed Investment Properties
Balance at January 1, 2020	\$ 978,404
Additions	5,369
Recognized in profit (gain arising from the change in fair value of investment properties)	<u>39,639</u>
Balance at December 31, 2020	<u>\$ 1,023,412</u>
Balance at January 1, 2019	\$ 1,515,753
Additions	1,456
Reclassifications	(547,340)
Recognized in profit (gain arising from the change in fair value of investment properties)	<u>8,535</u>
Balance at December 31, 2019	<u>\$ 978,404</u>

The major investment properties of the Company were as follows:

The buildings and lands located in Hsinchu Hukou section and Taoyuan Guanyin District were leased to the Company's subsidiary for its operation. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corp. (TWSE), the Company recognized these items as investment properties in these parent company only financial statements and reclassified them to property, plant and equipment in its consolidated financial statements. The Company used the equity method and share of the profit or loss of

subsidiaries and associates to adjust the differences between the investment property amounts presented in the parent company only and consolidated financial statements. As of December 31, 2019, the lease arrangements of buildings and lands in Taoyuan Guanyin District were expired and the investment property in Taoyuan Guanyin District was reclassified to property, plant and equipment.

The fair values of investment properties were as follows:

	December 31	
	2020	2019
Independent valuation	<u>\$ 1,023,412</u>	<u>\$ 978,404</u>

The fair value of the investment properties as of December 31, 2020 and 2019 was based on the valuations carried out at January 20, 2021 and January 21, 2020, respectively, by independent qualified professional valuers Mr. Chia-ho Tsai and Ms. Chun-Chun Hu from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

The fair value of investment properties was measured using the income approach. The significant assumptions used were as follows. The increase in estimated future net cash inflows, or the decrease in discount rates would result in increase in the fair value.

	December 31	
	2020	2019
Expected future cash inflows	\$ 1,126,505	\$ 1,093,772
Expected future cash outflows	<u>(51,544)</u>	<u>(51,677)</u>
Expected future cash inflows, net	<u>\$ 1,074,961</u>	<u>\$ 1,042,095</u>
Discount rate intervals	1.845%	2.095%

The expected future cash inflows generated by investment properties referred to rental income, loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals covering 10 years, excluding too-high and too-low values, taking into account the annual rental growth rate. Loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, and the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment property included expenditures such as land value taxes, house taxes, insurance premium, maintenance costs and replacement allowance. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the local same class product, a reasonable rental income level and the selling price of investment properties taking into consideration the liquidity, potential risk, appreciation and the complexity of management; in addition, the discount rate should not be lower than the interest rate for two-year time deposits of Chunghwa Post Corporation plus 0.75%.

15. OTHER INTANGIBLE ASSETS

	Computer Software	Others	Total
Balance at January 1, 2020	\$ 18,928	\$ 20	\$ 18,948
Additions	9,413		9,413
Amortization	<u>(12,061)</u>	<u>(20)</u>	<u>(12,081)</u>
Balance at December 31, 2020	<u>\$ 16,280</u>	<u>\$ -</u>	<u>\$ 16,280</u>
Balance at January 1, 2019	\$ 17,047	\$ 40	\$ 17,087
Additions	11,219	-	11,219
Amortization	<u>(9,338)</u>	<u>(20)</u>	<u>(9,358)</u>
Balance at December 31, 2019	<u>\$ 18,928</u>	<u>\$ 20</u>	<u>\$ 18,948</u>

The above intangible assets are amortized on a straight-line basis up to the estimated useful lives of the assets as follows:

Computer software	3-5 years
Others	5 years

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2020	2019
Bank credit loans	<u>\$ 3,462,493</u>	<u>\$ 2,400,415</u>
Interest rate	0.72-0.85%	2.25%-2.64%

b. Long-term borrowings

	December 31	
	2020	2019
Bank loans	<u>\$ 23,469,556</u>	<u>\$ 45,281,023</u>
Long-term commercial paper	20,000,000	7,500,000
Less: Unamortized discount on commercial paper	<u>31,507</u>	<u>28,991</u>
	<u>19,968,493</u>	<u>7,471,009</u>
	<u>\$ 43,438,049</u>	<u>\$ 52,752,032</u>

The foregoing loans are payable in New Taiwan dollars and U.S. dollars. The loans are repayable by lump sum payment of principal and interest on maturity, by lump sum payment of principal on maturity and monthly payments of interest, and by lump sum payment of principal on maturity and prepayment of interest. Some of the loans are revolving within credit line limitation. The maturity dates of revolving credit loans are based on the maturity dates of the credit line limit contracts. The maturity dates and bank interest rate intervals of the Company's borrowings were as follows:

	December 31	
	2020	2019
Maturity	January 2021 - June 2024	January 2021 - May 2023
Interest rates intervals	0.68%-1.1943%	0.68%-2.7273%

17. BONDS PAYABLE

	December 31	
	2020	2019
Non-convertible bonds	\$ 65,300,000	\$ 58,500,000
Discount of non-convertible bonds	(71,458)	(63,547)
	65,228,542	58,436,453
Less: Current portion	11,297,104	13,695,421
	<u>\$ 53,931,438</u>	<u>\$ 44,741,032</u>

For details of bonds payable as of December 31, 2020, refer to Statement 9 following the Notes to Financial Statements. The details of bonds payable as of December 31, 2019 which were repaid in 2020 were as follows:

On February 6, 2015, the Company issued five-year unsecured bonds (the third tranche) amounting to \$2,600,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth and fifth years of bond issuance, with a 1.38% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On May 25, 2015, the Company issued five-year unsecured bonds (the first tranche) amounting to \$8,000,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth and fifth years of bond issuance, with a 1.39% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On October 2, 2015, the Company issued five-year unsecured bonds (the second tranche) amounting to \$5,200,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth and fifth years of bond issuance, with a 1.28% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On November 16, 2015, the Company issued five-year unsecured bonds (the third tranche) amounting to \$2,800,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable at the fifth year of bond issuance, with a 1.25% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The investment is conducted at the discretion of Bureau of Labor Funds, Ministry of Labor or under the mandated management. The plan assets are invested in domestic (foreign) equity and debt securities, bank deposits, etc. However, in accordance with Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2020	2019
Present value of defined benefit obligation	\$ 5,035,876	\$ 5,360,840
Fair value of plan assets	<u>(5,604,577)</u>	<u>(5,778,268)</u>
Net defined benefit (assets) liabilities	<u>\$ (568,701)</u>	<u>\$ (417,428)</u>

Movements in net defined benefit (assets) liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Assets) Liabilities
Balance at January 1, 2020	<u>\$ 5,360,840</u>	<u>\$ (5,778,268)</u>	<u>\$ (417,428)</u>
Service cost			
Current service cost	43,366	-	43,366
Net interest expense (income)	<u>41,295</u>	<u>(46,226)</u>	<u>(4,931)</u>
Recognized in profit or loss (Note)	<u>84,661</u>	<u>(46,226)</u>	<u>38,435</u>
			(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Assets) Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ 139,576	\$ 139,576
Actuarial (gain) loss - changes in financial assumptions	161,251	-	161,251
Actuarial (gain) loss - experience adjustments	<u>(120,455)</u>	<u>-</u>	<u>(120,455)</u>
Recognized in other comprehensive income	<u>40,796</u>	<u>139,576</u>	<u>180,372</u>
Contributions from the employer	-	(281,042)	(281,042)
Benefits paid	<u>(450,421)</u>	<u>361,383</u>	<u>(89,038)</u>
Balance at December 31, 2020	<u>\$ 5,035,876</u>	<u>\$ (5,604,577)</u>	<u>\$ (568,701)</u>
Balance at January 1, 2019	<u>\$ 5,341,319</u>	<u>\$ (4,667,822)</u>	<u>\$ 673,497</u>
Service cost			
Current service cost	51,585	-	51,585
Net interest expense (income)	<u>64,341</u>	<u>(58,348)</u>	<u>5,993</u>
Recognized in profit or loss (Note)	<u>115,926</u>	<u>(58,348)</u>	<u>57,578</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,165,965)	(1,165,965)
Actuarial (gain) loss - changes in financial assumptions	157,705	-	157,705
Actuarial (gain) loss - experience adjustments	<u>179,692</u>	<u>-</u>	<u>179,692</u>
Recognized in other comprehensive income	<u>337,397</u>	<u>(1,165,965)</u>	<u>(828,568)</u>
Contributions from the employer	-	(256,846)	(256,846)
Benefits paid	<u>(433,802)</u>	<u>370,713</u>	<u>(63,089)</u>
Balance at December 31, 2019	<u>\$ 5,360,840</u>	<u>\$ (5,778,268)</u>	<u>\$ (417,428)</u> (Concluded)

Note: For the years ended December 31, 2020 and 2019, the Company transferred defined benefit costs of \$156 thousand and \$177 thousand to related parties, respectively.

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks. In addition, the Company has another pension fund which is separate from the above. This pension fund is invested in domestic listed companies' shares and time deposits. It is exposed to the risks of changes in market price and interest rates.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2020	2019
Discount rate(s)	0.30%	0.80%
Expected rate(s) of salary increase	2.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2020	2019
Discount rate(s)		
0.50% increase	<u>\$ (161,251)</u>	<u>\$ (174,724)</u>
0.50% decrease	<u>\$ 170,932</u>	<u>\$ 185,304</u>
Expected rate(s) of salary increase		
0.50% increase	<u>\$ 167,230</u>	<u>\$ 182,220</u>
0.50% decrease	<u>\$ (159,456)</u>	<u>\$ (173,615)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2020	2019
The expected contributions to the plan for the next year	<u>\$ 458,139</u>	<u>\$ 397,948</u>
The average duration of the defined benefit obligation	6.7 years	6.8 years

19. EQUITY

a. Share capital

1) Common stock

	December 31	
	2020	2019
Numbers of authorized shares (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>
Amount of authorized shares	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>5,352,875</u>	<u>5,352,875</u>
Amount of issued	<u>\$ 53,528,751</u>	<u>\$ 53,528,751</u>

The issued shares have a par value of NT\$10 and have the rights of voting and receiving dividends.

2) Global depositary receipt

The Company issued global depositary receipts (GDRs), one GDRs unit represents 10 common stock of the Company. The GDRs were traded and listed on the Luxembourg Stock Exchange. As of December 31, 2020 and 2019, there are 10 thousand and 6 thousand units outstanding, which were equal to 95 thousand and 60 thousand common stock of the Company.

b. Capital surplus

	December 31	
	2020	2019
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>		
The difference between consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition	\$ 2,654,932	\$ 2,654,932
<u>May be used to offset a deficit only (2)</u>		
Changes in percentage of ownership interests in subsidiaries	495,232	495,232
Treasury shares transactions	16,638	15,469
<u>May not be used for any purpose</u>	<u>153,335</u>	<u>104,722</u>
Changes in equity-method associates' capital surplus	<u>\$ 3,320,137</u>	<u>\$ 3,270,355</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions other than actual disposal or acquisition of ownership interests, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used as the basis for proposing a distribution plan. After adding prior years' unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the distribution of dividends evenly for all shares. When there is a capital increase, the amount of dividends for new shares of that year would be according to the resolution of the shareholders' meeting.

The company issued amended dividend regulation on shareholders' meeting at June 30, 2020, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside current net income plus other items for undistributed retained earnings as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used as the basis for proposing a distribution plan. After adding prior years' unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the distribution of dividends evenly for all shares. When there is a capital increase, the amount of dividends for new shares of that year would be according to the resolution of the shareholders' meeting.

For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, refer to Note 21, d. "Employees' compensation and remuneration of directors".

The Company's dividends should be appropriated at a percentage based on the Company's Articles of Incorporation to have a stable dividend distribution while taking into account the future economic condition, cash demands and taxation. The cash dividends should be at least 10% of total dividends declared, unless cash is required for investments, productivity expansion, any significant future capital expenditures or plans to improve financial structure.

An appropriation of earnings to a legal reserve should be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's capital surplus, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2019 and 2018 approved in the shareholders' meetings on June 30, 2020 and June 28, 2019, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year 2019	For Year 2018	For Year 2019	For Year 2018
Legal reserve	\$ 1,073,267	\$ 1,202,829		
Special reserve	1,839,196	1,089,437		
Reversal of special reserve	(2,710)	(858)		
Cash dividends	8,029,313	9,635,175	\$ 1.5	\$ 1.8

The appropriation of earnings for 2020 proposed by the Company's board of directors on March 24, 2021 were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 730,754	
Special reserve	2,109,237	
Cash dividends	7,226,382	\$1.35

The appropriation of earnings for 2020 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 30, 2021.

d. Special reserve

The Company's appropriated special reserve following the first-time adoption of IFRSs was \$22,287,929 thousand.

Information on the above special reserve appropriated or reversed on elimination of the original need to appropriate a special reserve is as follows:

	For the Year Ended December 31	
	2020	2019
Balance at January 1 and December 31	<u>\$ 21,552,496</u>	<u>\$ 21,552,496</u>

On the initial application of the fair value model to investment properties, the Company appropriated for a special reserve of \$80,462,245 thousand, the same amount as the net increase that arose from fair value measurement and was transferred to retained earnings.

	For the Year Ended December 31	
	2020	2019
Balance at January 1	\$ 90,776,716	\$ 89,713,160
Appropriation in respect of:		
Application of the fair value method to investment properties	1,838,006	1,089,437
Reversal on elimination of the original mandatorily appropriated special reserve:		
Disposal of associates	<u>-</u>	<u>(25,881)</u>
Balance at December 31	<u>\$ 92,614,722</u>	<u>\$ 90,776,716</u>

e. Other equity items

The changes in other equity items are summarized as follow:

	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Gain on Property Revaluation	Total
Balance at January 1, 2019	\$ (3,589,901)	\$ 771,912	\$ 45,880	\$ 702,778	\$ (2,069,331)
Gains on property revaluation	-	-	-	297,056	297,056
Share of other comprehensive income (loss) of subsidiaries and associates	(2,955,805)	1,678,830	(34,180)	4,924	(1,306,231)
Change in subsidiaries and associates accounted for using equity method	-	5,415	-	-	5,415
Associate disposed the investment in equity instruments designated as at FVTOCI	<u>-</u>	<u>(16,192)</u>	<u>-</u>	<u>-</u>	<u>(16,192)</u>
Balance at December 31, 2019	(6,545,706)	2,439,965	11,700	1,004,758	(3,089,283)
Share of other comprehensive income (loss) of subsidiaries and associates	(673,235)	(469,545)	7,780	1,288,861	153,861
Change in subsidiaries and associates accounted for using equity method	-	21,234	-	-	21,234
Associate disposed the investment in equity instruments designated as at FVTOCI	<u>-</u>	<u>3,793</u>	<u>-</u>	<u>-</u>	<u>3,793</u>
Balance at December 31, 2020	<u>\$ (7,218,941)</u>	<u>\$ 1,995,447</u>	<u>\$ 19,480</u>	<u>\$ 2,293,619</u>	<u>\$ (2,910,395)</u>

f. Treasury shares

The Company's shares held by its subsidiary, Yuan Ding Corporation (Yuan Ding), at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>December 31, 2020</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 22,563</u>
<u>December 31, 2019</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 23,265</u>

The Company consolidated its subsidiary Yuan Ding on December 28, 2011. As of December 31, 2011, the Company's shares held by Yuan Ding had a carrying amount of \$25,063 thousand.

The Company's shares held by the subsidiary are recognized as treasury shares. The subsidiaries which hold treasury shares can retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

20. REVENUE

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Revenue from contracts with customers		
Net sales	<u>\$ 38,768,801</u>	<u>\$ 46,477,960</u>

a. Description of customer contract

Refer to Note 4(m) revenue recognition for the significant accounting policies.

b. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes and accounts receivable (Notes 9)	<u>\$ 5,097,229</u>	<u>\$ 5,323,584</u>	<u>\$ 7,003,949</u>
Contract liabilities			
Sale of goods	<u>\$ 294,756</u>	<u>\$ 144,678</u>	<u>\$ 99,447</u>
Current	<u>\$ 294,756</u>	<u>\$ 144,678</u>	<u>\$ 99,447</u>

The changes in the contract liability balances primarily result from the timing difference between the Company's performance of obligations and the respective customer's payment, and there did not have other significant changes other than the amount decided above.

c. Disaggregation of revenue

Refer to Statement 10 for information about disaggregation of revenue.

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

	For the Year Ended December 31	
	2020	2019
Capitalized interests on properties	\$ 22,755	\$ 27,068
Capitalization rates	0.88-1.05%	1.00%-1.11%

b. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	\$ 2,186,887	\$ 2,205,650
Right-of-use assets	239,478	234,535
Other Intangible assets	<u>12,081</u>	<u>9,358</u>
	<u>\$ 2,438,446</u>	<u>\$ 2,449,543</u>
An analysis of deprecation by function		
Operating costs	\$ 2,019,262	\$ 2,051,754
Operating expenses	337,738	350,777
Other expense	<u>69,365</u>	<u>37,654</u>
	<u>\$ 2,426,365</u>	<u>\$ 2,440,185</u>
An analysis of amortization by function		
Operating costs	\$ 5,270	\$ 4,451
Operating expenses	<u>6,811</u>	<u>4,907</u>
	<u>\$ 12,081</u>	<u>\$ 9,358</u>

c. Employee benefits expense

	For the Year Ended December 31, 2020		
	Operating Costs	Operating Expenses	Total
Short-term employee benefits	<u>\$ 3,256,955</u>	<u>\$ 1,837,649</u>	<u>\$ 5,094,604</u>
Post-employment benefits			
Defined contribution plans	79,492	52,918	132,410
Defined benefit plans	<u>24,570</u>	<u>13,709</u>	<u>38,279</u>
	<u>104,062</u>	<u>66,627</u>	<u>170,689</u>
	<u>\$ 3,361,017</u>	<u>\$ 1,904,276</u>	<u>\$ 5,265,293</u>

	For the Year Ended December 31, 2019		
	Operating Costs	Operating Expenses	Total
Short-term employee benefits	\$ 3,467,702	\$ 1,871,456	\$ 5,339,158
Post-employment benefits			
Defined contribution plans	78,815	47,561	126,376
Defined benefit plans	37,145	20,256	57,401
	<u>115,960</u>	<u>67,817</u>	<u>183,777</u>
	<u>\$ 3,583,662</u>	<u>\$ 1,939,273</u>	<u>\$ 5,522,935</u>

d. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of 2.0% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. However, the Company has to first offset losses from the previous years. The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019, which were approved by the Company's board of directors on March 24, 2021 and March 24, 2020, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2020	2019
Employees' compensation	2.79%	3.28%
Remuneration of directors	1.76%	1.80%

Amount

	For the Year Ended December 31	
	2020	2019
Employees' compensation	\$ 230,231	\$ 371,474
Remuneration of directors	145,673	204,277

If there are changes in the amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors and the amounts recognized in the financial statements for the years ended December 31, 2019 and 2018. The employees' compensation were distributed in cash by the Company.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

- a. Major components of tax expense (benefits) recognized in profit or loss

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current year	\$ -	\$ -
Adjustments for prior year	<u>(4,475)</u>	<u>(15,693)</u>
	<u>(4,475)</u>	<u>(15,693)</u>
Deferred tax		
In respect of the current period	<u>(173,622)</u>	<u>27,050</u>
Income tax expense (benefits) recognized in profit or loss	<u>\$ (178,097)</u>	<u>\$ 11,357</u>

A reconciliation of accounting profit and income tax expense (benefits) was as follows:

	For the Year Ended December 31	
	2020	2019
Profit before tax from continuing operations	<u>\$ 7,884,602</u>	<u>\$ 10,744,026</u>
Income tax expense at the statutory rate (20%)	\$ 1,576,920	\$ 2,148,805
Adjustment items effect on income tax	<u>(1,576,920)</u>	<u>(2,148,805)</u>
Current income tax	-	-
Deferred income tax	(173,622)	27,050
Adjustments for prior years	<u>(4,475)</u>	<u>(15,693)</u>
Income tax expense (benefits) recognized in profit or loss	<u>\$ (178,097)</u>	<u>\$ 11,357</u>

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings.

- b. Income tax expense (benefits) recognized in other comprehensive income

	For the Year Ended December 31	
	2020	2019
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement on defined benefit plan	\$ (36,074)	\$ 133,834
Gain on property revaluation	<u>-</u>	<u>34,501</u>
	<u>\$ (36,074)</u>	<u>\$ 168,335</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 4,577	\$ 1,121	\$ -	\$ 5,698
Inventory write-downs	7,077	1,979	-	9,056
Impairment loss	31,109	10,702	-	41,811
Others	<u>5,307</u>	<u>1,481</u>	<u>-</u>	<u>6,788</u>
	<u>\$ 48,070</u>	<u>\$ 15,283</u>	<u>\$ -</u>	<u>\$ 63,353</u>
<u>Deferred tax liabilities</u>				
Unrealized foreign exchange gain	\$ 6,910	\$ 8,767	\$ -	\$ 15,677
Share of profit of subsidiaries and associates	587,570	(237,241)	-	350,329
Provision of land value incremental tax	1,584,791	3,647	-	1,588,438
Defined benefit obligation	186,305	66,329	(36,074)	216,560
Investment properties	<u>16,261</u>	<u>159</u>	<u>-</u>	<u>16,420</u>
	<u>\$ 2,381,837</u>	<u>\$ (158,339)</u>	<u>\$ (36,074)</u>	<u>\$ 2,187,424</u>

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 5,193	\$ (616)	\$ -	\$ 4,577
Inventory write-downs	10,448	(3,371)	-	7,077
Impairment loss	36,340	(5,231)	-	31,109
Defined benefit obligation	17,972	(17,972)	-	-
Others	<u>5,889</u>	<u>(582)</u>	<u>-</u>	<u>5,307</u>
	<u>\$ 75,842</u>	<u>\$ (27,772)</u>	<u>\$ -</u>	<u>\$ 48,070</u>
<u>Deferred tax liabilities</u>				
Unrealized foreign exchange gain	\$ 23,063	\$ (16,153)	\$ -	\$ 6,910
Share of profit of subsidiaries and associates	624,259	(36,689)	-	587,570
Provision of land value incremental tax	1,550,315	(25)	34,501	1,584,791
Defined benefit obligation	-	52,471	133,834	186,305
Investment properties	<u>16,587</u>	<u>(326)</u>	<u>-</u>	<u>16,261</u>
	<u>\$ 2,214,224</u>	<u>\$ (722)</u>	<u>\$ 168,335</u>	<u>\$ 2,381,837</u>

- d. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2020	2019
Deductible temporary differences	<u>\$ 2,521,263</u>	<u>\$ 2,518,178</u>

- e. Income tax assessments

The tax returns through 2015 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2020	2019
Basic earnings per share	<u>\$ 1.62</u>	<u>\$ 2.15</u>
Diluted earnings per share	<u>\$ 1.61</u>	<u>\$ 2.14</u>

The earnings and weighted average number of common stock outstanding that were used in the computation of earnings per share are as follows:

Net Income for the Year

	For the Year Ended December 31	
	2020	2019
Net income for the year	<u>\$ 8,062,699</u>	<u>\$ 10,732,669</u>

Weighted Average Number of Ordinary Shares Outstanding

Unit: In Thousand Shares

	For the Year Ended December 31	
	2020	2019
Weighted average number of common stock used in the computation of basic earnings per share	4,984,665	4,998,304
Effect of potentially dilutive common stock Employees' compensation	<u>14,106</u>	<u>15,887</u>
Weighted average number of common stock used in the computation of diluted earnings per share	<u>4,998,771</u>	<u>5,014,191</u>

In calculating the weighted average number of share outstanding for EPS, the Company recognized the number of the shares held by associates as treasury shares and deducted the number of treasury shares from the weighted average number of outstanding shares in the current period.

If the Company offered to settle the compensation paid to employees in cash or shares, the Company assumed that the entire amount of the compensation will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the calculation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the years ended December 31, 2020 and 2019, the Company's basic EPS was NT\$1.51 and NT\$2.01, respectively.

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

1) The financial assets and financial liabilities which have significant difference from their fair values

	December 31			
	2020		2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>				
Bonds payable	\$ 65,228,542	\$ 65,622,061	\$ 58,436,453	\$ 58,660,706

2) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	\$ 65,622,061	\$ -	\$ -	\$ 65,622,061

December 31, 2019

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	\$ 58,660,706	\$ -	\$ -	\$ 58,660,706

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Forward exchange contracts	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,619</u>	\$ <u>10,619</u>

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Forward exchange contracts	\$ <u>-</u>	\$ <u>-</u>	\$ <u>7,703</u>	\$ <u>7,703</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2020 and 2019.

2) Reconciliation of Level 3 fair value measurements of financial assets

For the year ended 2020

	Financial Liabilities at Fair Value Through Profit or Loss
Balance at January 1, 2020	\$ 7,703
Recognized in profit or loss	(43,132)
Settlements	<u>24,810</u>
Balance at December 31, 2020	<u>\$ (10,619)</u>

For the year ended 2019

	Financial Liabilities at Fair Value Through Profit or Loss
Balance at January 1, 2019	\$ (6,832)
Recognized in profit or loss	24,749
Settlements	<u>(10,214)</u>
Balance at December 31, 2019	<u>\$ 7,703</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Forward exchange contracts and option contracts	Discounted cash flow. Future cash flows are estimated based on observable forward spot exchange rates at the end of the reporting period and contract rates, which can reflect the credit risk of counterparties.

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Financial assets</u>		
Financial assets at FVTPL	\$ -	\$ 7,703
Financial assets at amortized cost (Note 1)	25,855,465	27,634,889
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	10,619	-
Financial liabilities measured at amortized cost (Note 2)	118,443,747	120,309,960

Note 1: The balances included financial assets measured at amortized cost, which comprised cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable (including those from related parties), other receivables (including those from related parties), refundable deposits and other financial assets.

Note 2: The balances included financial liabilities measured at amortized cost, which comprised short-term borrowings, notes and accounts payable (including those to related parties), other payables (including those to related parties), payables to suppliers of machinery and equipment, bonds payable, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the non-operating activities of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price rate), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

1) Market risk

The Company's activities exposed itself primarily to the financial risks of changes in exchange rates (refer to (a) below) and interest rates (refer to (b) below).

a) Foreign currency risk

The Company had foreign assets, which exposed the Company to exchange rate risk. Exchange rate exposures were managed within approved policy parameters through forward exchange contracts.

The Company's significant foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period were detailed in Note 29.

Sensitivity analysis

The Company was mainly exposed to the U.S. dollars.

The following table details the Company's sensitivity to a 5% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollar. The 5% sensitivity rate is used when foreign currency risk is reported internally to key management personnel and represents management's assessment of the reasonably possible changes in exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items, and the translation of these items at the end of the reporting period was adjusted for a 5% change in exchange rates. A positive number below indicates an increase in pretax profit and other equity associated with New Taiwan dollars that strengthen 5% against the relevant currency. For a 5% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pretax profit and other equity, and the balances below would be negative.

	December 31	
	2020	2019
5% change in profit or loss		
USD	<u>\$ (83,617)</u>	<u>\$ (79,204)</u>

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. It managed the risk by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2020	2019
Fair value interest rate risk		
Financial assets	\$ 2,371,030	\$ 1,300,373
Financial liabilities	99,139,879	105,387,690
Cash flow interest rate risk		
Financial assets	4,115,493	858,128
Financial liabilities	13,662,493	9,100,415

Sensitivity analysis

The sensitivity analysis below was determined on the basis of the Company's exposure to interest rates for financial assets and financial liabilities at the end of the reporting period. An increase or decrease of 0.25% is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For the financial assets and financial liabilities with fixed interest rate, their fair value will change as the market interest rates change. For the financial assets and financial liabilities with floating interest rate, their effective interest rates will change as the market interest rates change.

If interest rate had been 0.25% higher/lower and all other variables were held constant, the fair value of the Company's financial assets with fixed interest rates would have decreased/increased by \$5,913 thousand and \$3,243 thousand, respectively, and the cash flows on the Company's financial assets with floating interest rates would have increased/decreased by \$10,289 thousand and \$2,145 thousand, respectively.

If interest rate had been 0.25% higher/lower and all other variables were held constant, the fair value of the Company's financial liabilities with fixed interest rates would have decreased/increased by \$247,232 thousand and \$262,812 thousand, respectively, and the cash flows on the Company's financial liabilities with floating interest rates would have decreased/increased by \$34,156 thousand and \$22,751 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparties will default on its contractual obligations, resulting in a financial loss to the Company. As of the end of a reporting period, the Company's maximum exposure to credit risk that will cause the Company a financial loss due to the carrying amounts of the recognized financial assets as stated in the balance sheets.

The Company has a policy of dealing with only creditworthy counterparties and obtaining sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continually monitored.

Account receivables refer to a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is made to determine the financial condition of account receivables.

3) Liquidity risk

The Company manages liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the use of bank borrowings and ensures compliance with loan covenants.

The maturity dates of financial liabilities (except for the current portion) are as follows:

	1-2 Years	2-3 Years	3-5 Years	5-10 Years
<u>December 31, 2020</u>				
Long-term borrowings	\$ 10,208,049	\$ 13,260,000	\$ 19,970,000	\$ 43,438,049
Bonds payable	<u>9,500,000</u>	<u>10,000,000</u>	<u>34,500,000</u>	<u>54,000,000</u>
	<u>\$ 19,708,049</u>	<u>\$ 23,260,000</u>	<u>\$ 54,470,000</u>	<u>\$ 97,438,049</u>
<u>December 31, 2019</u>				
Long-term borrowings	\$ 40,781,023	\$ 11,271,009	\$ 700,000	\$ 52,752,032
Bonds payable	<u>11,300,000</u>	<u>9,500,000</u>	<u>24,000,000</u>	<u>44,800,000</u>
	<u>\$ 52,081,023</u>	<u>\$ 20,771,009</u>	<u>\$ 24,700,000</u>	<u>\$ 97,552,032</u>

Additional information about the maturity analysis for lease liabilities

	1-2 Years	2-3 Years	3-5 Years	5-10 Years
<u>December 31, 2020</u>				
Lease liabilities	<u>\$ 234,009</u>	<u>\$ 202,755</u>	<u>\$ 3,196</u>	<u>\$ 2,315</u>
<u>December 31, 2019</u>				
Lease liabilities	<u>\$ 235,639</u>	<u>\$ 234,154</u>	<u>\$ 204,780</u>	<u>\$ 3,378</u>

26. RELATED-PARTY TRANSACTIONS

The Company had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2020 and 2019 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 1, 2 and 3.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

In addition to those disclosed in the other notes, the following assets had been pledged or mortgaged as collaterals for short-term borrowings, tariff duties and long-term borrowings.

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Other financial assets - non-current		
Pledged time deposits	\$ 71,343	\$ 1,300,373
Investments accounted for using the equity method	518,528	515,648
Property, plant and equipment	5,915,090	5,964,658
Investment properties	<u>890,373</u>	<u>844,442</u>
	<u>\$ 7,395,334</u>	<u>\$ 8,625,121</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Company as of December 31, 2020 and 2019:

- a. Issued unused letters of credit aggregated at approximately \$153,895 thousand and \$274,297 thousand, respectively.
- b. Unpaid construction contracts and property, plant and equipment amounting to \$40,639 thousand and \$37,247 thousand, respectively.
- c. Undelivered cotton contracts which were unable to be canceled amounting to \$87,106 thousand and \$123,588 thousand, respectively.
- d. Endorsements and guarantees provided to related parties are shown in Table 5 (attached).

29. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. On March 24, 2021, the Company's board of directors approved to issue ten-year unsecured bonds amounting to \$15,000,000 thousand (or equivalent value in foreign currency) at a unit face value of \$1,000 thousand (face value in foreign currency will be decided by the board of directors); the bonds will be issued one time or multiple times depending on the market condition.
- b. On March 24, 2021, in order to reduce the related management costs, the Company's board of directors resolved to terminate the GDR program and to delist from the Luxembourg Stock Exchange.
- c. On March 24, 2021, the Company's board of directors decided to increase investment in Far Eastern Investment (Holding) Limited by US\$500,000 thousand.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Company entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 184,274	28.48	\$ 5,248,124
<u>Financial liabilities</u>			
Monetary items			
USD	125,554	28.48	3,575,786

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 139,598	29.98	\$ 4,185,148
<u>Financial liabilities</u>			
Monetary items			
USD	86,760	29.98	2,601,065

31. ADDITIONAL DISCLOSURES

a. Information about significant transactions and b. investees

- 1) Financing provided to others: Table 4 (attached)
- 2) Endorsements/guarantees provided: Table 5 (attached)
- 3) Marketable securities held: Table 6 (attached)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 7 (attached)
- 5) Acquisitions of individual real states at costs of at least NT\$300 million or 20% of the paid-in capital: None
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 8 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 9 (attached)
- 9) Trading in derivative instruments: Note 7
- 10) Information on investees: Table 10 (attached)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Tables 11 and 11-1 (attached)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Tables 2, 3, 4, 5, 7, 8 and 9
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as rendering or receipt services.
- d. Information on major shareholders: shareholders' name holding amounts and ratio whose holding ratio exceed 5%: Table 12

TABLE 1**FAR EASTERN NEW CENTURY CORPORATION****RELATED PARTY NAMES AND CATEGORIES
DECEMBER 31, 2020**

Related Party Names	Related Party Categories
Fu Kwok Knitting & Garment Co., Ltd.	Subsidiary
Far Eastern Apparel Co., Ltd.	Subsidiary
Far Eastern Apparel (Vietnam) Ltd.	Subsidiary
Far Eastern Polytex (Vietnam) Ltd.	Subsidiary
Far Eastern New Apparel (Vietnam) Ltd.	Subsidiary
Far Eastern Apparel (Suzhou) Co., Ltd.	Subsidiary
Far Eastern Industries (Shanghai) Ltd.	Subsidiary
Far Eastern Industries (Wuxi) Ltd.	Subsidiary
Oriental Resources Development Co., Ltd.	Subsidiary
Oriental Green Materials Limited	Subsidiary
Oriental Industries (Suzhou) Ltd.	Subsidiary
PET Far Eastern (M) Sdn. Bhd.	Subsidiary
Wuhan Far Eastern New Material Ltd.	Subsidiary
Worldwide Polychem (HK) Ltd. (WWPI)	Subsidiary
Far Eastern Fibertech Co., Ltd.	Subsidiary
Far Eastern Resources Development Co., Ltd.	Subsidiary
Far EasTone Telecommunications Co., Ltd.	Subsidiary
New Century InfoComm Tech Co., Ltd.	Subsidiary
Yuanshi Digital Technology Co., Ltd.	Subsidiary
DataExpress Infotech Co., Ltd.	Subsidiary
Information Security Service Digital United Inc.	Subsidiary
Oriental Petrochemical (Taiwan) Corporation	Subsidiary
Oriental Textile (Holding) Ltd. (OTTI)	Subsidiary
Yuan Cheng Human Resources Consultant Corporation	Subsidiary
Yuan Ding Co., Ltd.	Subsidiary
Yuan Ding Investment Co., Ltd.	Subsidiary
YDT Technology International Co., Ltd.	Subsidiary
Far Eastern Polychem Industries Ltd. (FEPI)	Subsidiary
Far Eastern Construction Co., Ltd.	Subsidiary
Far Eastern Ishizuka Green Pet Corporation (FIGP)	Subsidiary
Far Eastern Polytex (Holding) Ltd	Subsidiary
FE Oriental Investment Holding (Singapore) Pte. Ltd.	Subsidiary
Asia Cement Corporation	Associate
Far Eastern Department Stores Co., Ltd.	Associate
Oriental Union Chemical Corporation	Associate
Everest Textile Corporation	Associate
Far Eastern International Bank	Associate

(Continued)

Related Party Names	Related Party Categories
Freudenberg Far Eastern Spunweb Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Yu Ding Industry Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Liquid Air Far East Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Da Ju Fiber Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern International Leasing Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern City Super Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern Ai Mai Co., Ltd	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern Leasing Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Everest Textile USA, LLC	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Fu Ming Transport Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Fu-Da Transport Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Ya Sing Ready-Mixed Concrete Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Nan Hwa Cement Corporation	Other related party (the subsidiary of FENC's associate)
Yuan Ze University	Other related party (the same chairman)
U-Ming Marine Transport Corporation	Other related party (the same chairman)
Tranquil Enterprise Ltd.	Other related party (the same chairman)
Oriental Institute of Technology	Other related party (the same chairman)
Far Eastern Memorial Hospital	Other related party (the same chairman)
TECO Electric & Machinery Co., Ltd.	Other related party (related party in substance)
U-Ming Marine Transport (Singapore) Private Limited	Other related party (related party in substance)
Ding&Ding Management Consultants Co., Ltd	Other related party (related party in substance)
SYSTEX Corporation	Other related party (related party in substance)

(Concluded)

TABLE 2**FAR EASTERN NEW CENTURY CORPORATION****RELATED-PARTY TRANSACTIONS
FOR THE YEARS ENDED DECEMBER 31 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	For the Year Ended December 31	
	2020	2019
Sales		
Subsidiaries	\$ 5,207,962	\$ 4,990,094
Associates	168,397	195,087
Other related parties	<u>401,370</u>	<u>429,285</u>
	<u>\$ 5,777,729</u>	<u>\$ 5,614,466</u>
Operating cost and expense		
Purchase		
Subsidiaries		
Oriental Petrochemical (Taiwan) Corporation	\$ 9,756,113	\$ 14,481,116
Other subsidiaries	1,420,112	1,191,051
Associates	935,862	1,053,951
Other related parties	<u>215,164</u>	<u>177,406</u>
	<u>\$ 12,327,251</u>	<u>\$ 16,903,524</u>
Contract costs		
Subsidiaries	\$ 31,671	\$ 31,309
Other related parties	<u>255,854</u>	<u>233,786</u>
	<u>\$ 287,525</u>	<u>\$ 265,095</u>
Computer processing expense		
Subsidiaries	\$ 2,009	\$ 6,034
Other related parties	<u>106,462</u>	<u>101,733</u>
	<u>\$ 108,471</u>	<u>\$ 107,767</u>
Non-operating expenses		
Other expenses - endorsement/guarantee expenses		
Subsidiary	<u>\$ 6,745</u>	<u>\$ 10,771</u>

The Company provided agent services to subsidiaries and recognized commission income amounting to \$27,026 thousand and \$27,069 thousand for the years ended December 31, 2020 and 2019, respectively. In addition, the Company recognized other receivables amounting to \$11,104 thousand and \$11,519 thousand as of December 31, 2020 and 2019, respectively.

Lease arrangements - Company is lessee

	For the Year Ended December 31	
	2020	2019
Acquisitions of right-of-use assets		
Other related parties	\$ -	\$ 107
	December 31	
	2020	2019
Lease liabilities		
Subsidiaries		
Yuan Ding Co., Ltd.	\$ 374,440	\$ 509,972
Others	114,384	152,998
Associates	130,831	170,340
Other related parties	<u>32,649</u>	<u>45,959</u>
	<u>\$ 652,304</u>	<u>\$ 879,269</u>
	For the Year Ended December 31	
	2020	2019
Interest expense		
Subsidiaries	\$ 5,730	\$ 7,411
Associates	1,531	1,915
Other related parties	<u>399</u>	<u>541</u>
	<u>\$ 7,660</u>	<u>\$ 9,867</u>
Rent expense		
Subsidiaries	\$ 15,338	\$ 5,853
Other related parties	<u>4,822</u>	<u>4,245</u>
	<u>\$ 20,160</u>	<u>\$ 10,098</u>

The lease contract's resolution and way of payment between the Company and related party are equivalent to the general lease transaction.

Lease arrangement - Company is lessor

	December 31	
	2020	2019
Operating lease receivable		
Subsidiaries	\$ 1,286	\$ 1,668
Other related parties	<u>449</u>	<u>444</u>
	<u>\$ 1,735</u>	<u>\$ 2,112</u>
Future lease receivable		
Subsidiaries	\$ 11,064	\$ 15,394
Other related parties	<u>5,402</u>	<u>4,336</u>
	<u>\$ 16,466</u>	<u>\$ 19,730</u>
	December 31	
	2020	2019
Rent revenue		
Subsidiaries	\$ 8,130	\$ 12,979
Other related parties	<u>5,399</u>	<u>4,868</u>
	<u>\$ 13,529</u>	<u>\$ 17,847</u>

The Company leases the plants and spaces for operation and business to subsidiaries and other related parties as operating lease. The lease period is 1 to 5 years.

The lease contract's resolution and the way of payment between the Company and related party are equivalent to the general lease transaction.

Compensation of key management personnel:

	December 31	
	2020	2019
Short-term employee benefits	\$ 286,007	\$ 371,659
Post-employment benefits	<u>1,154</u>	<u>1,665</u>
	<u>\$ 287,161</u>	<u>\$ 373,324</u>

Note: The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)

TABLE 3**FAR EASTERN NEW CENTURY CORPORATION****RELATED-PARTY TRANSACTIONS
AS OF DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	December 31	
	2020	2019
Notes and accounts receivable		
Subsidiaries		
WWPI	\$ 811,846	\$ 493,598
Far Eastern Industries (Shanghai) Ltd.	348,274	301,418
Other subsidiaries	79,627	163,010
Associates	27,754	15,416
Other related parties	<u>123,712</u>	<u>68,402</u>
	<u>\$ 1,391,213</u>	<u>\$ 1,041,844</u>
Refundable deposits		
Subsidiaries		
Yuan Ding Co., Ltd.	\$ 33,251	\$ 33,682
Other subsidiaries	3,585	3,421
Associates	5,406	5,116
Other related parties		
Da Ju Fiber Co., Ltd.	<u>8,000</u>	<u>8,000</u>
	<u>\$ 50,242</u>	<u>\$ 50,219</u>
Notes and accounts payable to related parties		
Subsidiaries		
Oriental Petrochemical (Taiwan) Corporation	\$ 495,955	\$ 1,065,381
Other subsidiaries	151,288	124,250
Associates	84,844	86,339
Other related parties	<u>11,818</u>	<u>10,220</u>
	<u>\$ 743,905</u>	<u>\$ 1,286,190</u>
Deferred credit - gain on related-party transactions		
Sale of securities		
Subsidiaries		
Yuan Ding Investment Co., Ltd. (Note a)	\$ 30,256	\$ 30,256
Others subsidiary (Note b)	2,653	2,738
Other related parties (Note c)	2,579	2,579
Disposal of property, plant and equipment (Note d)		
Subsidiary		
Far Eastern Polytex (Vietnam) Ltd.	<u>10,857</u>	<u>11,693</u>
	<u>\$ 46,345</u>	<u>\$ 47,266</u>

(Continued)

Bank deposits

	December 31	
	2020	2019
Far Eastern International Bank	<u>\$ 3,755,437</u>	<u>\$ 1,900,767</u>

The Company had bank deposits and time deposits in Far Eastern International Bank. The interest income was \$5,660 thousand and \$15,643 thousand for the years ended December 31, 2020 and 2019, respectively.

Financial assets (liabilities) at FVTPL - current

	December 31	
	2020	2019
Far Eastern International Bank	<u>\$ (4,290)</u>	<u>\$ (4,114)</u>

The Company signed forward exchange contracts and combined foreign exchange options with Far Eastern International Bank. The (loss) gain of financial (liabilities) assets at FVTPL was \$(46,663) thousand and \$6,390 thousand for the years ended December 31, 2020 and 2019, respectively.

Financing to related parties

Loans to related parties:

	December 31			
	2020		2019	
	Other Receivable	Interest Receivable	Other Receivable	Interest Receivable
Subsidiaries	<u>\$ 660,000</u>	<u>\$ 88</u>	<u>\$ -</u>	<u>\$ -</u>

The interest income from loans to subsidiaries was \$88 thousand and \$162 thousand for the years ended December 31, 2020 and 2019, respectively.

Loans from related parties (recognized as long-term borrowings - bank loans):

	December 31	
	2020	2019
Far Eastern International Bank	<u>\$ -</u>	<u>\$ 1,500,000</u>

The interest expense from loans from associate was \$88 thousand and \$189 thousand for the years ended December 31, 2020 and 2019, respectively.

In 2020 and 2019, the Company bought machinery, equipment and construction from subsidiaries, for \$40,456 thousand and \$19,710 thousand, respectively. As of December 31, 2020 and 2019, the payables on these purchases had been paid.

In 2020, the Company bought machinery, equipment, construction and software from other related party, amounting to \$6,815 thousand. As of December 31, 2020, the payables on these purchases had been paid

In 2020, the Company sold machinery and equipment to subsidiaries Oriental Green Materials Limited and Far Eastern Industries (Shanghai) Ltd. amounting to \$15,443 thousand and \$3,231 thousand, respectively. And the Company recognized Gain on sales of machinery and equipment amounting to \$7,450 thousand and \$80 thousand, respectively.

(Continued)

In 2020 and 2019, the Company invested in 100%-owned foreign subsidiary, Far Eastern Investment (Holding) Ltd., amounting to \$961,014 thousand (or US\$32,000 thousand) and \$4,934,979 thousand (or US\$158,000 thousand), respectively.

In 2020, the Company invested in 100%-owned foreign subsidiary, FE Oriental Investment Holding (Singapore) Pte. Ltd. amounting to \$147,400 thousand (or US\$5,000 thousand).

In 2019, the Company participated in and subscribed Oriental Petrochemical (Taiwan) Corporation's issuance of new shares via cash amounting to \$1,511,163 thousand without changing the percentage of existing ownership.

In 2019, the Company invested in 100%-owned foreign subsidiary, Far Eastern Polytex (Holding) Ltd., amounting to \$1,998,702 thousand (or RMB449,370 thousand).

Note:

- a. In 1994, the Company sold the following shares to Yuan Ding Investment Corporation and recognized deferred incomes on these sales: Yu Yuan Investment Co., Ltd.'s shares for \$30,256 thousand.
- b. The deferred income was made by selling the shares of New Century InfoComm Tech Corporation to Yuan Cing Infocomm Tech Co., Ltd. in 2010 (dissolved on its merger with Far EasTone Telecommunication Co., Ltd. on March 1, 2011). The amortization is according to the difference of New Century InfoComm Tech Corporation's net assets between fair value and book value and durable service life on the selling date.
- c. The deferred income was made by selling the shares of Oriental Petrochemical (Taiwan) Corporation to Yue Ding Industry Co., Ltd. in March 2008.
- d. The Company sold the production equipment to its subsidiary Far Eastern Polytex (Vietnam) Ltd. in 2017. The sales price was \$638,977 thousand and deferred the gain on disposal of equipment \$12,528 thousand (recognized as deferred credit - gain on related-party accounts), and amortized the deferred credit according to the useful lives for \$836 thousand and \$835 thousand, respectively in 2020 and 2019.
- e. The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)

NEAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

FOR THE YEAR ENDED DECEMBER 31, 2020

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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	Fair Eastern New Century Corporation	Fair Eastern Resources Development Co., Ltd. Oriental Green Materials Limited	Receivables from related parties Receivables from related parties	Yes Yes	\$ 2,500,000 1,300,000	\$ 2,500,000 1,300,000	\$ 660,000 -	0.594 -	2 2	\$ -	For revolving fund For revolving fund	\$ -	Promissory note Promissory note	\$ 10201,459 10201,459	\$ 102,014,594 102,014,594	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note G)
1	Yuan Ding Investment Co., Ltd.	Fair Eastern Resources Development Co., Ltd. Oriental Resources Development Co., Ltd. Yuan Tong Investment Co., Ltd. Ding Yuan International Investment Co., Ltd. Yu Ding Industry Co., Ltd.	Receivables from related parties Receivables from related parties Receivables from related parties Receivables from related parties	Yes Yes Yes Yes	1,500,000 50,000 750,000 400,000	1,000,000 50,000 500,000 200,000	- - 500,000 176,000	- - 0.9878 0.9878	2 2 2 2	- - - -	For revolving fund For revolving fund For revolving fund For revolving fund	- - - -	Promissory note Promissory note Promissory note Promissory note	4,201,284 4,201,284 4,201,284 4,201,284	21,006,419 21,006,419 21,006,419 21,006,419	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C); maximum amounts allowed for the period (Note C); maximum amounts allowed for the period (Note C); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note C); maximum amounts allowed for the period (Note C); maximum amounts allowed for the period (Note G)
		Du Ju Fiber Co., Ltd.	Receivables from related parties	Yes	1,060,000	742,000	477,000	0.9878-1.05	2	-	For revolving fund	-	Promissory note	4,201,284	21,006,419	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Kai Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	1,200,000	600,000	600,000	0.9878	2	-	For revolving fund	-	Promissory note	4,201,284	21,006,419	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Oriental Green Materials Limited	Receivables from related parties	Yes	600,000	400,000	-	0.9878-1.05	2	-	For revolving fund	-	Promissory note	4,201,284	21,006,419	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Oriental Petrochemical (Taiwan) Corporation	Receivables from related parties	Yes	1,500,000	1,000,000	-	-	2	-	For revolving fund	-	Promissory note	4,201,284	21,006,419	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Fair Eastern Apparel Co., Ltd.	Receivables from related parties	Yes	350,000	-	-	1.055	2	-	For revolving fund	-	Promissory note	4,201,284	21,006,419	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	800,000	400,000	400,000	0.9878	2	-	For revolving fund	-	Promissory note	4,201,284	21,006,419	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)

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No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
2	Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd. Far Eastern Apparel Co., Ltd.	Receivables from related parties Receivables from related parties	Yes Yes	\$ 181,500 \$ 340,000	\$ - 340,000	\$ - 170,000	0.257272.09922 0.9889	2 2	\$ - -	For revolving fund For revolving fund	\$ - -	Promissory note Promissory note	- -	\$ 829,983 829,983	\$ 4,464,916 4,464,916	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
3	Far Eastern Resources Development Co., Ltd.	Kai Yuan International Investment Co., Ltd. An Ho Garment Co., Ltd.	Receivables from related parties Receivables from related parties	Yes Yes	250,000 250,000	- -	- -	- -	2 2	- -	For revolving fund For revolving fund	- -	Promissory note Promissory note	- -	2,705,361 2,705,361	13,526,806 13,526,806	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
4	New Century InfoComm Tech Co., Ltd.	Yuanshi Digital Technology Co., Ltd. Far East Tone Telecommunications Co., Ltd. Far East Tone Telecommunications Co., Ltd.	Receivables from related parties Receivables from related parties Receivables from related parties	Yes Yes Yes	300,000 1,500,000 9,500,000	- 1,500,000 8,500,000	- 1,500,000 6,500,000	1.28-1.53 0.53-0.83 0.58-0.83	2 1 2	- 2,294,182 -	For revolving fund - For revolving fund	- - -	- - -	- - -	9,794,950 2,294,182 9,794,950	12,243,687 12,243,687 12,243,687	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G)
5	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd.	Receivables from related parties Receivables from related parties	Yes Yes	800,000 200,000	800,000 200,000	200,000 50,000	0.8590-0.8857 0.8767	2 2	- -	For revolving fund For revolving fund	- -	Promissory note Promissory note	- -	1,651,306 1,651,306	4,128,266 4,128,266	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
6	Far Eastern Investment (Holding) Ltd.	Far Eastern New Apparel (Vietnam) Ltd. Far Eastern Polytex (Vietnam) Ltd. PFE New Century Industry (Singapore) PTE. LTD. FILSYN Corporation	Receivables from affiliates Receivables from affiliates Receivables from affiliates Receivables from affiliates	Yes Yes Yes Yes	569,600 1,424,000 142,400 256,320	569,600 - 142,400 256,320	- - -	- 0.2-67173 - -	2 2 2 2	- - - -	For revolving fund For revolving fund For revolving fund For revolving fund	- - - -	Promissory note Promissory note Promissory note Promissory note	- - - -	12,577,832 12,577,832 12,577,832 10,062,266	37,733,497 37,733,497 37,733,497 10,062,266	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
7	Oriental Textile (Holding) Ltd.	FYN Green PET Corporation Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates Receivables from affiliates	Yes Yes	- 85,440	- 85,440	- -	- 2.09922	2 2	- -	For revolving fund For revolving fund	- -	Promissory note Promissory note	- -	3,589,586 11,003,190	11,003,190	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
8	FEDP (Holding) Ltd.	Sino Belgium (Holding) Ltd.	Receivables from affiliates	Yes	\$ 170,880	\$ 170,880	\$ 156,640	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 720,144	\$ 720,144	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
9	APC Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	Receivables from affiliates	Yes	142,400	142,400	-	-	2	-	For revolving fund	-	Promissory note	-	7,170,222	219,789,947	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
10	Malaysia Garment Manufacturers Pte. Ltd.	Apegiro International Resources Corporation	Receivables from affiliates	Yes	71,200	-	-	0.25727-2.09922	2	-	For revolving fund	-	Promissory note	-	106,679	106,679	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
11	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	2,188,500	2,188,500	2,049,933	2.91-3.94	2	-	For revolving fund	-	Promissory note	-	2,670,748	5,934,996	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
12	Far Eastern Apparel (Suzhou) Co., Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,225,560	1,225,560	1,018,160	2.60-3.69	2	-	For revolving fund	-	Promissory note	-	1,391,033	3,091,184	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
13	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,356,870	1,356,870	1,292,799	2.60-3.10	2	-	For revolving fund	-	Promissory note	-	1,411,248	3,136,107	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
14	Oriental Industries (Suzhou) Ltd.	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	218,850	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,224,569	1,161,0152	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	218,850	-	-	3.90980	2	-	For revolving fund	-	Promissory note	-	5,224,569	1,161,0152	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
		Far Eastern Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	437,700	437,700	-	-	2	-	For revolving fund	-	Promissory note	-	5,224,569	1,161,0152	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	437,700	437,700	-	-	2	-	For revolving fund	-	Promissory note	-	5,224,569	1,161,0152	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,313,100	1,313,100	-	-	2	-	For revolving fund	-	Promissory note	-	5,414,343	12,031,873	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
		Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to related parties	Yes	875,400	875,400	-	-	2	-	For revolving fund	-	Promissory note	-	5,414,343	12,031,873	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,094,250	1,094,250	761,370	3.20-3.91	2	-	For revolving fund	-	Promissory note	-	5,414,343	12,031,873	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
		Oriental Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	700,320	-	-	3.47-3.91	2	-	For revolving fund	-	Promissory note	-	2,406,375	2,406,375	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	393,930	393,930	393,930	3.47	2	-	For revolving fund	-	Promissory note	-	2,406,375	2,406,375	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
15	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	\$ 875,400	\$ 875,400	\$ 171,206	2.60-4.31	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 2,537,215	\$ 5,638,255	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
16	Suzhou An Ho Apparel Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	39,393	39,393	39,393	2.60-3.10	2	-	For revolving fund	-	Promissory note	-	50,310	111,800	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
17	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	437,700	437,700	437,700	2.60-3.10	2	-	For revolving fund	-	Promissory note	-	969,153	2,153,673	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	787,860	656,550	586,623	2.60-3.10	2	-	For revolving fund	-	Promissory note	-	969,153	2,153,673	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
18	Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	218,850	-	-	-	2	-	For revolving fund	-	Promissory note	-	225,916	677,749	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note D)
19	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Union Petrochemical (Shanghai) Co., Ltd.	Other receivables - loans to related parties	Yes	1,313,100	1,313,100	1,313,100	3.40-3.87	2	-	For revolving fund	-	Promissory note	-	3,448,366	3,448,366	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	656,550	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,310,458	7,758,824	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note H)
20	Wuhan Far Eastern New Material Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	131,310	-	-	-	2	-	For revolving fund	-	Promissory note	-	470,667	847,200	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note H)
21	Far Eastern New Century (China) Investment Co., Ltd.	Shanghai Yuan Zi Information Technology Co., Ltd.	Other receivables - loans to related parties	Yes	43,770	-	-	-	2	-	For revolving fund	-	Promissory note	-	9,636,298	13,490,817	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,094,250	-	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,636,298	13,490,817	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Wuhan Far Eastern New Material Ltd.	Other receivables - loans to related parties	Yes	131,310	-	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,636,298	13,490,817	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to related parties	Yes	3,063,900	-	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,636,298	13,490,817	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Shanghai Far Eastern Petrochemical Logistic Corporation	Other receivables - loans to related parties	Yes	52,524	-	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,636,298	13,490,817	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	218,850	87,540	87,540	1.21	2	-	For revolving fund	-	Promissory note	-	1,541,808	1,541,808	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
22	Shanghai Yuan Zi Information Technology Co., Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	\$ 43,770	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 58,187	\$ 87,280	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J)
23	Shanghai Far Eastern Petrochemical Logistic Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	52,524	-	-	-	2	-	For revolving fund	-	Promissory note	-	48,428	87,170	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note H)
24	Far Eastern Industries (Yangzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	306,390	306,390	306,390	3.00-3.60	2	-	For revolving fund	-	Promissory note	-	1,245,712	2,768,248	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	525,240	525,240	525,240	3.00-3.60	2	-	For revolving fund	-	Promissory note	-	553,650	553,650	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)

Notes: A. Reasons for financing are as follows:

1. Business relationship.
2. For short-term financing.
- B. The limitation is 5% of the net value of the financier based on audited financial statements as of December 31, 2020.
- C. The limitation is 10% of the net value of the financier based on audited financial statements as of December 31, 2020.
- D. The limitation is 15% of the net value of the financier based on audited financial statements as of December 31, 2020.
- E. The limitation is 20% of the net value of the financier based on audited financial statements as of December 31, 2020.
- F. The limitation is 40% of the net value of the financier based on audited financial statements as of December 31, 2020.
- G. The limitation is 50% of the net value of the financier based on audited financial statements as of December 31, 2020.
- H. The limitation is 90% of the net value of the financier based on audited financial statements as of December 31, 2020.
- I. The limitation is 100% of the net value of the financier based on audited financial statements as of December 31, 2020.
- J. The limitation is 150% of the net value of the financier based on audited financial statements as of December 31, 2020.
- K. The limitation is 200% of the net value of the financier based on audited financial statements as of December 31, 2020.
- L. The limitation is 250% of the net value of the financier based on audited financial statements as of December 31, 2020.
- M. The limitation is 350% of the net value of the financier based on audited financial statements as of December 31, 2020.
- O. The limitation is business transaction amount.

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorse/Guarantee		Limits on Each Counterparty's Endorsement/Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated 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
1	Yuan Ding Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	(Note A)	\$ 21,006,419	\$ 268,000	\$ 228,000	\$ -	\$ -	0.54	\$ 42,012,837	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		APG Polytech, LLC	(Note B)	20,402,919	6,724,480	6,521,920 (Note N)	1,851,200	-	15.52	20,402,919	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		APG Polytech USA Holdings, Inc.	(Note B)	20,402,919	2,692,250	2,107,520 (18+10)	108,224	-	5.02	20,402,919	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Far Eastern Ishizuka Green Pet Corporation	(Note B)	20,402,919	677,520	-	-	-	-	20,402,919	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Phoenix Technologies International, LLC	(Note B)	20,402,919	1,296,450	1,281,600	572,448	-	3.05	20,402,919	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
2	Far Eastern Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note C)	13,526,806	5,658,332	5,158,332	2,640,000	5,158,332	2.53	27,053,611	-	Yes	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
3	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	(Note D)	4,128,266	1,650,000	1,650,000	739,026	350,000	0.81	8,256,531	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
4	Far Eastern Investment (Holding) Ltd.	APG Polytech USA Holdings, Inc.	(Note D)	102,014,594	6,664,075	6,274,144	569,600	-	3.08	204,029,187	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J)
		APG Polytech, LLC	(Note D)	102,014,594	2,607,550	1,429,696	297,331	-	0.70	204,029,187	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J)
		Phoenix Technologies International, LLC	(Note D)	102,014,594	605,000	-	-	-	-	204,029,187	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J)

Notes: A. Companies that are endorsed and guaranteed by all capital shareholders based on their shareholding ratio due to a joint investment relationship.

B. Companies in which the Company directly or indirectly holds more than 90% of the voting shares.

C. Companies that directly and indirectly hold more than 50% of the voting rights in the Company.

D. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.

E. The amount of the collateral/guarantees is based on 50% of the net value of the guarantor from the latest audited financial statements.

F. The amount of the collateral/guarantees is based on the net value of the guarantor from the latest audited financial statements.

G. The amount of the collateral/guarantees is based on the lower of 10% of the net value of the ultimate parent company, and 50% of the net value of Yuan Ding Investment Co., Ltd. from the latest audited financial statements.

H. The amount of the collateral/guarantees is based on the lower of 10% of the net value of the ultimate parent company, and the net value of Yuan Ding Investment Co., Ltd. from the latest audited financial statements.

I. The amount of the collateral/guarantees is based on 50% of the net value of the ultimate parent company from the latest audited financial statements.

J. The amount of the collateral/guarantees is based on the net value of the ultimate parent company from the latest audited financial statements.

(Continued)

- K. The ratio of accumulated endorsements/guarantees to net equity in latest financial statements is calculated in accordance with Regulations Governing Lending of Funds and Marketing of Endorsements/Guarantees by Public Companies.
- L. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in mainland China.
- M. The tariff guarantees maximum amounts allowed for a subsidiary in mainland China for the period and the actual appropriation as of period end are as follows: Oriental Industries (Suzhou) Ltd.: RMB4,000 thousand (NT\$26,262 thousand), the actual remittance: RMB4,000 thousand (NT\$26,262 thousand); Far Eastern Apparel (Suzhou) Co., Ltd.: RMB4,000 thousand (NT\$17,508 thousand), the actual remittance: RMB4,000 thousand (NT\$17,508 thousand); Far Eastern Industries (Shanghai) Ltd.: RMB13,000 thousand (NT\$36,901 thousand), the actual remittance: RMB13,000 thousand (NT\$36,901 thousand).
- N. Endorsement/guarantee in the amount of \$64,000 thousand was provided to APG USA Holdings, Inc. which provided by Yuan Ding Investment Co., Ltd. and co-used by APG Polytex, LLC. and APG USA Holdings, Inc.

(Concluded)

TABLE 6

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	730,511	\$ 19,555,827	22.33	\$ 32,422,089	19,900 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	5,078,558	17.06	5,802,473	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,095,081	9.17	1,648,685	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	140	1,180	0.03	1,377	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	141,961	2,024,150	19.65	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	135,000	2,009,899	16.83	-	(Note F)
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	87,767	1,166,486	2.62	978,458	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	41,433,997	99.40	-	
	Far Eastern Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	775,836	106,334,081	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	168	9,647,375	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,739,405	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	739,953	8,737,914	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	367,143	5,582,758	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	5,072	25,734,569	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	397	4,497,126	91.95	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,712,218	9,057,496	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	245,829	9,956,499	65.11	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	75,704	3,243,038	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	255,031	2,109,554	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	244	913,226	50.43	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	4,000	211,101	100.00	-	
	Fu Kwok Knitting & Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	769	7,700	0.74	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	100	1,720	100.00	-	
	Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	-	-	-	-	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	52,722	2,205,639	1.57	2,277,570	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	70,818	1,130,946	8.00	1,437,599	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	139,785	3,355,101	9.87	3,354,840	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	831,947	128,618	25.23	1,266,891	
	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	21,968,490	32.73	65,279,446	8,807 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,856,714	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	4,314,142	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,662	2,303,416	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,772	70,445	100.00	-	
	Yuan Fun Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,000	144,492	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	4,745	64,307	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	398,076	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,133,113	100.00	-	
	Oriental Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,484	68,642	100.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	2,432,813	35.00	-	
	Preudenberg Far Eastern Spinweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	33,003	586,556	29.80	-	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	187,470	2,779,679	25.96	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,759	1,136,900	12.86	-	31,600 thousand shares pledged or mortgaged as collateral for loans, 10,000 thousand shares pledged or mortgaged as collateral for loans.

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020			Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)
Far Eastern Investment (Holding) Ltd.	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	75,268	\$ 949,125	16.87	\$ -
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	7,950,473	100.00	-
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	119,653	1,695,192	14.92	(Note F)
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	98,198	958,927	18.96	-
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	1,490	23,624	1.00	-
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	117,746	643,372	5.20	-
	Oriental Green Materials Limited	(Note A)	Investments accounted for using the equity method	55,311	606,730	100.00	-
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	122,687	1,586,439	3.56	1,331,149
	Chung Nan Textile Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	2,985	95,874	5.27	89,456
	Overseas Investment and Development Co., Ltd.	-	Financial asset at FVTOCI - non-current	1,000	7,060	1.11	6,230
	Universal Venture Capital Investment Corporation	-	Financial asset at FVTOCI - non-current	1,400	10,444	1.16	10,444
	China Investment and Development Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	1,287	10,939	0.80	10,939
	Taiwan Stock Exchange Corporation	(Note I)	Financial asset at FVTOCI - non-current	1,169	64,267	0.16	64,267
	Oriental Securities Investment Consultant Co., Ltd.	(Note I)	Financial asset at FVTOCI - non-current	1	11	-	11
	Dah Chung Bills Finance Corporation	-	Financial asset at FVTOCI - non-current	2,254	32,071	0.50	32,071
	U-Ming Marine Transport Corporation	(Note B)	Financial asset at FVTOCI - non-current	8,869	327,266	1.05	327,266
	Financial assets under asset management contracts (Note E)	-	Financial assets at fair value through profit or loss - current	105	705	-	705
	Yuanta Taiwan 50 ETF	-	Financial assets at fair value through profit or loss - current	128	3,514	-	3,514
	Cathay FTSE China A50 ETF	-	Financial assets at fair value through profit or loss - current	600	9,000	-	9,000
	Tainan Spinning Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	9,575	-	9,575
	Maklot Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss - current	430	15,717	-	15,717
	Emelot Materials Co., Ltd.	-	Financial assets at fair value through profit or loss - current	150	4,695	-	4,695
	Ta Chen Stainless Pipe Co., Ltd.	-	Financial assets at fair value through profit or loss - current	100	9,200	-	9,200
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	30	15,900	-	15,900
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	210	13,398	-	13,398
	Lelei Electronics Corp.	-	Financial assets at fair value through profit or loss - current	290	14,761	-	14,761
	Parady Technology	-	Financial assets at fair value through profit or loss - current	31	15,810	-	15,810
	Advanced Ceramic X Corporation	-	Financial assets at fair value through profit or loss - current	560	17,052	-	17,052
	Gemtek Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	76	4,727	-	4,727
	Taiwan Semiconductor Co., Ltd.	-	Financial assets at fair value through profit or loss - current	170	5,057	-	5,057
	Farglory F T Z Investment Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	200	13,280	-	13,280
	Chipbond Technology Corporation	-	Financial assets at fair value through profit or loss - current	80	10,320	-	10,320
	Taiwan Surface Mounting Technology Corp.	-	Financial assets at fair value through profit or loss - current	100	9,980	-	9,980
	Formosa Petrochemical Corp.	-	Financial assets at fair value through profit or loss - current	115	5,267	-	5,267
	E Ink Holdings Inc.	-	Financial assets at fair value through profit or loss - current	50	9,975	-	9,975
	Feng Tay Enterprises Co., Ltd.	-	Financial assets at fair value through profit or loss - current	0.03	3,000,000	-	-
	Oriental Petrochemical (Taiwan) Corporation	-	Financial assets at fair value through profit or loss - current	-	-	-	-
	2020 First Term Unsecured Privately Placed Corporate Bonds	-	Investments accounted for using the equity method	45,066	-	21.85	-
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	6	32,236	100.00	-
	FEIG Investment Antilles N.V.	(Note A)	Investments accounted for using the equity method	5,000	198,447	50.00	-
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	-	-	-
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	-	20.00	-
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	939,969	100.00	-
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	109,670	100.00	-
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note G)	1,585	34.00	-
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,481,568	100.00	-
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	149,719	100.00	-
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	198,472	100.00	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020			Note
				Shares or Units Unless Stated Otherwise (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)
APG Polytech USA Holdings, Inc.	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	\$ 460,650	37.92	\$
	Drive Catalyst SPC	(Note A)	Investments accounted for using the equity method	(Note G)	495	34.00	-
	APG Polytech USA Holdings, Inc.	(Note A)	Investments accounted for using the equity method	5	14,246,026	100.00	-
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	106,357	25.00	-
	Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	4	127,616	25.00	-
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(11,732)	41.00	-
	Centex Apparel Inc.	(Note A)	Other liabilities - other	90	(10,886)	50.00	-
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	185,135	-	185,135
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	6	371,256	-	371,256
	Corpus Christi Polymers LLC	(Note N)	Investments accounted for using the equity method	(Note G)	11,853,091	33.33	-
Magna View Sdn. Bhd.	APG Polytech, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	2,865,479	100.00	-
	Phoenix Technologies International, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	237,358	100.00	-
Ding Yuan International Investment Co., Ltd.	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock	198,447	50.00	-
				Preferred stock	5,000		
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	12,279	464,945	0.37	530,440
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,983	278,893	0.85	278,592
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	1,183	6,549	0.23	11,650
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	27,365	605,182	3.09	555,520
	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	41,032	0.03	56,283
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	249,576	2.24	-
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	15,738	425,408	13.20	(Note F)
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	91,166	1,178,220	2.64	5,000 thousand shares pledged or mortgaged as collateral for loans.
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - non-current	2,694	99,409	0.32	99,409
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	25,312	1,009,524	0.75	1,093,500
Far Eastern Polychem Industries Ltd.	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,299	1,107,782	1.05	2,099,101
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	32,474	598,227	3.67	659,226
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	597,205	1.46	496,133
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method	1,127	450,602	49.00	-
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	74,970	950,069	16.80	-
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	249,777	2.24	(Note F)
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	110,679	1,430,986	3.21	1,200,866
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - non-current	1,861	68,671	0.22	68,671
	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,555,371	87.64	-
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	394,067	8.05	-
Far Eastern Construction Co., Ltd.	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	897,653	49.57	-
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,384,124	100.00	-
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	3,578	1,142,565	90.00	-
	Nippon Parison Co., Ltd.	-	Financial asset at FVTOCI - non-current	4	127,029	10.00	127,029
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	612,922	0.53	765,768
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	147,413	2,173,332	98.95	-
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	1,590	58,663	0.19	58,663
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	615,828	38.46	-
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	3,307,071	100.00	-
	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,076,836	100.00	-
Far Eastern Apparel (Holding) Ltd.	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	5	323,019	-	323,019

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020			Note
				Shares or Units Unless Stated Otherwise (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	\$ 16,359	0.01	\$ 20,261
	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	6,022	-	5,508
Far Eastern General Contractor Inc.	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	12	156	0.01	-
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	450	6,939	9.00	-
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	746	27,546	0.09	27,546
	Kaohsiung Rapid Transit Corporation	(Note K)	Financial asset at FVTOCI - non-current	9,687	54,539	3.48	54,539
	Ya-Li Precast Prestressed Concrete Industries Corporation	(Note I)	Financial asset at FVTOCI - non-current	3,106	12,764	16.03	12,764
	Jhi Sun Money Market	-	Financial assets at fair value through profit or loss - current	1,484	22,185	-	22,185
	CTBC Hwa-Yin Money Market Fund	-	Financial assets at fair value through profit or loss - current	20,707	230,002	-	230,002
	Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,257	30,035	-	30,035
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	20,513	-	9.95	-
	Arpeggio International Resources Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	-	40.00	-
Malaysia Garment Manufacturers Pte. Ltd.	PT Malaysia Garment Bintan	(Note A)	Other liabilities - other	(Note G)	(38)	99.00	-
	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	1,018,618	1.25	2,498,037
An Ho Garment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	257,100	0.18	263,247
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	235,825	1.26	227,441
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	11,925	0.03	8,875
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	8,723	11,874	1.21	11,874
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,682	406,573	15.66	-
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	139,586	9,681	1.21	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	168,700	0.30	-
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	22,702	293,641	0.66	246,313
	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	12,513	55.19	-
	Yi Tong Fiber Co., Ltd.	-	Financial asset at FVTOCI - non-current	3,154	55,413	3.56	55,413
Fu Kwok Knitting & Garment Co., Ltd.	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	4,811	62,253	0.14	52,194
	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	19,037	0.02	31,824
Yuan Tong Investment Co., Ltd.	Far East Tone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,673,311	3.08	6,134,506
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	59,073	1,776,669	4.17	1,417,741
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,705	1,570,671	5.61	1,009,020
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	32,465	1,349,928	0.97	1,402,505
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	248,579	2.24	-
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	35,934	514,235	11.98	-
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	35	-	-
	Sino Belgium (Holding) Ltd.	(Note A)	Other liabilities - other	36	(741,428)	90.88	-
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	3	54	-	-
	Malaysia Garment Manufacturers Pte. Ltd.	(Note A)	Investments accounted for using the equity method	10	157,923	13.00	-
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	110,457	1,427,704	3.20	1,198,462
	Ding Shen Investment Co., Ltd.	(Note M)	Financial asset at FVTOCI - non-current	40,329	301,356	18.00	301,356
	Beckhold N.V. - stock contracts (Note E)	-	Financial asset at FVTOCI - non-current	1	324,005	12.51	324,005
	Yuantai Taiwan 50 ETF	-	Financial assets at fair value through profit or loss - current	60	7,335	-	7,335
	Yuantai Daily CSI300 Bull 2X ETF	-	Financial assets at fair value through profit or loss - current	280	7,809	-	7,809
	Yuantai FTSE4Good TIP Taiwan ESG ETF	-	Financial assets at fair value through profit or loss - current	379	11,071	-	11,071
	Taiwan Cement Corporation	-	Financial assets at fair value through profit or loss - current	470	20,304	-	20,304
	Taiwan Spinning Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,300	19,500	-	19,500
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	26	6,838	-	6,838

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020			Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)
Far Eastern Apparel (Suzhou) Co., Ltd. PET Far Eastern (Holding) Ltd. Oriental Textile (Holding) Ltd. FEDP (Holding) Ltd. FE Oriental Investment Holding (Singapore) Pte. Ltd. Oriental Investment Holding (Netherlands) B.V. Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd. Sino Belgium (Holding) Ltd. Oriental Petrochemical (Shanghai) Corporation Far Eastern Industries (Yangzhou) Ltd. Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Yageo Corporation MediaTek Inc. Lelon Electronics Corp. Arlentec Corporation Auras Technology Co., Ltd. Gentek Technology Co., Ltd. SoniX Technology Co., Ltd. Feng Tay Enterprises Co., Ltd. Suzhou An Ho Apparel Ltd. Oriental Petrochemical (Shanghai) Corporation Far Eastern Union Petrochemical (Yangzhou) Corporation Far Eastern Industries (Wuxi) Ltd. Oriental Industries (Suzhou) Ltd. Opas Fund Segregated Portfolio Tranche A Opas Fund Segregated Portfolio Tranche C Far Eastern Industries (Suzhou) Ltd. FE New Century Industrial (Singapore) Pte. Ltd. Oriental Investment Holding (Netherlands) B.V. Oriental Martens (Netherlands) B.V. Wuhua Far Eastern New Material Ltd. Far Eastern Apparel (Suzhou) Co., Ltd. Far Eastern New Century (China) Investment Co., Ltd. Far Eastern Yihua Petrochemical (Yangzhou) Corporation Far Eastern Industries (Shanghai) Ltd. Shanghai Yuan Zi Information Technology Co., Ltd. Oriental Petrochemical (Shanghai) Corporation Yuan Ding Enterprise (Shanghai) Limited Sino Belgium Beer (Suzhou) Ltd. Martens Beers (Shanghai) Ltd. Shanghai Far Eastern Petrochemical Logistic Corporation Harvest Money Market A Harvest Money Market A	- - - - - - - - (Note A) (Note A) (Note A) (Note A) (Note A) (Note K) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) - -	Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Other liabilities - other Investments accounted for using the equity method Investments accounted for using the equity method Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current	20 10 180 244 20 100 35 30 (Note G) (Note G) (Note G) (Note G) (Note G) 8 4 (Note G) 49 - - (Note G) (Note G) (Note G) (Note G) (Note G) (Note G) (Note G) 986 625,169	\$ 10,360 7,470 11,484 9,431 4,280 3,045 2,299 5,985 55,900 2,504,418 2,815,672 2,819,128 6,015,936 300,819 210,876 1,600,766 162,367 - - 941,333 985,388 3,873,694 3,844,424 1,065,545 58,187 269,715 2,794,170 (677,683) 14,922 146,362 4,316 2,736,363	- - - - - - - - 100.00 54.72 44.20 100.00 100.00 - - 100.00 100.00 100.00 100.00 12.36 100.00 6.63 40.00 100.00 100.00 100.00 - -	\$ 10,360 7,470 11,484 9,431 4,280 3,045 2,299 5,985 - - - - - - 300,819 210,876 - - - - - - - - - - - - - - - - 4,316 2,736,363

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd. Far Eastern Technical Consultants Co., Ltd. YDC (Virgin Islands) Ltd. Yuanhui Digital Technology Co., Ltd. FET Consulting Engineers Co., Ltd. Asia Cement Corporation Far East Tone Telecommunications Co., Ltd. Yu Yuan Investment Co., Ltd. Yue Ming Corporation Yu Ding Industry Co., Ltd. FEDS Asia Pacific Development Co., Ltd. Far Eastern Electronic Toll Collection Co., Ltd. Far Eastern International Bank Yuan Hsin Digital Payment Co., Ltd. Ding Ding Hotel Co., Ltd. Far Eastern New Century Corporation	(Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Other liabilities - other Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial assets at fair value through profit or loss - current	13,992	\$ 263,419	100.00	\$ -	119,000 thousand shares pledged or mortgaged as collateral for loans. 10,236 thousand shares pledged or mortgaged as collateral for loans.
				21,787	154,063	60.00	-	
				(Note A)	68,953	91.00	-	
				(Note A)	10,226	17.70	-	
				(Note A)	1,499	1.35	-	
				(Note A)	37,000	100.00	-	
				(Note A)	50,695	-	230,197	
				(Note A)	5,329	0.16	230,197	
				(Note A)	214,368	0.13	254,806	
				(Note A)	107,673	0.16	254,806	
				(Note A)	4,164	0.13	254,806	
				129,637	2,052,950	25.02	-	
				104	607	1.00	-	
				(Note A)	66,869	2.59	-	
				(Note A)	3,091	2.99	-	
				(Note A)	10,650	5.00	-	
Ding Ding Integrated Marketing Service Co., Ltd.	Yuan Hsin Digital Technology Co., Ltd. Yuan Hsin Digital Payment Co., Ltd. DDIM (Virgin Islands) Ltd. Pacific SOGO Department Stores Co., Ltd. Cosmos Foreign Exchange Intl. Co., Ltd. DDIM (Virgin Islands) Ltd. Yuan Ding Integrated Information Service (Shanghai) Inc. Speedy (Shanghai) digital Tech. Co., Ltd. Yuan Ding Integrated Information Service (Shanghai) Inc. Everest Textile Corporation Far Eastern Department Stores Co., Ltd. Asia Cement Corporation YDC (Virgin Islands) Ltd. Far Eastern International Bank Oriental Securities Investment Consultant Co., Ltd.	(Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial asset at FVTOCI - non-current	44,796	635,567	14.93	-	119,000 thousand shares pledged or mortgaged as collateral for loans.
				8,582	111,087	0.25	93,115	
				(Note A)	10,968	14.66	-	
				(Note A)	102,509	98.52	-	
				(Note D)	779	-	22,563	
				(Note A)	5	-	(3)	
				(Note A)	Investments accounted for using the equity method	37.72	-	
				(Note A)	28,231	37.72	-	
				(Note A)	Investments accounted for using the equity method	23.329	-	
				(Note J)	1	42	42	
				-	Financial asset at FVTOCI - non-current	-	9,648	
				(Note A)	Investments accounted for using the equity method	27,243	-	
				(Note A)	Investments accounted for using the equity method	233	-	
				(Note A)	Investments accounted for using the equity method	56,337	-	
				(Note A)	Investments accounted for using the equity method	50,359	-	
Far Eastern Electronic Toll Collection Co., Ltd.	FETC International Co., Ltd. Millerfurl No.1 REIT Subordinated perpetual corporate bonds of Cudry Life Insurance Co., Ltd. FETC International (Thailand) Co., Ltd. New Century InfoComm Tech Co., Ltd. ARCOA Communications Co., Ltd. KGEx.com Co., Ltd.	(Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial asset at FVTOCI - non-current	130	818	0.03	1,283	5,000 thousand shares pledged or mortgaged as collateral for loans.
				2,764	98,929	0.20	66,333	
				61	2,421	-	2,615	
				(Note G)	47,547	82.30	-	
				3,018	39,308	0.09	32,745	
				1	11	-	11	
				20,000	142,750	100.00	-	
				30,000	316,200	-	316,200	
				5,000	500,000	-	-	
				825	6,772	100.00	-	
				2,100,000	26,974,867	100.00	-	
				Investments accounted for using the equity method	679,411	100.00	-	
				(Note A)	82,762	61.63	-	
				(Note A)	68,897	99.99	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020			Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)
ARCOA Communication Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	107,004	\$ (66,543)	96.18	\$ -
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,000	40,712	100.00	-
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1	4,811	100.00	-
	Yuan Bao Finitech Co., Ltd.	(Note A)	Investments accounted for using the equity method	6,000	52,045	100.00	-
	Far East One Property Insurance Agent Co., Ltd	(Note A)	Investments accounted for using the equity method	500	64,587	100.00	-
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,251	1,269,488	39.42	-
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,447	38,681	15.00	-
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	16,452	123,425	21.98	-
	App Works Fund II Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	7,500	68,251	11.11	68,251
	CDIB Capital Innovation Accelerator Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	9,000	91,491	10.71	91,491
New Century InfoComm Tech Co., Ltd.	LINE Bank Taiwan Limited	-	Financial asset at FVTOCI - non-current	50,000	456,110	5.00	456,110
	DataExpress Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,896	246,341	70.00	-
	THH 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 Diligent Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	54,000	82,075	100.00	-
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	10,249	129,170	100.00	-
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	10,320	163,344	100.00	-
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	750	(466)	0.67	-
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,816	12,894	5.00	-
	Prime EcoPower Co., Ltd.	(Note A)	Investments accounted for using the equity method	16,000	127,430	100.00	-
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	108,173	25.00	-
	Nextlink Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	4	128,857	25.00	-
	Bank Pro E-service Technology Co., Ltd.	(Note K)	Investments accounted for using the equity method	3,430	428,018	70.00	-
	Changning ai Inc.	-	Financial asset at FVTOCI - non-current	8,858	49,872	3.18	49,872
	Opus Fund Segregated Portfolio Tranche A	(Note K)	Financial asset at FVTOCI - non-current	450	4,500	3.33	4,500
	Opus Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	500	8,299	2.50	8,299
	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	30	290	100.00	-
	Far East New Diligent Company Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	20,068	100.00	-
	New Diligent Hong Kong Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,291	100.00	-
DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	47,290	100.00	-
	Microfusion Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,600	30,209	100.00	-
	Nextlink (HK) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	8,463	100.00	-
	Microfusion (HK) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	1,109	100.00	-
Nextlink Technology Co., Ltd.	Digital United Information Technology (Shanghai) Ltd.	(Note A)	Other liabilities - other	(Note G)	5,987	100.00	-
	TBCASoft, Inc.	-	Financial asset at FVTOCI - non-current	980	117,229	6.77	117,229
Nextlink (HK) Technology Co., Ltd.	Nextlink (Shanghai) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,207	70.00	-

Notes: A. Equity-method investee.

B. Investor and investee have the same chairman.

C. The chairman of investee is the chairman of FENC.

D. Parent company.

(Continued)

- E. Financial assets under asset management contracts can be sold in the open market investee, Oriental Securities Investment Consultant Co., Ltd.
- F. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
- G. Company limited.
- H. The fair value of unlisted equity investments held by the Group was not disclosed due to it cannot be reliably measured.
- I. The subsidiary of the invested company accounted for using the equity method.
- J. The subsidiary of FENC's associate.
- K. Related party in substance.
- L. The investor is the corporate director of the investee.
- M. The investor is the corporate supervisor of the investee.
- N. Joint operation entity.
- O. Oriental Investment Holding (Netherlands) was established and registered on January 23, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.
- P. Oriental Martens (Netherlands) B.V. was established and registered on February 12, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.
- Q. The merger will change the operating dynamics and will achieve cost-saving benefits and tax incentives by reducing operational duplication in environment, energy, and quality perspectives. The merger of associates of subsidiary-PET Far Eastern (Holding) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (Yangzhou) Corporation will enhance the overall competency of the three companies. Far Eastern Union Petrochemical (Yangzhou) Corporation is the surviving company, and Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (Yangzhou) Corporation are the dissolved companies. Far Eastern Union Petrochemical (Yangzhou) Corporation were associates of PET Far Eastern (Holding) Ltd., a subsidiary, Oriental Petrochemical (Yangzhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The tentative record date of the merger was December 31, 2020.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation Yuan Ding Investment Co., Ltd.	Far Eastern Investment (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	4,894	\$ 26,235,260	178	\$ 961,014	- \$	- \$	-	\$ (1,461,705)	5,072	\$ 25,734,569
	Asia Cement Corporation	Investments accounted for using the equity method	-	(Note B)	32,458	1,270,042	20,264	934,254	-	-	-	1,343	52,722	2,205,639
	Far Eastern Department Store Co., Ltd.	Investments accounted for using the equity method	-	(Note B)	37,652	866,925	102,133	2,476,030	-	-	-	12,146	139,785	3,355,101
	Oriental Petrochemical (Taiwan) Corporation	Financial assets at amortized cost - noncurrent	Oriental Petrochemical (Taiwan) Corporation	(Note C)	-	-	0.03	3,000,000	-	-	-	-	0.03	3,000,000
Far Eastern General Contractor Inc.	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	12,659	140,031	96,102	1,066,000	976,302	976,031	271	(Note E)	20,707	230,002
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	52,071	692,000	662,183	661,972	211	(Note E)	2,257	30,035
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	21,894	358,000	358,067	358,000	67	-	-	-
Far Eastern Electronic Toll Collection Co., Ltd.	LINE Bank Taiwan Limited	Financial assets at fair value through other comprehensive income - noncurrent	Cash capital increase	-	-	100,000 (Note D)	50,000	400,000	-	-	-	(43,890) (Note F)	50,000	456,110
	YuanShi Digital Technology Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	90,014	(582,357)	80,000	800,000	-	-	-	(284,186)	107,004 (Note C)	(66,543)

Notes: A. Subsidiary.

B. Associates

C. Same ultimate parent company.

D. Amount including investment prepayment, originally account for other noncurrent assets.

E. Unrealized gain on financial asset at FVTPL.

F. Unrealized gain on financial asset at FVTOCI.

G. A total of 63,010,095 shares were deducted from the ending balance of the number of shares held, which were eliminated due to YuanShi Digital Technology Co., Ltd.'s capital reduction to offset its accumulated deficit.

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note	
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance		% of Total
Far Eastern New Century Corporation	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Sale	\$ (201,888)	(1)	Based on contract	-	\$ -	-	\$ 23,062	-	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Sale	(417,797)	(1)	Based on contract	-	-	-	34,922	1	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Sale	(1,851,936)	(5)	Based on contract	-	-	-	811,846	16	-	
	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Sale	(2,454,535)	(6)	Based on contract	-	-	-	348,274	7	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note D)	Sale	(397,999)	(1)	Based on contract	-	-	-	123,706	2	-	
	Everest Textile Corporation	(Note D)	Sale	(167,269)	-	Based on contract	-	-	-	27,582	1	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Purchase	9,756,113	29	Based on contract	-	-	-	(495,955)	(25)	-	
	Oriental Green Materials Limited	(Note A)	Purchase	1,063,682	3	Based on contract	-	-	-	(85,466)	(4)	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Purchase	169,071	1	Based on contract	-	-	-	(49,926)	(3)	-	
	Oriental Union Chemical Corporation	(Note A)	Purchase	935,704	3	Based on contract	-	-	-	(84,844)	(4)	-	
Far Eastern Fibertech Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(245,850)	(16)	Based on contract	-	-	-	70,798	39	-	
	Everest Textile Corporation	(Note D)	Sale	(173,762)	(11)	Based on contract	-	-	-	14,586	8	-	
Far Eastern General Contractor Inc.	Far Eastern Construction Co., Ltd.	(Note C)	Construction revenue	(397,895)	5	Based on contract	-	-	-	127,511	11	-	
	Far Eastern Resources Development Co., Ltd.	(Note C)	Construction revenue	(307,522)	(4)	Based on contract	-	-	-	54,627	5	-	
	Far Eastern Department Stores Co., Ltd.	(Note D)	Construction revenue	(146,318)	(2)	Based on contract	-	-	-	298,198	-	-	
	Chubai New Century Shopping Mall Co., Ltd.	(Note E)	Construction revenue	(207,954)	(3)	Based on contract	-	-	-	-	-	-	
	Ya Tung Ready-mixed Concrete Corporation	(Note E)	Purchase	480,950	6	Based on contract	-	-	-	(30,996)	(4)	-	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	(Note C)	Purchase	335,114	100	Based on contract	-	-	-	(127,511)	-	-	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(461,502)	(2)	Based on contract	-	-	-	49,056	2	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Sale	(4,431,853)	(19)	Based on contract	-	-	-	663,857	25	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(9,756,113)	(43)	Based on contract	-	-	-	495,995	19	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	1,256,690	34	Based on contract	-	-	-	-	-	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Purchase	567,060	15	Based on contract	-	-	-	-	-	-	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Purchase	201,345	5	Based on contract	-	-	-	(84)	(4)	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	1,642,086	43	Based on contract	-	-	-	(1,871)	(96)	-	
Far Eastern New Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd	(Note C)	Sale	(110,037)	(8)	Based on contract	-	-	-	14,662	9	-	
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(567,060)	(41)	Based on contract	-	-	-	-	-	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	227,777	15	Based on contract	-	-	-	(14,278)	-	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Sale	(227,777)	(2)	Based on contract	-	-	-	14,278	1	-	
Far Eastern Polytex (Vietnam) Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(274,459)	(2)	Based on contract	-	-	-	9,327	1	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(287,985)	(2)	Based on contract	-	-	-	25,440	1	-	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(298,816)	(2)	Based on contract	-	-	-	85,542	5	-	
	Worldwide Polychem (HK) Limited	(Note C)	Sale	(1,535,889)	(11)	Based on contract	-	-	-	826,954	45	-	
	Far Eastern New Century Corporation	(Note B)	Purchase	417,797	4	Based on contract	-	-	-	(34,922)	(2)	-	
Far Eastern Ishizuka Green Pet Corporation	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	4,431,853	39	Based on contract	-	-	-	(663,857)	(29)	-	
	Far Eastern New Century Corporation	(Note B)	Sale	(169,071)	(9)	Based on contract	-	-	-	49,926	21	-	
	FE New Century Industrial (Singapore) Pte. Ltd	(Note C)	Sale	(241,886)	(8)	Based on contract	-	-	-	130,974	12	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Purchase	110,037	4	Based on contract	-	-	-	(14,662)	(1)	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	937,550	33	Based on contract	-	-	-	(418,950)	(29)	-	
Far Eastern Polytex (Vietnam) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	693,416	24	Based on contract	-	-	-	(708,865)	(46)	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	879,354	31	Based on contract	-	-	-	(348,558)	(24)	-	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	
Far Eastern Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	\$ (937,550)	(35)	Based on contract	-	-	\$ 418,950	-	\$ 418,950	81
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(1,256,690)	(47)	Based on contract	-	-	(23,062)	-	(23,062)	(15)
	Far Eastern New Century Corporation	(Note B)	Purchase	201,888	8	Based on contract	-	-	(23,440)	-	(23,440)	(17)
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	287,985	12	Based on contract	-	-	-	-	-	-
Worldwide Polychem (HK) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	1,851,936	55	Based on contract	-	-	(81,846)	-	(81,846)	(50)
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	1,535,889	45	Based on contract	-	-	(826,954)	-	(826,954)	(50)
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	274,459	32	Based on contract	-	-	(9,327)	-	(9,327)	(12)
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Purchase	241,886	28	Based on contract	-	-	(130,974)	-	(130,974)	(88)
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	167,233	2	Based on contract	-	-	-	-	-	-
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	197,302	67	Based on contract	-	-	-	-	-	-
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note C)	Purchase	1,537,031	97	Based on contract	-	-	(3,074)	-	(3,074)	(24)
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Sale	(121,735)	(92)	Based on contract	-	-	46,386	-	46,386	92
Far Eastern Industries (Shanghai) Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(167,233)	(1)	Based on contract	-	-	-	-	-	-
	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(197,302)	(1)	Based on contract	-	-	-	-	-	-
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(367,266)	(2)	Based on contract	-	-	121,212	-	121,212	5
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(460,306)	(2)	Based on contract	-	-	137,172	-	137,172	5
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(218,928)	(1)	Based on contract	-	-	62,831	-	62,831	8
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(693,416)	(4)	Based on contract	-	-	708,865	-	708,865	27
	Far Eastern New Century Corporation	(Note B)	Purchase	2,454,535	15	Based on contract	-	-	(348,203)	-	(348,203)	(17)
	Far Eastern Fibertech Co., Ltd.	(Note C)	Purchase	245,850	1	Based on contract	-	-	(70,798)	-	(70,798)	(4)
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	461,502	3	Based on contract	-	-	(49,056)	-	(49,056)	(2)
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	298,816	2	Based on contract	-	-	(85,542)	-	(85,542)	(4)
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	4,609,361	27	Based on contract	-	-	(306,390)	(79)	(172,235)	(9)
Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(201,345)	(10)	Based on contract	-	-	84	-	84	-
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	359,630	20	Based on contract	-	-	(90,879)	-	(90,879)	(31)
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	218,928	25	Based on contract	-	-	(62,831)	-	(62,831)	(28)
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Sale	(359,630)	(9)	Based on contract	-	-	90,879	-	90,879	13
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(879,354)	(21)	Based on contract	-	-	348,558	-	348,558	49
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(1,642,086)	(39)	Based on contract	-	-	1,871	-	1,871	-
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	460,306	13	Based on contract	-	-	(137,172)	-	(137,172)	(19)
	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(1,537,031)	(24)	Based on contract	-	-	3,074	-	3,074	-
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	367,266	6	Based on contract	-	-	(121,212)	-	(121,212)	(21)
	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note C)	Sale	(4,609,361)	(44)	Based on contract	-	-	306,390	30	172,235	100
Far EastTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Purchase	121,735	1	Based on contract	-	-	(46,386)	-	(46,386)	(13)
	Cost of sales and marketing expenses	(Note C)	Cost of sales and marketing expenses	6,506,929	13	Based on contract	-	-	-	-	(874,204)	(5)
	Operating revenue	(Note C)	Operating revenue	(1,133,697)	(2)	Based on contract	-	-	-	-	408,078	7
	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(176,957)	-	Based on contract	-	-	-	-	1,320	-
	DataExpress InfoTech Co., Ltd.	(Note C)	Cost of sales	2,117,225	5	Based on contract	-	-	(522,015)	-	(522,015)	(3)
	Yuanshi Digital Technology Co., Ltd.	(Note C)	Cost of sales and marketing expenses	122,754	-	Based on contract	-	-	(66,155)	-	(66,155)	-
Far EastTone Property Insurance Agent Co., Ltd.	Operating revenue	(Note C)	Operating revenue	(149,779)	-	Based on contract	-	-	-	-	26,541	-
	Far EastTone Property Insurance Agent Co., Ltd.	(Note C)	Operating revenue	(282,045)	-	Based on contract	-	-	-	-	95,990	2

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd. Far EasTone Telecommunications Co., Ltd. KGEx.com Co., Ltd.	(Note C)	Operating revenue	\$ (2,117,225)	(21)	Based on contract	-	-	\$ 522,915	-	\$ 522,915	Note G
		(Note C)	Cost of sales	176,957	3	Based on contract	-	-	(1,320)	-	(1,320)	
		(Note C)	Cost of sales and rent expenses	140,701	2	Based on contract	-	-	(30,336)	-	(30,336)	
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Limited Pet Far Eastern (M) Sdn. Bhd. Far Eastern New Apparel (Vietnam) Ltd. Far Eastern Apparel (Vietnam) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern New Century Corporation Oriental Petrochemical (Taiwan) Corporation	(Note C)	Sale	(1,535,889)	(11)	Based on contract	-	-	826,954	-	826,954	45
		(Note C)	Sale	(274,459)	(2)	Based on contract	-	-	9,327	-	9,327	1
		(Note C)	Sale	(227,777)	(2)	Based on contract	-	-	14,278	-	14,278	1
		(Note C)	Sale	(287,985)	(2)	Based on contract	-	-	25,440	-	25,440	1
		(Note C)	Sale	(198,816)	(2)	Based on contract	-	-	85,542	-	85,542	5
		(Note B)	Purchase	417,797	4	Based on contract	-	-	(34,922)	-	(34,922)	(2)
		(Note C)	Purchase	4,431,853	39	Based on contract	-	-	(663,857)	-	(663,857)	(29)
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd. Far EasTone Telecommunications Co., Ltd. Home Master Technology Ltd.	(Note C)	Operating revenue	(6,506,929)	(64)	Based on contract	-	-	874,204	-	874,204	56
		(Note C)	Cost of sales	1,133,697	12	Based on contract	-	-	(408,678)	-	(408,678)	(31)
		(Note C)	Operating revenue	(923,095)	(9)	Based on contract	-	-	330,027	-	330,027	21
KGEx.com Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(140,701)	(25)	Based on contract	-	-	30,336	-	30,336	52
		(Note C)	Sale revenue	(122,754)	(3)	Based on contract	-	-	66,155	-	66,155	13
DataExpress Infotech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	149,779	7	Based on contract	-	-	(26,541)	-	(26,541)	(10)
Yuanshi Digital Technology Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	923,095	66	Based on contract	-	-	(330,027)	-	(330,027)	(97)
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Operating revenue	282,045	90	Based on contract	-	-	(95,990)	-	(95,990)	(97)
Far EasTone Property Insurance Agent Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue			Based on contract	-	-		-		
Microfusion Technology	Nextlink (HK) Technology	(Note C)	Sale revenue	(143,525)	(23)	Based on contract	-	-	44,558	-	44,558	29
Nextlink (HK) Technology	Microfusion Technology	(Note C)	Operating revenue	143,525	15	Based on contract	-	-	(44,558)	-	(44,558)	(19)

Notes: A. Subsidiary.

B. Parent company.

C. The guarantee provider and counterparty have the same ultimate parent company.

D. The consolidated company's investee which accounted for using the equity method.

E. The ultimate parent company of the consolidated company's investee which accounted for using the equity method.

F. All interconnection revenue, costs and collection of international direct dial revenue between the Company and NCIC were settled at net amounts and were included in accounts payable - related parties.

G. Including international service revenue collected by Far EasTone for NCIC.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd. Far Eastern Industries (Shanghai) Ltd. Freudenberg Far Eastern Spunweb Co., Ltd.	(Note B) (Note B) (Note E)	\$ 811,846 348,203 123,706	2.84 7.56 4.16	\$ - - -	- - -	\$ 337,008 317,824 123,706	\$ - - -
Oriental Petrochemical (Taiwan) Corporation	Far Eastern Polytex (Vietnam) Ltd. Far Eastern New Century Corporation	(Note D) (Note C)	663,857 492,530	5.55 12.52	- -	- -	663,857 492,530	- -
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	(Note D)	826,954	1.89	-	-	327,115	-
Far Eastern Industries (Shanghai) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd Wuhan Far Eastern New Material Ltd.	(Note D) (Note D)	708,865 62,831	1.96 2.67	- -	- -	70,125 44,801	- -
	Far Eastern Dyeing & Finishing (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd.	(Note D) (Note D)	137,172 121,212	3.38 2.24	- -	- -	137,172 114,773	- -
Far Eastern New Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd	(Note D)	418,950	4.48	-	-	418,950	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd	(Note D)	348,558	5.05	-	-	293,854	-
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note D)	478,625	10.11	-	-	320,863	-
FE New Century Industrial (Singapore) Pte. Ltd	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	130,974	3.69	-	-	130,974	-
Far Eastern General Contractor Inc.	Far Eastern Construction Co., Ltd. Far Eastern Department Stores Co., Ltd.	(Note D) (Note E)	127,511 298,198	(Note I) (Note I)	- -	- -	72,806 -	- -
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note D)	115,336	4.73	-	-	54,581	-
Ding Ding Integrated Marketing Service Co., Ltd.	Pacific SOGO Department Stores Co., Ltd.	(Note F)	106,966	(Note G)	-	-	8,360	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd. Far EasTone Property Insurance Agent Co., Ltd.	(Note D) (Note D)	408,678 102,682	8.78 5.49	- -	- -	410,620 34,294	- -
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	522,915	(Note H)	-	-	211,710	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd. Yuanshi Digital Technology Co., Ltd. Home Master Technology Ltd.	(Note D) (Note D) (Note D)	874,204 110,406 330,027	7.05 9.81 3.11	- - -	- - -	421,719 110,395 97,755	- - -

(Continued)

Notes: A. This table does not include the receivables from financier. For more details, refer to Table 5.

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

E. The consolidated company's investee which was accounted for using the equity method.

F. The subsidiary of the consolidated company's investee which was accounted for using the equity method.

G. The turnover rate was unavailable due to the receivables were points collections and payments on behalf of others.

H. All interconnection revenue, costs and collection of revenue from international direct dialing between the Company and NCIC were settled in net amounts and included in accounts receivable/payable-related parties. The turnover rate was unavailable as the receivables from related parties were due to the collection of telecommunications bills by the Company on behalf of NCIC and the financing provided by NCIC to the Company.

I. The turnover rate was unavailable due to the fact that request for payment is made according to the progress of the construction contract, which is irrelevant to the construction revenue recognized according to the costs incurred relative to the total expected costs.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount December 31, 2020	Investment Amount December 31, 2019	Shares (Thousands)	Balance as of December 31, 2020 % of Ownership	Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
Far Eastern New Century Corporation	Asia Cement Corporation	Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	750,511	22.33	\$ 19,555,827	\$ 14,664,682	\$ 3,009,171	Investment gain or loss recognized under the treasury shares method (Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	5,078,558	1,939,139	330,817	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,095,081	(93,945)	(89,494)	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	140	0.03	1,180	(936,987)	(281)	(Note A)
	Oriental Securities Corporation	Taiwan	Brokerage	159,823	159,823	140,278	19.65	2,024,150	97,350	19,129	(Note A and E)
	Pacific Lai Tong Investment Co., Ltd.	Taiwan	Investment	81,470	81,470	14,740	6.63	1,009,469	13,700	1,129	(Note A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	805,590	805,590	87,767	31.70	1,474,560	2,518,703	34,317	(Note A and K)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,052	100,052	1,822,822	99.40	41,433,997	4,274,881	4,250,564	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$1,332 (Notes B and H) including the adjustments of the transactions between subsidiaries \$13,779 (Note B) (Note B)
	Far Eastern Resources Development Co., Ltd.	Taiwan	Real estate construction and sales	14,931,733	14,931,733	775,836	100.00	106,334,081	1,569,370	1,583,149	Including the adjustments of the transactions between subsidiaries \$13,779 (Note B) (Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	10,382,911	10,382,911	168	100.00	9,647,375	(95,091)	(95,091)	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment and sale of chemical fiber production	7,318,312	7,318,312	830,815	73.04	7,739,405	107,429	78,466	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	739,953	100.00	8,737,914	573,219	583,125	Including the adjustments of the transactions between subsidiaries \$9,906 (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	361,486	100.00	5,582,758	323,009	323,009	(Note B)
Yuan Ding Investment Co., Ltd.	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment and sale of petrochemicals	23,386,997	23,386,997	4,894	100.00	25,734,569	(100,906)	(100,906)	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	6,626,110	6,626,110	397	91.95	4,497,126	(1,189,775)	(1,084,271)	Including discounted amortization \$9,727 (Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	16,309,038	16,309,038	1,712,218	75.56	9,057,496	(2,512,959)	(1,084,271)	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$2,031.2 (Notes B and J)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and sales	143,450	143,450	223,481	65.11	9,956,499	1,700,033	1,088,745	(Note B)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,243,038	47,072	25,454	(Notes B and J)
	An Ho Garment Co., Ltd.	Taiwan	Garment production and investment	1,023	1,023	75,704	100.00	2,109,554	176,101	176,204	Including the adjustments of the transactions between subsidiaries \$103 (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	253,977	100.00	3,088,477	134,679	134,758	Including the adjustments of the transactions between subsidiaries \$79 (Note B)
	PEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	913,226	(15,700)	(7,917)	(Note B)
	Fu Kwok Knitting & Garment Co., Ltd.	Taiwan	Garment production	9,205	9,205	4,000	100.00	211,101	15,615	15,615	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	401,042	401,042	769	0.74	7,700	(703,961)	(5,409)	(Note B)
	Far Eastern Textile Ltd.	Taiwan	Textile production	1,000	1,000	100	100.00	1,720	63	63	(Note B)
	PE Oriental Investment Holding (Singapore) Pte. Ltd.	Singapore	Investment	147,400	-	50	100.00	165,064	23,515	23,515	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	2,051,009	1,116,755	52,722	1.57	2,205,639	14,664,682	-	(Note A)
Yuan Ding Investment Co., Ltd.	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,085,488	1,085,488	70,818	8.00	1,130,946	(975,945)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	3,286,166	812,136	1,353,351	9.87	3,353,351	1,939,139	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,286,618	2,232,887	126,618	22.87	2,848,497	(936,987)	-	(Note A)
	Far East Textile Industries Co., Ltd.	Taiwan	Textile production	2,723,598	2,723,598	1,066,638	32.73	21,968,490	83,541,230	-	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment and sale of chemical fiber production	1,392,692	1,392,692	306,644	26.96	2,856,714	107,429	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment and sale of textile	217,942	217,942	111	100.00	4,314,142	339,556	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taiwan	Sale of polychemical products	263,790	263,790	64,662	41.86	2,303,416	183,254	-	(Note A)
	Yuan Faun Co., Ltd.	Taiwan	Sale of textiles, garments, and clothing	387,984	387,984	24,772	70.445	70,445	(44,789)	-	(Note B)
	Yuan Faun Co., Ltd.	Taiwan	Production management consulting	51,671	51,671	5,000	100.00	144,492	5,337	-	(Note B)
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	4,745	45.50	64,307	446	-	(Note A)
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and sales	319,380	319,380	36,706	46.20	398,076	22,666	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount December 31, 2020	December 31, 2019	Shares (Thousands)	% of Ownership	Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
Far Eastern Investment (Holding) Ltd.	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	\$ 585,000	\$ 585,000	91,000	100.00	\$ 1,133,113	\$ 56,445	-	(Note B)
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing	13,475	13,475	2,484	100.00	68,642	36,761	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Medical gas production and sales	594,806	594,806	35,000	100.00	2,432,413	2,036,627	-	(Note A)
	Preindeneer Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	1,356,366	1,356,366	32,000	100.00	4,823,516	48,235	-	(Note A)
	Yuan Ding Steel Corporation	Taiwan	Blasting	255,424	255,424	187,470	23.96	2,277,529	97,550	-	(Note B)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	13.86	1,136,900	47,072	-	(Note B)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	949,125	173,611	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment and sale of textile	7,142,602	7,142,602	110	100.00	7,950,473	11,005	-	(Notes A and E)
	Pacific Lai Tong Investment Co., Ltd.	Taiwan	Investment	796,491	796,491	119,653	14.92	1,695,192	814,794	-	(Notes A and E)
	Yu Yuan Investment Co., Ltd.	Taiwan	Real estate construction	673,704	673,704	98,198	18.96	958,927	712,538	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	14,682	14,682	1,490	1.00	23,624	202,829	-	(Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	779,399	779,399	117,746	5.20	643,372	(2,512,959)	-	(Note B)
	Oriental Petrochemicals Limited	Taiwan	waste recycling and processing	647,083	647,083	55,311	100.00	606,730	51,533	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,095,981	1,095,981	122,687	3.56	1,586,439	2,518,703	-	(Note A)
	Filky Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	-	-	(Note A)
	PETG Investment Antilles N.V.	Netherlands	Investment	US\$ 6	US\$ 6	6	100.00	32,236	(1,221)	-	(Note B)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	198,447	14,705	-	(Note B)
	Com-2B	Cyprus Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	-	-	-	(Note A)
	Worldwide Polychem (HK) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	(Note D)	100.00	939,969	47,138	-	(Note B)
APG Polytex USA Holdings, Inc.	Opas Fund Segregated Portfolio Company	Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	109,670	46,901	-	(Note B)
	Far Eastern Polytex (Vietnam) Ltd.	Cayman Islands	Investment	US\$ 51	US\$ 51	(Note D)	34.00	1,285	34	-	(Note A)
	Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Chemical fiber and textile production	US\$ 240,000	US\$ 240,000	(Note D)	100.00	7,481,568	816,407	-	(Note B)
	Magna View Sdn. Bhd.	Vietnam	Garment production	US\$ 18,465	US\$ 18,465	3,000	100.00	(21,110)	(21,110)	-	(Note B)
	Manila Manufacturing Co., Ltd.	Singapore	Investment	US\$ 1,465	US\$ 1,465	3,000	100.00	198,427	7,150	-	(Note B)
	Drive Catalyst SRC	Cyprus Islands	Investment	US\$ 15,849	US\$ 15,849	30	37.92	460,550	(3,790)	-	(Note B)
	APG Polytex USA Holdings, Inc.	America	Investment	US\$ 17	US\$ 17	(Note D)	34.00	495	2	-	(Note A)
	Drive Catalyst SRC-SP Tameche One	Cyprus Islands	Investment	US\$ 506,467	US\$ 506,467	5	100.00	14,246,026	(56,585)	-	(Note B)
	Drive Catalyst SRC-SP Tameche Three	Cyprus Islands	Investment	US\$ 4,000	US\$ 4,000	4	25.00	106,357	(27,519)	-	(Note A)
	Far Eastern International Garments	Philippines	Garment production	US\$ 4,000	US\$ 4,000	4	25.00	127,616	(5,572)	-	(Note A)
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	US\$ 1	US\$ 1	59	41.00	(11,732)	-	-	(Note A)
	Corpus Christi Polymers LLC	Philippines	Clothing O.E.M.	US\$ 1	US\$ 1	90	50.00	(10,886)	-	-	(Note A)
	APG Polytex, LLC	America	Petrochemical materials production and Polychemical products production	US\$ 422,800	US\$ 422,800	(Note D)	33.33	11,853,091	(300,219)	-	(Note K)
	Phoenix Technologies International, LLC	America	Polychemical products production and their waste and general industrial waste handling	US\$ 90,000	US\$ 90,000	(Note D)	100.00	2,865,479	220,047	-	(Note B)
		America		US\$ 16,500	US\$ 10,000	(Note D)	100.00	237,358	(142,601)	-	(Note B)
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	19,447	14,705	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	339,088	337,260	12,279	0.37	464,945	14,664,682	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	238,466	114,506	1,783	0.85	278,835	1,939,587	-	(Note A)
	Diverse Textile Corporation	Taiwan	Chemical fiber production	1,356,366	1,356,366	11,356	0.35	9,958,977	(9,958,977)	-	(Note A)
	Far East Telecommunications Corporation	Taiwan	Petrochemical materials production	677,665	677,665	27,365	3.09	605,182	(975,945)	-	(Note A)
	Far East Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0.03	41,032	8,354,128	-	(Note B)
	Pacific Lai Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	249,576	814,794	-	(Notes A and E)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	95,624	95,624	15,738	13.20	425,408	123,495	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	814,399	814,399	91,166	2.64	1,178,220	2,518,703	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	732,627	732,627	25,312	0.75	1,009,524	14,664,682	-	(Note A)
	Far East Tone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	793,702	34,299	1.05	1,107,782	8,354,128	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	742,686	742,686	32,474	3.67	598,227	(975,945)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	519,473	20,672	1.46	597,205	1,939,139	-	(Note A)
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	1,127	49.00	450,602	45,515	-	(Note A)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	950,069	173,611	-	(Note A)
	Pacific Lai Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	249,777	814,794	-	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	988,714	988,714	110,679	3.21	1,430,986	2,518,703	-	(Note A)
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	8.05	394,067	(1,189,775)	-	(Note B)
	FEDF (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	897,653	(157,000)	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	Production and sale of recycled plastic resins and their waste and general industrial waste handling	JPY 2,991,678	JPY 2,991,678	3,578	90.00	1,142,565	185,334	-	(Note B)
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.53	612,922	14,664,682	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	271,587	271,587	147,413	98.95	2,173,332	202,829	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2020		Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2020	December 31, 2019	Shares (Thousands)	% of Ownership				
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	\$ 16,246	\$ 16,246	469	0.01	\$ 16.35	\$ 14,664,682	-	(Note A)
	Far East Tone Telecommunications Co., Ltd.	Taiwan	Telecommunications	6,353	6,353	90	-	0.02	8,354,128	-	(Note B)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	12	0.01	1.56	123,495	-	(Note A)
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	6,939	11,909	-	(Note B)
Malaysia Garment Manufacturers Pte. Ltd.	Filken Corporation	Philippines	Polysynthetic products	PESO 102,565	PESO 102,565	20,513	9.95	-	-	-	(Note A)
	Arpeggio International Resources Corporation	Philippines	Industry investment	PESO 15,200	PESO 15,200	(Note D)	40.00	-	-	-	(Note A)
	PT Malaysia Garment Bintan	Indonesia	Garment production	SGD -	SGD -	(Note D)	99.00	(38)	-	-	(Note B)
An Ho Garment Co., Ltd.	Far East Tone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,018,618	8,354,128	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.18	257,100	14,664,682	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	235,825	(975,945)	-	(Note A)
Far Eastern Department Stores Co., Ltd.	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	370	0.03	11,925	1,939,139	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokerage	122,420	119,933	8,723	1.21	118,874	97,350	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	18,682	15.66	406,573	123,495	-	(Note A)
Pacific Liu Tong Investment Co., Ltd.	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	67,285	67,285	9,681	1.21	139,586	814,794	-	(Notes A and E)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	168,700	4,274,881	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	202,798	202,798	22,702	0.66	293,641	2,518,703	-	(Note A)
Yuan Fuan Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	12,513	2,049	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	42,973	42,973	4,811	0.14	62,253	2,518,703	-	(Note A)
	Far East Tone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.02	19,037	8,354,128	-	(Note B)
Fu Kwok Knitting & Garment Co., Ltd.	Far East Tone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,673,311	8,354,128	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,632,237	1,391,618	59,073	4.17	1,776,669	1,939,139	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,755,017	1,755,017	49,705	5.61	1,570,671	(975,945)	-	(Note A)
Yuan Tong Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	1,067,775	1,067,775	32,465	0.97	1,349,928	14,664,682	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	248,579	814,794	-	(Notes A and E)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	787,104	787,104	35,934	11.98	514,235	541,109	-	(Note A)
Liquid Air Far East Co., Ltd.	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	20	20	1	-	35	2,036,627	-	(Note B)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(741,428)	(33,926)	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	3	-	54	461,314	-	(Note B)
Malaysia Garment Manufacturers Pte. Ltd.	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Garment production and investment	7,354	7,354	10	13.00	157,923	(3,790)	-	(Note B)
	Malaysia Garment Manufacturers Pte. Ltd.	Singapore	Deposit, loan and guarantee services	986,735	986,735	110,457	3.20	1,427,704	2,518,703	-	(Note A)
FE Oriental Investment Holding (Singapore) Pte. Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	Singapore	Textile product sales	US\$ 4,900	US\$ -	49	100.00	162,367	23,672	-	(Note B)
	Oriental Investment Holding (Netherlands) B.V.	Netherlands	Investment	-	-	-	100.00	-	-	-	(Notes B and L)
	Oriental 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	100,000	100,000	13,992	100.00	263,419	11,798	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taiwan	Marketing	558,000	558,000	21,787	60.00	154,063	(15,753)	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	68,953	11,909	-	(Note B)
YDC (Virgin Islands) Ltd.	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	(Note D)	17.70	10,226	4,775	-	(Note B)
	Yuanishi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	566,896	566,896	1,499	1.35	(934)	(195,262)	-	(Note B)
	PET Consulting Engineers Co., Ltd.	Taiwan	Business management consultants, piping engineering, cable installation, automatic equipment installation and investment business	342,701	342,701	37,000	100.00	50,695	(3,408)	-	(Note B)
Asia Cement Corporation	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.16	214,368	14,664,682	-	(Note A)
	Far East Tone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	107,673	8,354,128	-	(Note B)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	411,187	411,187	129,637	25.02	2,052,950	712,538	-	(Note A)
Yue Ming Corporation	Yue Ming Corporation	Taiwan	Trading	787	787	104	1.00	607	446	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	3,091	2.59	66,869	123,495	-	(Note A)
	FE DS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	10,650	5.00	131,214	109,694	-	(Note A)
Far Eastern Electronic Toll Collection Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	977,650	977,650	44,796	14.93	635,567	541,109	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	76,665	76,665	8,582	0.25	111,087	2,518,703	-	(Note A)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	400,000	400,000	10,968	1.66	82,421	(186,581)	-	(Note B)
Ding Ding Hotel Co., Ltd.	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	2,650,238	2,650,238	102,509	98.32	81,826	(730,361)	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount December 31, 2020	Investment Amount December 31, 2019	Balance as of December 31, 2020		Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
						Shares (Thousands)	% of Ownership			
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	\$ 1,828	\$ 1,828	\$ 5	-	\$ (195,262)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	500,200	300,200	28,231	37.72	212,070	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	(Note D)	46.13	23,529	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	(Note D)	53.87	27,243	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Corporation	Taiwan	Chemical fiber production	2,451	2,451	130	0.03	818	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0.20	989,29	-	(Note A)
Far Eastern Electronic Toll Collection Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	14,664,682	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	(Note D)	82.30	47,547	-	(Note B)
Far East One Telecommunications Co., Ltd.	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	26,960	26,960	3,018	0.09	2,518,703	-	(Note A)
	PETC International Co., Ltd	Taiwan	Dispatched labor, procuring equipment, and sales agent services	200,000	200,000	20,000	100.00	30,104	-	(Note B)
ARCOA Communication Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	26,974,867	-	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Telecommunications services, sales of telecommunications products and office equipment	1,305,802	1,305,802	82,762	61.63	679,411	-	(Note B)
New Century InfoComm Tech Co., Ltd.	KCE.com Co., Ltd.	Taiwan	Type II telecommunications services	2,240,472	2,240,472	68,897	99.99	903,588	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	1,686,169	886,169	107,004	96.18	(66,543)	-	(Note B)
DataExpress Infotech Co., Ltd.	Yuan Qing Co., Ltd.	Taiwan	Call center services	-	-	2,000	100.00	16,326	-	(Note B and J)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	4,811	-	(Note B)
New Diligent Co., Ltd.	Yuan Ba Fei Tech Co., Ltd.	Taiwan	Electronic information providing services	60,000	60,000	6,000	100.00	52,045	-	(Note B)
	Yuan Ba Fei Tech Co., Ltd.	Taiwan	Type II telecommunications services	5,000	5,000	500	100.00	(7,635)	-	(Note B)
DataExpress Infotech Co., Ltd.	Far East One Property Insurance Agent Co., Ltd.	Taiwan	Property insurance agent	2,542,396	2,542,396	118,231	39.42	64,587	-	(Note B)
	Far East One Property Insurance Agent Co., Ltd.	Taiwan	Electronic toll collection services	600,000	600,000	23,302	30.00	1,269,488	-	(Note B)
New Diligent Co., Ltd.	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	139,500	139,500	5,447	15.00	164,513	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	600,000	600,000	16,452	21.98	38,681	-	(Note B)
DataExpress Infotech Co., Ltd.	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	141,750	141,750	13,896	70.00	123,425	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic information providing services	540,000	540,000	54,000	100.00	246,341	-	(Note B)
New Diligent Co., Ltd.	Information Security Service Digital United Inc.	Taiwan	Investment	148,777	148,777	10,249	100.00	82,075	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Security and monitoring service via internet	317,446	317,446	10,320	100.00	17,482	-	(Note B)
New Diligent Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Taiwan	Investment	20,000	20,000	750	0.67	163,344	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Electronic information providing services	46,500	46,500	1,816	5.00	3,691	-	(Note B)
New Diligent Co., Ltd.	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Marketing	123,220	123,220	4	25.00	(195,262)	-	(Note B)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	122,300	122,300	4	25.00	12,894	-	(Note A)
New Diligent Co., Ltd.	Prime EcoPower Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000	100.00	(27,519)	-	(Note A)
	Nextlink Technology Co., Ltd.	Taiwan	Electronic information providing services	420,000	420,000	3,430	70.00	(5,572)	-	(Note B)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	30	100.00	43,098	-	(Note B)
	Far East New Diligent Company Ltd.	British Virgin Islands	Investment	330,598	330,598	-	100.00	(4)	-	(Note B)
DataExpress Infotech Co., Ltd.	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	3,051	3,051	-	100.00	(4,609)	-	(Note B)
	Linkwell Tech. Co., Ltd.	Taiwan	Electronic information providing services	10,000	10,000	(Note D)	-	2,291	-	(Note B)
Nextlink Technology Co., Ltd.	Home Master Technology Ltd.	Taiwan	Electronic information providing services	-	-	47,290	100.00	1,443	-	(Note B and N)
	Microfusion Technology Co., Ltd	Taiwan	Electronic information providing services	17,000	17,000	2,600	100.00	28,060	-	(Note B)
Nextlink Technology Co., Ltd.	Nextlink (HK) Technology Co., Ltd	Hong Kong	Electronic information providing services	973	973	-	100.00	13,747	-	(Note B)
	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information providing services	1,494	1,494	-	100.00	3,331	-	(Note B)

Notes: A. Equity-method investee;

B. Subsidiary.

C. Including 5,000 thousand common stock and 3,000 thousand preferred shares.

D. Company limited.

E. The investor opened a trust account in Shanghai Bank in Taipei to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.

F. Shares in thousands.

G. For investments in mainland China, refer to Table 11.

(Continued)

H. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corporation (TWSE), the Company recognized these items as investment properties in its parent-company-only financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the parent-company-only financial statements and the consolidated financial statements.

I. The effects from the adjustments of FENC shares which are held by Yuan Ding Co., Ltd. and the transactions between subsidiaries amounted to \$796 thousand.

J. The ending balance of the investment is zero in 2016 because the amount of reduction in capital was over the original investing value.

K. Joint operation entity

L. Oriental Investment Holding (Netherlands) was established and registered on January 23, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.

M. Oriental Martens (Netherlands) B.V. was established and registered on February 12, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.

N. DataExpress Infotech Co., Ltd. merged with Linkwell Tech. Ltd. on April 1, 2020. DataExpress Infotech Co., Ltd. was the surviving company and Linkwell Tech. Ltd. was the dissolved company

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEES

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital (Note T)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2020 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2020	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Ltd.	Manufacture and sales of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	\$ 8,230,508 (RMB 1,880,399 thousand)	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 101,704	100.00	\$ 101,704	\$ 8,620,916	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	895,434 (RMB 204,577 thousand)	2	1,010,901	-	-	1,010,901	16,163	100.00	16,163	1,601,216	233,172	Notes F and G
Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	1,040,056 (RMB 237,619 thousand)	3	-	-	-	-	19,004	100.00	19,004	1,076,836	-	
Far Eastern Industries (Wuxi) Ltd.	Production and marketing of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, griever woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics	2,107,397 (RMB 481,471 thousand)	2	2,018,430	-	-	2,018,430	(70,842)	100.00	(70,842)	2,819,128	313,458	Notes H and I
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products	7,850,541 (RMB 1,793,590 thousand)	2	3,791,007	-	-	3,791,007	(1,458,015)	61.35	(894,492)	2,774,133	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and sales of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps	1,616,308 (RMB 369,273 thousand)	2	1,342,854	-	-	1,342,854	258,735	100.00	258,735	3,307,071	159,799	Notes H and R
Far Eastern Industries (Suzhou) Ltd.	Production and marketing of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	1,726,156 (RMB 394,370 thousand)	2	1,765,319	-	-	1,765,319	23,059	100.00	(6,805)	1,600,766	-	Note K
Wuhan Far Eastern New Material Ltd.	Manufacture and sales of PET sheets, chips, and filaments PET performs and garments and its by-products	748,675 (RMB 171,048 thousand)	2	724,110	-	-	724,110	11,164	100.00	11,164	941,333	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note T)	Method of Investment (Note A)	Accumulated Outward Remittance from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2020 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2020	Note
					Outflow	Inflow							
Oriental Industries (Suzhou) Ltd.	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	\$ 4,792,144 (RMB 1,094,847 thousand)	2	\$ 4,957,248	\$ -	\$ -	\$ 4,957,248	\$ 62,605	100.00	\$ 62,605	\$ 6,015,936	\$ -	Note H
Far Eastern New Century (China) Investment Co., Ltd.	Investment	4,683,616 (RMB 1,070,052 thousand)	2	4,794,027	-	-	4,794,027	(113,319)	100.00	(113,319)	3,873,694	-	-
Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	1,668,329 (RMB 381,158 thousand)	2	1,763,952	-	-	1,763,952	(34,300)	100.00	(39,795)	(677,683)	-	-
Martens Beers (Shanghai) Ltd.	Beer brewing	326,771 (RMB 74,656 thousand)	2	231,475	-	-	231,475	(2)	100.00	(2)	14,922	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	6,361,318 (RMB 1,453,351 thousand)	2	4,181,323	-	-	4,181,323	5,481	60.00	3,289	3,844,424	-	-
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,352,066 (RMB 308,902 thousand)	2	1,436,190	-	-	1,436,190	8,029	100.00	8,029	1,384,124	-	-
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	4,138,298 (RMB 945,465 thousand)	2	1,962,908	-	-	2,983,397	(869,645)	44.20	(434,823)	2,815,672	-	Note V
Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	55,632 (RMB 12,710 thousand)	3	-	-	-	-	777	100.00	777	58,187	-	-
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	83,163 (RMB 19,000 thousand)	3	-	-	-	-	9,251	100.00	9,251	146,362	-	-
Suzhou An Ho Apparel Ltd.	Garment production	4,377 (RMB 1,000 thousand)	3	-	-	-	-	1,123	100.00	1,123	55,900	-	-
Yuan Ding Enterprise (Shanghai) Limited	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	7,718,511 (RMB 1,763,425 thousand)	3	-	-	-	-	(99,730)	40.00	(39,892)	2,794,170	-	-
Tong Da Air Industry (Yangzhou) Co., Ltd.	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	-	2	1,020,489	-	-	-	83,678	-	41,839	-	-	Note V
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	659,388 (RMB 150,648 thousand)	2	598,270	-	-	598,270	(6,356)	100.00	(6,356)	50,592	-	Note M
Speedy (Shanghai) digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	28,622 (RMB 6,539 thousand)	2	24,220	-	-	24,220	4,876	100.00	4,876	56,337	-	Note N

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note T)	Method of Investment (Note A)	Accumulated Outward Remittance for Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Taiwan as of December 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2020 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2020	Note
Digital United Information Technology (Shanghai) Ltd.	Research and design of computer systems	\$ 88,288 (US\$ thousand)	2	\$ 88,288	\$ -	\$ -	\$ 88,288	\$ 6,398	100.00	\$ 6,398	\$ 5,987	\$ -	Note P
Far Eastern Tech-Info Ltd. (Shanghai)	Digital information supply services	170,880 (US\$ thousand)	2	192,296	-	-	192,296	(201)	-	(201)	-	-	Note O
Nextlink (Shanghai) Technology Co., Ltd.	Computer software, data processing and provision of network information services	2,051 (US\$ thousand)	2	2,051	-	-	2,051	(218)	70.00	(218)	1,207	-	Note Q

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Corporation (Note S and T)	\$ 22,653,879	\$ 23,821,638	\$ -

Notes: A. Investment types are classified as follows:

- 1 The investment was made directly in China.
 - 2 The investment was made through a company registered in a third region. Companies which registered in a third region are: Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Far Eastern Apparel (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd., Nextlink Technology Co., Ltd. and Far East New Diligent Company Ltd.
 - 3 Other types.
- B. Recognition of gains or losses was based on the following two information:
1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Far Eastern Apparel (Suzhou) Co., Ltd., Far Eastern Industries (Wuxi) Ltd., Oriental Petrochemical (Shanghai) Corporation, Far Eastern Dyeing and Finishing (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Oriental Industries (Suzhou) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation and Tong Da Air Industry (Yangzhou) Co., Ltd.
 2. Others: Far Eastern Industries (Suzhou) Ltd., Far Eastern New Century (China) Investment Co., Ltd., Sino Belgium Beer (Suzhou) Ltd., Martens Beers (Shanghai) Ltd., Far Eastern Industries (Yangzhou) Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Shanghai Yuan Zi Information Technology Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Corporation, Suzhou An Ho Apparel Ltd., Yuan Ding Enterprise (Shanghai) Limited, Yuan Ding Integrated Information Service (Shanghai) Inc., Digital United Information Technology (Shanghai) Ltd., Far Eastern Tech-Info Ltd. (Shanghai) and Speedy (Shanghai) digital Tech. Co., Ltd.

C. The ending balance of long term investment.

D. As of December 31, 2020, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.

E. As of December 31, 2020, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.

F. As of December 31, 2020, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.

G. As of December 31, 2020, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Co., Ltd. which remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.

H. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2020, the profit of investment was cash dividend paid by Far Eastern Industries (Wuxi) Ltd. remitted through a FENC's subsidiary, Oriental Textile (Holding) Ltd.

J. As of December 31, 2020, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation remitted through FENC's subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.

K. As of December 31, 2020, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Co., Ltd.

(Continued)

- L. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.
- M. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by FENC's subsidiaries, YDT Technology International Co., Ltd, FET Consulting Engineers Co., Ltd, and Ding Ding Integrated Marketing Service Co., Ltd.
- N. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.
- O. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Far East Tone Telecommunications Co., Ltd. The investment project was approved by the local government to be dissolved in 2020.
- P. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.
- Q. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.
- R. As of December 31, 2020, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd, which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Ltd.
- S. Investment amounts authorized by the Investment Commission of the MOEA include US\$835,405 thousand, and the original investment RMB6,695 thousand from Far Eastern Polytex (Holding) Ltd, which approved by Investment Commission under the Ministry of Economic Affairs were calculated based on the ending exchange rates of US\$1:28.48 and RMB1:4.377.
- T. Based on MOEA Approval Letter No. 10920434850, there is no limitation on the amount of the Company's investment in China.
- U. The paid-in capital was calculated based on the ending exchange rate of RMB1:4.377 and US\$1:28.48.
- V. The merger will change the operating dynamics and will achieve cost-saving benefits and tax incentives by reducing operational duplication in environment, energy, and quality perspectives. The merger of associates of subsidiary-PET Far Eastern (Holding) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (Yangzhou) Corporation will enhance the overall competency of the three companies. Far Eastern Union Petrochemical (Yangzhou) Corporation is the surviving company, and Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (Yangzhou) Corporation are the dissolved companies. Far Eastern Union Petrochemical (Yangzhou) Corporation were associates of PET Far Eastern (Holding) Ltd., a subsidiary, Oriental Petrochemical (Yangzhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The tentative record date of the merger was December 31, 2020.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA - INVESTMENT TYPES

FOR THE YEAR ENDED DECEMBER 31, 2020

(In Thousands of U.S. Dollars)

Investee Company	Investor Company	Authorized by Investment Commission, MOEA				Investment Type			
		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.	2004.12.29	No. 093032400	Far Eastern Polychem Industries Ltd.	24,000	24,000			
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Ltd.	1,712		\$ 1,712	\$ 1,540	
	Far Eastern New Century Corporation	2004.11.03	No. 093032240	Far Eastern Polychem Industries Ltd.	1,540				
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032402	Far Eastern Polychem Industries Ltd.	3,879		3,879		
	Yuan Ding Investment Co., Ltd.	2004.11.02	No. 093032089	Far Eastern Polychem Industries Ltd.	7,014		7,014		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032089	Far Eastern Polychem Industries Ltd.	15,898		15,898		
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	6,313	31,779		6,313	
	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			
Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Ltd.	8,198 (Note E)	11,500			
	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
	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			
	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 Dyeing & Finishing (Suzhou) 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	PET Far Eastern (Holding) Ltd.	4,800	4,800			
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	2,936 (Note F)				
	Far Eastern New Century Corporation	2017.09.18	No. 10630056570	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	PET Far Eastern (Holding) Ltd.	27,000	27,000			
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	Far Eastern Polychem Industries Ltd.	9,352	30,000			9,352
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	FEDP (Holding) Ltd.	1,569			1,569	
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	713				713
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	5,288			

(Continued)

Investee Company	Investor Company	Authorized by Investment Commission, MOEA			Investment Type			Investor Company's Own Capital	Investment Amount (US\$)	Through Investor Company in Third Area	Investor Company in Third Area		Investor Company in Third Area Using Its Own Capital to Invest (US\$)
		Date	MOEA Approval Letter No.			Using Dividends Received from Investee (US\$)	Financial Institutions in Third Area (US\$)						
Oriental Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2006.11.01	No. 09500287850					\$ 4,524	\$ 4,524	Far Eastern Polychem Industries Ltd.			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510					4,800	4,800	FEDP (Holding) Ltd.			
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)					754	754	FEDP (Holding) Ltd.			
	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006					18,224	18,224	FEDP (Holding) Ltd.			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416					19,800	19,800	Oriental Textile (Holding) Ltd.			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400					30,200	30,200	Oriental Textile (Holding) Ltd.			
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130					23,000	23,000	Oriental Textile (Holding) Ltd.			
	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470					32,500	32,500	Oriental Textile (Holding) Ltd.			
	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note K)					8,000	8,000	Oriental Textile (Holding) Ltd.			
	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note K)					43,000	43,000	Oriental Textile (Holding) Ltd.			
Wuhan Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2006.05.19	No. 09500000070					12,000	12,000	Far Eastern Polytex (Holding) Ltd.			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640					10,000	10,000	Far Eastern Polytex (Holding) Ltd.			
Far Eastern New Century (China) Investment Co., Ltd. (Note A)	Far Eastern New Century Corporation	2010.12.21	No. 09900470530					RMB 6,695	RMB 6,695	Far Eastern Polytex (Holding) Ltd.			
	Far Eastern New Century Corporation	2006.08.01	No. 09500124430					48,000	48,000	Far Eastern Polytex (Holding) Ltd.			
Sino Belgium Beer (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620					18,000	18,000	Sino Belgium (Holding) Ltd.			
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060					12,000	12,000	Sino Belgium (Holding) Ltd.			
	Yuan Tong Investment Co., Ltd.	2014.04.24	No. 10300091010 (Note L)					16,000	16,000	Sino Belgium (Holding) Ltd.			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)					10,000	10,000	Sino Belgium (Holding) Ltd.			
Martens Beers (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	2008.12.10	No. 09700456110					3,800	3,800	Sino Belgium (Holding) Ltd.			
	Yuan Tong Investment Co., Ltd.	2010.07.29	No. 09900284200					4,304	4,304	Beckhold N.V.			
Far Eastern Tech-Info Ltd. (Shanghai)	Yuan Tong Investment Co., Ltd.	2014.04.24	No. 10300091010 (Note L)					1,500	1,500	Martens HK Ltd.			
	Yuan Tong Investment Co., Ltd.	2013.11.28	No. 10200451570 (Note N)					1,100	1,100	Sino Belgium (Holding) Ltd.			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)					1,000	1,000	Sino Belgium (Holding) Ltd.			
	Far East Tone Telecommunications Co., Ltd.	2004.08.26	No. 093018811					2,500	2,500	Far Eastern Info Service (Holding) Limited			
Far Eastern Ythua Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2011.06.23	No. 10000021360 (Note I)					166,000	166,000	Far Eastern Polytex (Holding) Ltd.			
	Far Eastern New Century Corporation	2012.03.30	No. 10100043080					49,000	49,000	Far Eastern Polychem Industries Ltd.			
	Far Eastern New Century Corporation	2012.08.31	No. 10300210860 (Note M)					66,000	66,000	PET Far Eastern (Holding) Ltd.			
	Far Eastern New Century Corporation	2020.08.20	No. 10900223750 (Note T)					9,250	9,250	PET Far Eastern (Holding) Ltd.			
Yuan Ding Enterprise (Shanghai) Limited	Far Eastern New Century Corporation	2020.11.23	No. 10900267610 (Note U)					30,405	30,405	PET Far Eastern (Holding) Ltd.			
	Far Eastern New Century Corporation	2013.11.08	No. 10200399280					1,000	1,000	Far Eastern Polytex (Holding) Ltd.			
	Far Eastern New Century Corporation	2019.08.02	No. 10800190930 (Note S)					74,335	74,335	Far Eastern New Century (China) Investment Co., Ltd.			
	Far Eastern New Century Corporation	2019.11.26	No. 10800217150					32,000	32,000	Far Eastern New Century (China) Investment Co., Ltd.			
Tong Da Air Industry (Yangzhou) Co., Ltd.	Far Eastern New Century Corporation	2014.09.05	No. 10300203670 (Note P)					33,500	33,500	PET Far Eastern (Holding) Ltd.			

(Continued)

Authorized by Investment Commission, MOEA			Investment Type			
Investee Company	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd.	2011.10.19	No. 10000429550	YDC (Virgin Islands) Ltd.	\$ 110	\$ 110
	FET Consulting Engineers Co., Ltd.	2011.11.03	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100
	Ding Ding Integrated Marketing Service Co., Ltd.	2015.08.11	No. 10400179060	DDIM (Virgin Islands) Ltd.	1,100	1,100
Speedy (Shanghai) digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	2004.02.11	No. 093003471	YDC (Virgin Islands) Ltd.	300	300
		2005.02.05	No. 094003122	YDC (Virgin Islands) Ltd.	500	500
Far Eastern Tech-Info Ltd. (Shanghai)	Far East Tone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,500	2,500
	New Diligent Co., Ltd.	2014.01.29	No. 10300022990	Far East New Diligent Company Ltd.	3,500	3,500
Far Eastern Tech-Info Ltd. (Shanghai)	New Century InfoComm Tech Co., Ltd.	2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	3,100	3,100
	New Century InfoComm Tech Co., Ltd.	2013.08.09	No. 10200302730	Digital United (Cayman) Ltd.	1,000	1,000
Digital United Information Technology (Shanghai) Ltd.	Nextlink Technology Co., Ltd.	2019.03.28	No. 10830010930	Nextlink (HK) Technology Co., Ltd.	72	72
	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd. (Note Q)	1,127	1,127
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	2012.11.19	No. 10100496420	Far East New Diligent Company Ltd. (Note R)	10,300	10,300
Far Eastern New Century Information Technology (Beijing) Limited						\$ 3,100

Notes: A. Far Eastern New Century (China) Investment Co., Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Corporation, and the other US\$2,000 thousand was held by Far Eastern New Century (China) Investment Co., Ltd.

B. Document No. 092035971 had been canceled and replaced with document No. 09800408170.

C. Document No. 092035970 had been canceled and replaced with document No. 09800408160.

D. The approved amount of US\$12,000 thousand on September 18, 2009 as stated in document No. 09800283970, had been changed to US\$11,500 thousand and updated to document No. 09900142680 on April 19, 2010 while completed the review process.

E. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.

F. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.

G. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.

H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly through Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd., under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only through FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).

I. After obtaining MOEA approval (No. 09900470520), FENC received FEDP (Holding) Ltd. from Yuan Tong Investment Co., Ltd., for US\$18,224 thousand (MOEA approval No. 09600243260).

J. After obtaining MOEA approval (No. 10000021360), FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation.

K. After modifying MOEA approval from No. 10300140570 to No. 10300223190, FENC's subsidiary, Yuan Ding Investment Co., Ltd. amended to invest US\$43,000 thousand indirectly or equivalent RMB through its subsidiary, Oriental Textile (Holding) Ltd. in Far Eastern Industries (Suzhou) Ltd.

L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC's subsidiary, Yuan Tong Investment Co., Ltd. amended to invest US\$16,000 and US\$17,500 indirectly through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.

M. After modifying MOEA approval from No. 10100115020 to No. 10300210860, FENC amended to invest US\$66,000 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., in Far Eastern Union Petrochemical (Yangzhou) Corporation.

N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Co., Ltd., indirectly invest US\$1,100 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Martens Beers (Shanghai) Ltd.

O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. indirectly invest US\$10,000 thousand and US\$1,000 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.

(Continued)

- P. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirect investment to US\$33,500 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., indirectly in Tong Da Air Industry (Yangzhou) Co., Ltd. In 2020, Tong Da Air Industry (Yangzhou) Co., Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation and Oriental Union Chemical Corporation's subsidiary Oriental Petrochemical (Yangzhou) Corporation dissolved by absorption and merger, however, the balance has not yet been cancelled to the MOEA.
- Q. The dissolution of this investment had been approved by the local government on April 13, 2010. On June 27, 2012, the remittance of the remaining shares of US\$73 thousand was made. MOEA approved the cancellation of the amount, the balance has not been cancelled to the MOEA.
- R. The dissolution of this investment had been approved by the local government, but the balance has not been cancelled to the MOEA.
- S. After modifying MOEA approval from No. 10600282650 to No. 10800015840, FENC invested US\$82,340 thousand through its subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly in Far Eastern New Century (China) Investment Co., Ltd., then capitalized to Yuan Ding Enterprise (Shanghai) Limited. On August 2, 2019, the remitted amount had been changed to US\$74,335 thousand and updated to document No. 10800190930.
- T. After obtaining MOEA approval (No. 10900223750), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$9,250 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- U. After obtaining MOEA approval (No. 10900267610), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$30,405 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.

(Concluded)

TABLE 12**FAR EASTERN NEW CENTURY CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Asia Cement Corporation	1,272,277,085	23.77

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

FAR EASTERN NEW CENTURY CORPORATION

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FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Maturity	Annual Rate (%)	Amount
Cash			
Cash on hand			\$ 2,000
Petty cash			<u>4,389</u>
Cash in banks			
Checking accounts			13,314,742
Demand deposits (Note A)			<u>4,115,493</u>
			<u>17,430,235</u>
Cash equivalents			
Repurchase of commercial paper	2020.12.30-2021.01.04	0.25	<u>1,999,687</u>
			<u>\$ 19,436,311</u>

Note A: Including US\$55,181 thousand, JPY682,723 thousand, RMB74,936 thousand and EUR10,283 thousand.

Note B: Based on the exchange rate of US\$1:NT\$28.48, JPY1:NT\$0.2763, RMB1:NT\$4.377 and EUR1:NT\$35.02, respectively.

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars)**

Client Name	Amount
Worldwide Polychem (HK) Ltd.	\$ 811,846
Far Eastern Industries (Shanghai) Ltd.	348,274
Others (Note)	<u>4,211,259</u>
	5,371,379
Less: Allowance for doubtful accounts	<u>274,150</u>
Notes and accounts receivable, net	<u>\$ 5,097,229</u>

Note: The amount from each client which included in others does not exceed 5% of the account balance.

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF INVENTORIES****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Market Value (Note)
Finished goods	\$ 1,323,284	\$ 1,234,685
Work in progress	1,702,205	1,507,342
Raw materials	1,166,921	1,319,754
Supplies	269,194	256,586
Materials in transit	<u>226,787</u>	<u>226,787</u>
	4,688,391	<u>\$ 4,545,154</u>
Less: Allowance for valuation loss	<u>407,078</u>	
Inventories, net	<u>\$ 4,281,313</u>	

Note: Market value is net realizable value.

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF SHORT-TERM LOANS****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Type	Contract Period	Interest Rates (%)	Original Currency	In New Taiwan Dollars
Bank loans				
Mizuho Bank	2020.12.28-2021.03.25	0.74-0.78	US\$ 877	\$ 24,967
First Commercial Bank	2020.11.10-2021.03.25	0.80	US\$ 7,871	224,156
DBS Bank	2020.11.06-2021.02.25	0.75-0.81	US\$ 42,434	1,208,530
Mitsubishi UFJ	2020.10.22-2021.04.09	0.72-0.85	US\$ 70,395	<u>2,004,840</u>
				<u>\$ 3,462,493</u>

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF NOTES AND ACCOUNTS PAYABLE****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars)**

Vendor Name	Amount
Nan Ya Plastics Corporation	\$ 154,985
Formosa Chemicals & Fibre Corp.	141,591
Usi Corporation	69,529
Others (Note)	<u>868,795</u>
	<u>\$ 1,234,900</u>

Note: The amount from each vendor in others does not exceed 5% of the account balance.

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF OTHER PAYABLES

DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars)

Item	Amount
Director remuneration payable	\$ 1,290,060
Payroll and bonus payable	1,193,770
Interest payable	386,600
Employee remuneration payable	230,231
Others (Note)	<u>1,233,437</u>
	<u>\$ 4,334,098</u>

Note: The amount from each item does not exceed 5% of the account balance.

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF LONG-TERM BORROWINGS

DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Type/Creditor Bank	Repayment (Note)	Interest Rate (%)	Original Currency	In New Taiwan Dollars		Total Amount	Collateral
				Expired in A Year	A Year		
Bank loans							
Secured loans							
First Commercial Bank	2020.10.30-2022.04.30, lump sum repayment on maturity, interest payment monthly	0.9200	\$	-	\$ 2,640,000	\$ 2,640,000	Building and land in Bangiao Ren-Ai section
Credit loans							
First Commercial Bank	2020.10.30-2022.04.30, lump sum repayment on maturity, interest payment monthly	0.9200		-	1,360,000	1,360,000	19,900 thousand of Asia Cement Corporation shares
Bank of Taiwan	2020.08.27-2024.02.27, lump sum repayment on maturity, interest payment monthly	0.8562		-	2,500,000	2,500,000	Building and land in Xitpu Far Eastern section and Shuichetou section
Bank of Taiwan	201.01.21-2023.05.21, lump sum repayment on maturity, interest payment monthly	0.7257		-	700,000	700,000	
Mizuho Bank	2020.09.30-2023.09.30, lump sum repayment on maturity, interest payment monthly	0.8780		-	3,000,000	3,000,000	
Mizuho Bank	2020.12.21-2022.06.22, lump sum repayment on maturity	0.8500		-	1,500,000	1,500,000	
Credit Agricole Corporate and Investment Bank	2020.09.21-2023.09.21, lump sum repayment on maturity	1.1943		-	1,000,000	1,000,000	
Suitomo Mitsui Banking Corporation	2020.12.30-2022.05.08, lump sum repayment on maturity	0.6800		-	4,500,000	4,500,000	
The Bank of Tokyo-Mitsubishi UFJ	2020.12.30-2022.03.30, lump sum repayment on maturity	0.8600		-	1,500,000	1,500,000	
Bangkok Bank	2020.12.30-2022.03.19, lump sum repayment on maturity	1.1000		-	500,000	500,000	
Agricultural Bank of Taiwan	2020.12.30-2022.12.30, lump sum repayment on maturity	0.8600		-	1,400,000	1,400,000	
Shin Kong Bank	2020.12.30-2023.09.23, lump sum repayment on maturity	1.0500		-	500,000	500,000	
Fubon Bank	2020.12.30-2022.09.02, lump sum repayment on maturity	1.08562		-	1,360,000	1,360,000	
Taishin International Bank	2020.12.30-2022.01.31, lump sum repayment on maturity	1.1500		-	1,000,000	1,000,000	
Mega International Commercial Bank	2020.08.27-2022.08.26, lump sum repayment on maturity	0.916-0.9548	US\$	-	9,556	9,556	
			335	-	20,829,556	20,829,556	
				-	23,469,556	23,469,556	
Bank loan							
Commercial paper							
IBFC	2020.03.19-2023.03.24, Interest prepayment, lump sum repayment on maturity	0.9180		-	1,696,665	1,696,665	
IBFC	2020.09.14-2023.03.24, Interest prepayment, lump sum repayment on maturity	0.9180		-	1,297,679	1,297,679	
IBFC	2020.10.07-2022.06.24, Interest prepayment, lump sum repayment on maturity	1.1175		-	2,999,541	2,999,541	
IBFC	2020.10.20-2023.04.22, Interest prepayment, lump sum repayment on maturity	0.9880		-	1,495,696	1,495,696	
IBFC	2020.10.20-2023.04.22, Interest prepayment, lump sum repayment on maturity	0.9980		-	599,705	599,705	
IBFC	2020.12.24-2022.06.29, Interest prepayment, lump sum repayment on maturity	0.9655		-	1,662,270	1,662,270	
IBFC	2020.12.24-2022.06.24, Interest prepayment, lump sum repayment on maturity	0.9655		-	826,048	826,048	
CBFC	2020.10.07-2022.06.29, Interest prepayment, lump sum repayment on maturity	0.9280		-	999,873	999,873	
CBFC	2020.11.04-2022.06.29, Interest prepayment, lump sum repayment on maturity	0.9280		-	999,161	999,161	
Ta Chung	2020.10.21-2023.09.19, Interest prepayment, lump sum repayment on maturity	0.9180		-	999,547	999,547	
Ta Chung	2020.10.22-2023.10.26, Interest prepayment, lump sum repayment on maturity	0.9780		-	899,518	899,518	
Grand Bills	2020.11.27-2023.09.21, Interest prepayment, lump sum repayment on maturity	1.0527		-	998,385	998,385	
TFC	2020.11.27-2023.09.21, Interest prepayment, lump sum repayment on maturity	1.0527		-	998,385	998,385	
Mega Bills	2020.12.23-2023.09.24, Interest prepayment, lump sum repayment on maturity	0.9180		-	1,998,893	1,998,893	
TFC	2020.12.18-2024.06.21, Interest prepayment, lump sum repayment on maturity	0.9080		-	1,497,127	1,497,127	
Commercial paper				-	19,968,493	19,968,493	
				-	\$ 43,438,049	\$ 43,438,049	

Note: Expiration date is the date for loans or cycle contracts.

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF BONDS PAYABLE

DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars)

Period	Trustee	Maturity	Repayment	Annual Rate (%)	Original Currency	Issued Amount	Repayment Paid	Unamortized Bonds Discounts	Outstanding Balance		
									Expired Within A Year	Expired After A Year	Total Amount
Ordinary Bonds											
No. 105-1-A	Unsecured	2016.04.29-2021.04.29	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.88		\$ 6,000,000	\$ 3,000,000	\$ 638	\$ 2,999,362	\$ -	\$ 2,999,362
No. 105-1-B	Unsecured	2016.04.29-2021.04.29	The bond is repayable in lump sum at the 104.8411% of total amount on maturity.	-		2,000,000	-	413	1,999,587	-	1,999,587
No. 105-2	Unsecured	2016.09.20-2021.09.20	The bond is repayable by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.72		3,800,000	-	1,095	3,798,905	-	3,798,905
No. 106-1	Unsecured	2017.05.17-2022.05.17	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	1.15		5,000,000	-	2,749	2,499,250	2,498,001	4,997,251
No. 106-2	Unsecured	2018.01.08-2023.01.08	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.95		3,000,000	-	2,425	-	2,997,575	2,997,575
No. 107-1	Unsecured	2018.05.18-2023.05.18	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.92		6,000,000	-	5,704	-	5,994,296	5,994,296
No. 107-2	Unsecured	2018.07.18-2023.07.18	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.90		8,000,000	-	8,140	-	7,991,860	7,991,860
No. 108-1	Unsecured	2019.04.29-2024.04.29	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.93		8,000,000	-	10,640	-	7,989,360	7,989,360
No. 108-2	Unsecured	2019.08.08-2024.08.08	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.79		6,000,000	-	8,644	-	5,991,356	5,991,356
No. 109-1	Unsecured	2020.04.22-2025.04.22	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.66		6,000,000	-	10,338	-	5,989,662	5,989,662

(Continued)

Period	Trustee	Maturity	Repayment	Annual Rate (%)	Original Currency	Issued Amount	Repayment Paid	Unamortized Bonds Discounts	Outstanding Balance			Collateral
									Expired Within A Year	Expired After A Year	Total Amount	
No 109-2-A	Unsecured	2020.06.10-2025.06.10	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.77		\$ 2,200,000	\$ -	\$ 2,382	\$ -	\$ 2,197,618	\$ 2,197,618	-
No 109-2-B	Unsecured	2020.06.10-2027.06.10	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.85		3,000,000	-	4,710	-	2,995,290	2,995,290	-
No 109-3	Unsecured	2020.09.17-2027.09.17	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.83		5,500,000	-	7,911	-	5,492,089	5,492,089	-
No 109-4	Unsecured	2020.12.21-2025.12.21	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.54		<u>3,800,000</u>	-	<u>5,669</u>	-	<u>3,794,331</u>	<u>3,794,331</u>	-
						<u>\$ 68,300,000</u>	<u>\$ 3,000,000</u>	<u>\$ 71,458</u>	<u>\$ 11,297,104</u>	<u>\$ 53,931,438</u>	<u>\$ 65,228,542</u>	

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF OPERATING REVENUE****FOR THE YEAR ENDED DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Quality	Amount
Sales of goods		
Solid-state polymer	577,204 tones	\$ 15,610,411
Polyester staple fiber	189,123 tones	7,790,542
Knitted fabrics	9,074 tones	2,651,742
Processing wire	27,032 tones	2,019,245
Others (Note)		<u>10,696,861</u>
		<u>\$ 38,768,801</u>

Note: The amount of each item does not exceed 5% of total revenue.

FAR EASTERN NEW CENTURY CORPORATION
STATEMENT OF COST OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount
Cost of goods sold	
Raw material, beginning of year	\$ 1,743,190
Raw material purchased	21,873,043
Less: Raw materials, end of year	<u>(1,393,708)</u>
Raw materials consumption	<u>22,222,525</u>
Supplies consumption	<u>1,402,399</u>
Direct labor	<u>1,539,122</u>
Manufacturing expenses	
Process expense	947,646
Depreciation	1,830,312
Electricity	1,080,695
Payroll	1,766,788
Fuel expense	515,437
Others	<u>1,627,276</u>
	<u>7,768,254</u>
Manufacturing cost	32,932,300
Work in process, beginning of year	2,021,363
Work in process, end of year	<u>(1,702,205)</u>
Cost of finished goods	33,251,458
Finished goods, beginning of year	1,544,850
Finished goods, end of year	<u>(1,323,284)</u>
	33,473,024
Transferred cost to related parties	(505,601)
Reversal of write-down of inventories	2,036
Idle capacity	<u>508,721</u>
	<u>\$ 33,478,180</u>

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF OPERATING EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Expected Credit Loss	Total Amount
Transportation expense	\$ 2,017,678	\$ -	\$ -	\$ -	\$ 2,017,678
Payroll and bonus expense	3,52,122	808,434	349,799	-	1,510,355
Contract fee	-	230,674	-	-	230,674
Remuneration of directors	-	145,673	-	-	145,673
Expected credit gain	-	-	-	11,539	11,539
Depreciation expense	-	166,677	105,467	-	272,144
Others (Note)	<u>389,330</u>	<u>145,319</u>	<u>227,994</u>	<u>-</u>	<u>762,643</u>
	<u>\$ 2,759,130</u>	<u>\$ 1,496,777</u>	<u>\$ 683,260</u>	<u>\$ 11,539</u>	<u>\$ 4,950,706</u>

Note: The amount of each item does not exceed 5% of the account balance.

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31					
	2020			2019		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	\$ 2,901,353	\$ 1,510,355	\$ 4,411,708	\$ 3,065,601	\$ 1,505,180	\$ 4,570,781
Insurance	251,396	108,424	359,820	264,363	101,105	365,468
Pension expense	104,062	66,627	170,689	115,960	67,817	183,777
Remuneration of directors	-	147,233	147,233	-	205,777	205,777
Other employee benefits expense	104,206	71,637	175,843	137,738	59,394	197,132
	<u>\$ 3,361,017</u>	<u>\$ 1,904,276</u>	<u>\$ 5,265,293</u>	<u>\$ 3,583,662</u>	<u>\$ 1,939,273</u>	<u>\$ 5,522,935</u>
Depreciation expense	<u>\$ 2,019,262</u>	<u>\$ 337,738</u>	<u>\$ 2,357,000</u>	<u>\$ 2,051,754</u>	<u>\$ 350,777</u>	<u>\$ 2,402,531</u>
Amortization expense	<u>\$ 5,270</u>	<u>\$ 6,811</u>	<u>\$ 12,081</u>	<u>\$ 4,451</u>	<u>\$ 4,907</u>	<u>\$ 9,358</u>

- Notes:
- A. The average number of employees for this year and the previous year were 4,576 and 4,833 respectively, of which the number of directors who did not serve concurrently was 8 and 8 respectively.
 - B.
 - 1) The average employee benefit expenses for the year were \$1,120 thousand and \$1,102 thousand respectively. (Total employee benefit expenses - Total director's remuneration/Number of employees - Number of directors who are not part-time employees).
 - 2) The average employee salary expenses for the year were \$966 thousand and \$947 thousand respectively. (Total salary expenses/Number of employees - Number of directors who are not part-time employees).
 - 3) The average employee salary expense this year increased by 2% compared to last year. (Average employee salary expense of the current year - Average employee salary expense of the previous year/Average employee salary expense of the previous year).
 - C.
 - 1) Pursuant to the Company Act and Article 26 of the "Articles of Incorporation of Far Eastern New Century Corporation", 2% to 3.5% of profit of the current year should be distributed as employees' compensation and not more than 2.5% of profit of the current year should be distributed as directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by the board of directors, determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares distributable as employees' compensation; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The remuneration paid to independent directors is a fixed amount. The actual ratio and amount of the profit distributable as directors' remuneration shall also be determined by the board of directors in accordance with the "Board Performance Evaluation Rule", and a report of such distribution shall be submitted to the shareholders' meeting. The remuneration of directors, presidents, executive vice presidents, and managers was paid according to not only the peer standards but also the correlations with the personnel assessment, operational performance, and future risks. The remaining compensation is determined based on the business results of the whole company and each department; meanwhile, results of market survey on the general salary level of TWSE-listed companies and reports by professional consulting companies will also be used as references. In addition, the remuneration committee of the Company regularly (at least once a year) reviews and evaluates the remuneration policies, systems, standards and structures of directors and managers, and presents its recommendations to the board of directors for discussion in order to balance the Company's sustainability and risk control.
 - 2) The salary of employees includes monthly salary and remuneration paid by the company based on annual profitability. The Company determines the total amount of performance bonuses and remunerations based on the company's operating results and with reference to the level of domestic industry distribution. The amount each employee receives depends on their position, contribution, and performance.

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	2020	2019	Variance	
			Amount	%
Current assets	111,246,067	119,594,481	(8,348,414)	(6.98)
Property, plant and equipment	162,659,904	163,017,162	(357,258)	(0.22)
Intangible assets	93,617,166	55,286,152	38,331,014	69.33
Other assets	249,432,133	238,181,904	11,250,229	4.72
Total assets	616,955,270	576,079,699	40,875,571	7.10
Current liabilities	107,025,470	114,920,194	(7,894,724)	(6.87)
Non-current liabilities	240,505,160	189,838,322	50,666,838	26.69
Total liabilities	347,530,630	304,758,516	42,772,114	14.03
Common stock	53,528,751	53,528,751	-	-
Capital surplus	3,320,137	3,270,355	49,782	1.52
Retained earnings	150,115,757	150,837,528	(721,771)	(0.48)
Other equity	(2,910,395)	(3,089,283)	178,888	5.79
Treasury stocks	(25,063)	(25,063)	-	-
Total equity attributable to owners of the Company	204,029,187	204,522,288	(493,101)	(0.24)
Non-controlling interests	65,395,453	66,798,895	(1,403,442)	(2.10)
Total equity	269,424,640	271,321,183	(1,896,543)	(0.70)
Analysis of variation exceeding 20% and NT\$10 million of the numbers in the previous year: Intangible assets increased: mainly due to the acquisition of 5G mobile broadband license by Far EasTone. Non-current liabilities increased: mainly due to the increase of bonds payable and long-term borrowings				

2. Review and Analysis of Financial Performances

Unit: NT\$ thousands

Item	Year	2020	2019	Variance	
				Amount	%
Operating revenues		206,769,281	250,146,590	(43,377,309)	(17.34)
Operating costs		166,373,605	205,396,660	(39,023,055)	(19.00)
Gross profit		40,395,676	44,749,930	(4,354,254)	(9.73)
Realized construction income		555	555	-	-
Operating expenses		30,393,920	30,987,491	(593,571)	(1.92)
Operating income		10,002,311	13,762,994	(3,760,683)	(27.32)
Nonoperating income (expenses)		6,121,173	5,367,261	753,912	14.05
Income before income tax		16,123,484	19,130,255	(3,006,771)	(15.72)
Income tax expenses		3,142,945	2,695,092	447,853	16.62
Net income		12,980,539	16,435,163	(3,454,624)	(21.02)
Other comprehensive income (net of income tax)		258,469	(455,369)	713,838	156.76
Total comprehensive income		13,239,008	15,979,794	(2,740,786)	(17.15)
1. Analysis of variance: Operating income & net income: mainly due to the crude oil price falling has impact on the Petrochemical Business profitability. Other comprehensive income (net of income tax): mainly due to the increase of "Exchange Difference on Translating Foreign Operation" 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: 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
38,924,588	41,489,455	(107,054,319)	(26,640,276)	1,773,730	60,065,165
1. Cash flow analysis for year 2020: (1) Operating activities: mainly due to the inflow of operating activities and cash dividends received from invested companies. (2) Investing activities: mainly due to increasing capital expenditures and equity investments. (3) Financing activities: mainly due to cash dividend payout and repayments of bonds payable. 2. Remedy plans for insufficient liquidity for year 2020: to issue corporate bonds and borrow from banks.					
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
35,198,619	49,690,863	(69,044,206)	15,845,276	3,260,000	18,000,000
3. 2021 estimated cash flow analysis of variance in cash flow balance: (1) The Company expects the profit of production business and affiliate earnings booked from each subsidiary through equity method in 2021 could be higher than those in 2020. When including the cash inflow generated from production business and cash dividends received from the aforesaid subsidiaries, the Company expects the net cash inflows from operating activities in 2021 to increase compared to those in 2020. (2) When taking into consideration of the planned capital expenditures and the proposed cash dividends distribution, as the cash inflows from operating activities could be insufficient to meet the needs, the Company plans to issue corporate bonds and dispose property to finance the insufficient portion.					

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 2019	2020	2021	2022	2023
Vietnam vertical integration plant	Retained earnings and bank borrowings	Dec 2023	28,764,770	17,188,479	605,649	3,708,746	5,443,155	1,818,741
FIGP 2 nd plant for bottle grade recycled PET resin		Oct 2020	2,553,300	2,183,105	276,992	93,203	-	-
FENV in-house printing factory		Dec 2021	399,529	335,728	9,656	54,145	-	-
Fully Drawn Yarn production line		Oct 2022	143,434	-	18,050	25,690	91,130	8,564
Production line modification for Hycare products in PSF plant 6		Jan 2020	467,270	415,953	51,317	-	-	-
Filament grade PET recycled chip project		Mar 2020	138,024	95,268	17,062	25,694	-	-
Bottle grade PET recycled chip project		Oct 2021	198,400	109,210	89,190	-	-	-
Aquafabric production line		Dec 2021	128,194	5,260	78,650	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
2021	Polyester filament	MT	1,200	600	47,692
	Knitted fabrics	MT	21,300	18,894	4,477,878
	Bottle grade recycled PET resin	MT	42,200	40,403	1,595,353
	Polyester staple fiber	MT	27,600	27,600	1,220,196
	Filament grade PET recycled chip	MT	18,000	Internal consumption	Internal consumption
	Recycled PET resin	MT	5,238	Internal consumption	Internal consumption
2022	Polyester filament	MT	68,250	23,850	1,730,448
	Knitted fabrics	MT	21,300	19,200	4,646,400
	Bottle grade recycled PET resin	MT	50,000	48,000	1,895,328
	Polyester staple fiber	MT	39,600	38,600	1,686,086
	Panel printing fabrics	Dozens	720,000	Internal consumption	Internal consumption
	Filament grade PET recycled chip	MT	18,000	Internal consumption	Internal consumption
	Recycled PET resin	MT	33,000	Internal consumption	Internal consumption
	Aquafabric	M ²	150,000	120,000	93,878

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 2020 was NT\$ 5.5 billion, and the profit generated by invested subsidiaries remained stable.

5.3 Future Investment Plan : (Please refer to page 79)

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 In 2020, the pandemic of COVID-19 has brought a massive impact on economic activities, trade, transportation and supply chains. In addition, tensions between the United States and China continued to run high; oil and commodity prices went through fluctuations. The global economy thus took a nosedive and businesses developed an inclination to be conservative in investments and operations. According to the report published by the Directorate General of Budget, Accounting and Statistics in February 2021, Taiwan's GDP growth in 2020 was 3.11%, and CPI was down 0.23%. Its projected GDP growth in 2021 is 4.64% with CPI up 1.33%. While the global economy is expected to recover in 2021, there remain uncertainties. The recovery depends on the efficacy and progress of vaccines, duration of government relief measures, development of US-China tensions, trade negotiations between the UK and EU. As economic developments continue to look uncertain, it is top priorities for Taiwan's central bank to keep prices and the overall financial system stable. It is expected to keep accommodative monetary policies in place to foster economic growth.

While the authorities in Taiwan have maintained an easy monetary policy stance in recent years, with interest rates low and stable, the Company has been undertaking short-term operations with investments of various durations as global political and economic realities change rapidly. 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 2021 are approximately NT\$ 64.368 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 2021 are approximately NT\$ 101.122 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 2021 are approximately NT\$ 95.681 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.

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 126

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: None

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.

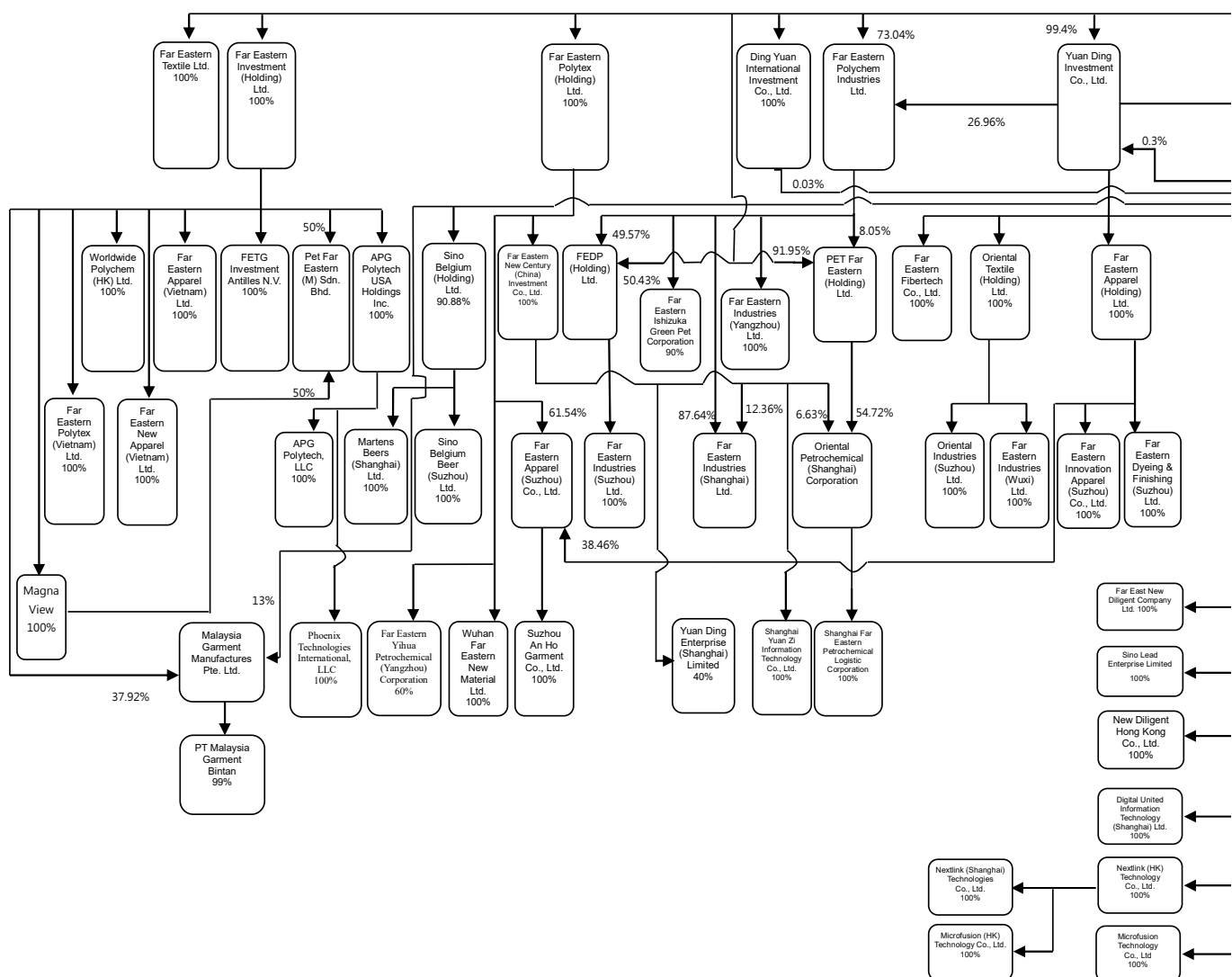
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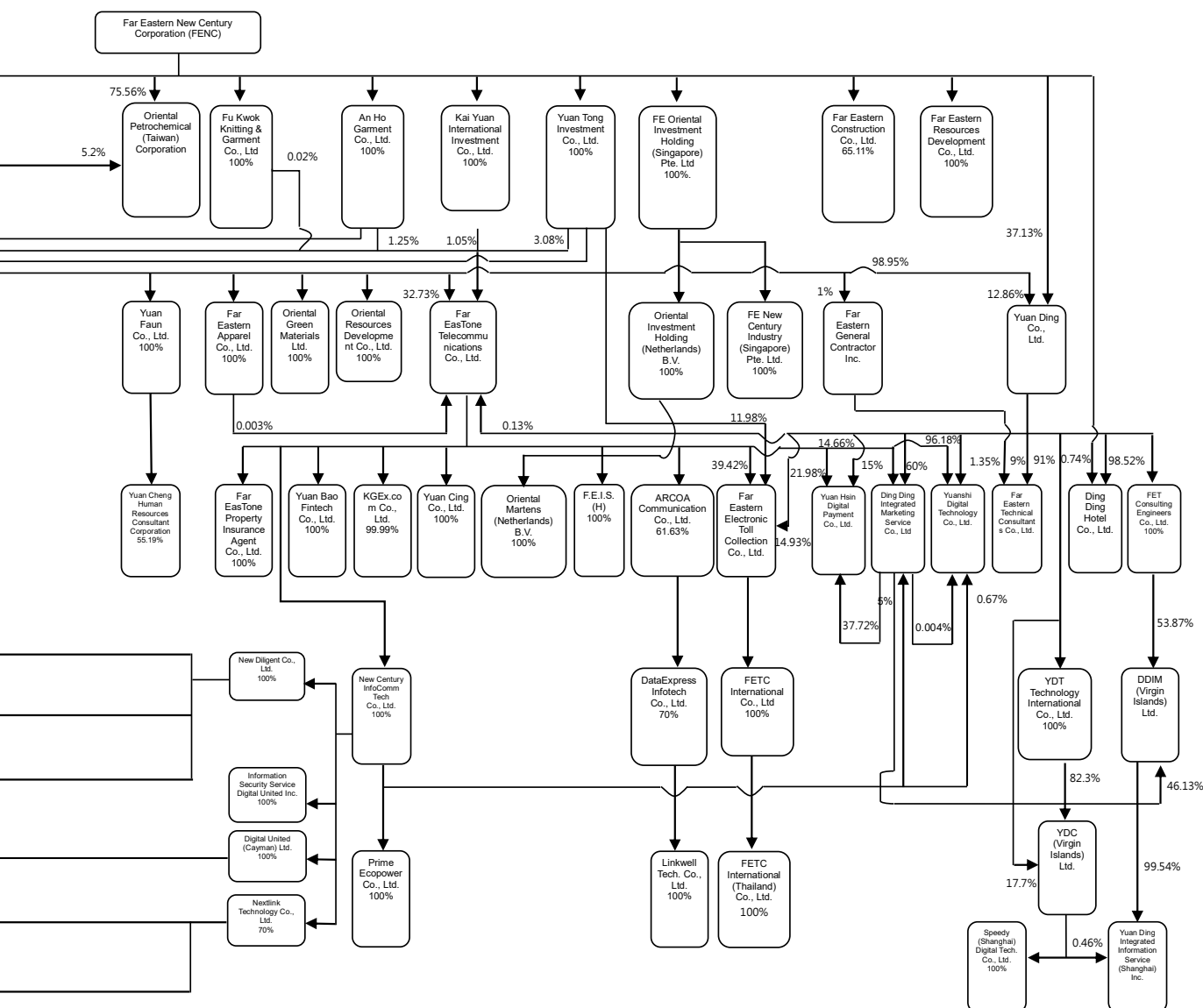
VIII. Special Disclosure

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	7,399,529	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	3,671,430	Investment
7	Ding Yuan International Investment Co., Ltd.	1998/10/2	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	2,550,313	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	757,037	Investment
11	Oriental Resources Development Co., Ltd.	1988/6/27	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	24,839	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	553,106	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	247,723	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	50,000	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	1,000	Garment production and sales
18	Far Eastern Investment (H) Ltd.	1989/8/29	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	1,444 USD 51	Investment
19	Far Eastern Polychem Industries Ltd.	1995/4/13	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	418 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	125 RMB 29	Investment
22	Far Eastern Polytex (H) Ltd.	2006/3/22	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	52 USD 1.8	Investment
23	Far Eastern Apparel (H) Ltd.	1996/10/1	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	32 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	31 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	20,369 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	8,230,508 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	7,850,541 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	4,683,616 RMB 1,070,052	Investment
30	Martens Beers (Shanghai) Ltd.	2007/10/26	Suite 2701, 27F, 800, Dongfang Road, Pudong New Area, Shanghai, China	326,771 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	83,163 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	55,632 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	7,718,511 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	748,675 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	4,792,144 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	1,726,156 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	1,616,308 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	1,668,329 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	1,040,056 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	895,434 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	4,377 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	2,107,397 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	6,361,318 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	1,352,066 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	27,630 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	330,368 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	6,835,200 USD 240,000	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	512,640 USD 18,000	Apparel production
49	PET Far Eastern (M) Sdn Bhd	1995/7/22	Plot 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bohru, Johor Malaysia	108,632 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	99,680 USD 3,500	Import & export trading

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	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
51	FETG Investment Antilles N.V.	1989/10/5	Kaya W.F.G. Mensing 14, Curacao, the Netherlands Antilles	189 USD 7	Investment
52	Malaysia Garment Manufacturers Private Ltd.	1963/8/6	No.9, Little Road #02-02 Singapore 536985	170,583 SGD 7,912	Apparel production and investment
53	PT Malaysia Garment Bintan	1998/8/4	No.9, Little Road #02-02 Singapore 536986	4,416 IDR 2,175,600	Apparel production
54	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
55	Far Eastern Info Service (H) Ltd.	2002/7/17	Clarendon House 2 Church Street Hamilton HM11 Bermuda	342 USD 12	International investments
56	KGEx.com Co., Ltd.	2000/8/9	4F, 468, Ruei-Guang Rd., Neihs Dist., Taipei City, Taiwan	689,074	Telecommunications service
57	Yuan Cing Co., Ltd.	2000/8/5	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	20,000	Phone subscriber service
58	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
59	Data Express Infotech Co., Ltd.	2004/7/22	2F, 218, Ruei-Guang Rd., Neihs Dist., Taipei City, Taiwan	198,509	Sale of communication products
60	Home Master Technology Ltd	2011/8/11	2F, 218, Ruei-Guang Rd., Neihs Dist., Taipei City, Taiwan	12,725	Sale of communication products
61	New Century InfoComm Tech Co., Ltd.	2000/6/1	1-11Fl., 218, Ruei-Guang Rd., Neihs Dist., Taipei City, Taiwan	21,000,000	Telecommunications services
62	New Diligent Co., Ltd.	2001/5/2	1F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	540,000	Investment
63	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
64	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
65	Information Security Service Digital United	2004/12/22	2F, 218, Ruei-Guang Rd., Neihs Dist., Taipei City, Taiwan	102,490	Security and monitoring services via Internet
66	Digital United (Cayman) Ltd.	2000/8/16	P.O. Box 2681, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies	293,914 USD 10,320	Investment
67	Digital United Information Technology (Shanghai) Ltd.	2000/10/8	Room 22301-918, Building No. 14, Pudong Software District, 498, Guoshoujing Rd., Jhangjiang High Tech District, Pudong Sin Section, Shanghai, China.	103,090 RMB 23,553	Design and research of computer system
68	Far Eastern New Diligence Ltd.	2010/7/27	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	407,264 USD 14,300	Investment
69	Yuanshi Digital Technology Co., Ltd.	2013/8/8	7F, 468, Ruei-Guang Rd., Neihs Dist., Taipei City, Taiwan	1,112,502	Electronic information providing services
70	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
71	Nextlink Technology Co., Ltd.	2006/10/13	5F-8, No. 267, Lequn 2nd Rd., Zhongshan Dist., Taipei City, Taiwan	49,000	Electronic information services
72	Microfusion Technology Co., Ltd.	2007/5/7	No. 275, Lequn 2nd Rd., Zhongshan Dist., Taipei City, Taiwan	26,000	Electronic information services
73	Nextlink (HK) Technology Co., Ltd.	2016/5/19	20/F TOWER 535 535 JAFFE ROAD CAUSEWAY BAY	973 HKD 265	Electronic information services
74	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
75	Nextlink (Shanghai) Technologies Co., Ltd.	2018/5/24	26F, No. 823-838, Zhangyang Road, China (Shanghai) Pilot Free Trade Zone	2,188 RMB 500	Electronic information services
76	Yuan Bao Fintech Co., Ltd.	2019/11/19	4F, No. 468, Ruei Guang Rd., Nei Hu Dist., Taipei City, Taiwan	60,000	Data processing service and electronic information services
77	Far EasTone Property Insurance Agent Co., Ltd.	2020/2/21	7F, No. 468, Ruei Guang Rd., Nei Hu Dist., Taipei City, Taiwan	5,000	Property insurance agent

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
78	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
79	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
80	Yuan Hong Electric Co., Ltd.	1999/12/13	23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	370,000	Investment
81	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
82	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
83	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
84	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
85	Yuan Hsin Digital Payment Co., Ltd.	2014/6/27	5F, 1, Yuan don Road, Banqiao Dist., New Taipei City, Taiwan	748,385	Digital Payment
86	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
87	DDIM (Virgin Islands) Ltd.	2011/08/31	P.O.Box.957 Offshore Incorporations Centre, Road Town Tortola, British Virgin Islands	679,182 USD 23,846	Investment
88	YDC (Virgin Islands) Ltd.	1998/2/11	Columbus Centre Building, Wickhams Cay, Road Town, Tortola, British Virgin Islands	32,182 USD 1,130	Investment
89	Yuan Ding Integrated Information Service Inc. (Shanghai)	2011/8/10	Room 1506, 719, Yan'an West Road, Changning District, Shanghai, China	659,388 RMB 150,648	Software development and internet service design
90	Speedy (Shanghai) digital Tech. Co., Ltd.	2004/4/27	Room 1502, 719, Yan'an West Road, Changning District, Shanghai, China	28,622 RMB 6,539	Intelligent control equipment and security
91	APG Polytech USA Holdings, Inc.	2018/2/9	1209 Orange Street, Wilmington, Delaware, 19801	1 USD 0.05	Investment
92	APG Polytech, LLC	2018/2/9	1209 Orange Street, Wilmington, Delaware, 19801	2,563,200 USD 90,000	Production and sales of PET.
93	Phoenix Technologies International, LLC	2003/11/24	1098 Fairview Avenue, Bowling Green, OH 43402, USA	469,920 USD 16,500	Recycled PET production and sales
94	FE Oriental Investment Holding (Singapore) Pte. Ltd.	2019/12/4	No.9, Little Road, Singapore 536986	142,400 USD 5,000	Investment
95	FE New Century Industry (Singapore) Pte. Ltd.	2020/6/19	No.9, Little Road, Singapore 536986	139,552 USD 4,900	Sales of textile products
96	FETC International (Thailand) Co., Ltd.	2020/6/9	1687/1 Phahonyothin Road Chatuchak Sub-district, Chatuchak District Bangkok 10900 Thailand	7,884 THB 8,250	Dispatched labor, procuring equipment, and sales agent services
97	Oriental Investment Holding (Netherlands) B.V.	2020/1/24	Kingsfordweg 151, 1043GR Amsterdam	- Note	Investment
98	Oriental Martens (Netherlands) B.V.	2020/2/13	Kingsfordweg 151, 1043GR Amsterdam	- Note	Investment

Note: Capital payment has not been remitted until 31 Dec 2020.

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, Raymond 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	Bing Shen, Johnsee Lee, Raymond R.M. Tai	-	-
1	Yuan Ding Investment Co., Ltd.	Directors	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	-	-
			Da Ju Fiber Co., Ltd.	5,502,000	0.30
		Supervisors	Humphrey Cheng, Mark Lu	-	-
		President	C.S. Tu	-	-
2	Oriental Petrochemical (Taiwan) Co., Ltd.	Directors	Far Eastern New Century Corp.	1,712,218,104	75.56
			Douglas Tong Hsu (Chairman), Johnny Hsi, K.S. Wu, H.D. Zhou, David Shih, Eric Chueh	-	-
			Oriental Union Chemical Corp.	309,334,376	13.65
			Justin Tsai	-	-
		Supervisors	Yuan Ding Investment Co., Ltd.	117,745,855	5.20
		President	David Wang, Humphrey Cheng	-	-
3	Yuan Tong Investment Co., Ltd.	Directors	Far Eastern New Century Corp.	739,952,888	100.00
			David Wang (Chairman), Humphrey Cheng, Allen Sha	-	-
			Far Eastern New Century Corp.	739,952,888	100.00
		Supervisors	Alan Tsai	-	-
		President	David Wang	-	-
4	Far Eastern Resources Development Co., Ltd.	Directors	Far Eastern New Century Corp.	775,835,546	100.00
			Douglas Tong Hsu (Chairman), Johnny Hsi, Peter Hsu, Shaw Y. Wang, C.S. Tu	-	-
			Far Eastern New Century Corp.	775,835,546	100.00
		Supervisors	Humphrey Cheng	-	-
		President	C.S. Tu	-	-
5	Far Eastern Construction Co., Ltd.	Directors	Far Eastern New Century Corp.	245,829,422	65.11
			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
		Supervisors	Charles Wang, S.Y. Gao	-	-
6	Kai Yuan International Investment Co., Ltd.	Directors	Far Eastern New Century Corp.	367,142,983	100.00
			Humphrey Cheng (Chairman), David Wang, Allen Sha	-	-
			Far Eastern New Century Corp.	367,142,983	100.00
		Supervisors	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.	255,031,345	100.00
		Supervisors	Alan Tsai (Chairman), Humphrey Cheng, Allen Sha	-	-
			Far Eastern New Century Corp.	255,031,345	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.	75,703,668	100.00
		Supervisors	Alan Tsai (Chairman), David Wang, Li-Chi Chen	-	-
			Far Eastern New Century Corp.	75,703,668	100.00
			Carol Wang	-	-
11	Oriental Resources Development Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd.	2,483,856	100.00
		Supervisors	Y.H. Tseng (Chairman), Fanny Liao, Li-Chi Chen	-	-
			Yuan Ding Investment Co., Ltd.	2,483,856	100.00
			Davis Dai	-	-
12	Oriental Green Materials Ltd.	Directors	Yuan Ding Investment Co., Ltd.	55,310,592	100.00
		Supervisors	Donald Fan (Chairman), C.T. Peng, Li-Chi Chen	-	-
			Yuan Ding Investment Co., Ltd.	55,310,592	100.00
			Davis Dai	-	-
13	Far Eastern Apparel Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd.	24,772,263	100.00
		Supervisors	Ben Ho (Chairman), Eric Hu, Li-Chi Chen, Y.J. Luo, Jenny Ho	-	-
			Yuan Ding Investment Co., Ltd.	24,772,263	100.00
			Alan Tsai	-	-
14	Yuan Faun Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd.	5,000,000	100.00
		Supervisors	K.S. Wu (Chairman), Y.H. Tseng, Eric Hu, David Wang, Humphrey Cheng	-	-
			Yuan Ding Investment Co., Ltd.	5,000,000	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. Douglas Tong Hsu (Chairman), Johnny Hsi, Peter Hsu	100,000	100.00
		Supervisors	Far Eastern New Century Corp. Shaw Y. Wang	-	-
		President	C.S. Tu	100,000	100.00
				-	-
18	Far Eastern Investment (H) Ltd.	Directors	Far Eastern New Century Corp. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	5,071,942	100.00
19	Far Eastern Polychem Industries Ltd.	Directors	Yuan Ding Investment Co., Ltd. Far Eastern New Century Corp. 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. Far Eastern New Century Corp. 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. Far Eastern New Century Corp. 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. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	167,531	100.00
23	Far Eastern Apparel (H) Ltd.	Directors	Yuan Ding Investment Co., Ltd. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	111,200	100.00
				-	-
24	Oriental Textile (H) Ltd.	Directors	Yuan Ding Investment Co., Ltd. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	109,620	100.00
25	Sino Belgium (H) Ltd.	Directors	Yuan Tong Investment Co., Ltd. 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. Donald Fan, Daniel Tsai, Leong Siew Foong	3,000,000	100.00
27	Far Eastern Industries (Shanghai) Ltd.	Directors	Far Eastern Polychem Industries Ltd. Far Eastern New Century (China) Investment Co., Ltd. R.H. Shao (Chairman), B.C. Chang, K.S. Wu, Humphrey Cheng, Donald Fan	-	87.64
				-	12.36
		Supervisors	Brian Lee	-	-
		President	Chuck Tseng	-	-
				-	-
28	Oriental Petrochemical (Shanghai) Corp.	Directors	PET Far Eastern (H) Ltd. Pacific Petrochemical (H) Ltd. Far Eastern New Century (China) Investment Co., Ltd. R.H. Shao (Chairman), Y.H. Tseng, Paul Chuang, Humphrey Cheng, K.S. Wu, Justin Tsai	-	54.72
				-	38.65
				-	6.63
		Supervisors	Alan Tsai	-	-
		President	Paul Chuang	-	-
				-	-
29	Far Eastern New Century (China) Investment Co., Ltd.	Directors	Far Eastern Polytex (H) Ltd. 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. 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. K.S. Wu (Chairman), C.Y. Dai, Paul Chuang, Steve Liu, Li-Chi Chen	-	100.00
		Supervisors	Brian Lee	-	-
		President	Paul Chuang	-	-
				-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
32	Shanghai Far Eastern IT Corp.	Directors	Far Eastern New Century (China) Investment Co., Ltd. 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. Oriental Holdings Co., Ltd. FEDS Development Ltd. Humphrey Cheng (Chairman), Douglas Tong Hsu, Peter Hsu, David Wang, R.H. Shao, C.L. Wu, S.F. Cheng	-	40.00
				-	40.00
				-	20.00
34	Wuhan Far Eastern New Material Ltd.	Supervisors	Alan Tsai, James Tang	-	-
		Directors	Far Eastern Polytex (H) Ltd. Donald Fan (Chairman), B.C. Chang, C.T. Peng, S.Y. Lai, Y.H. Wang	-	100.00
		Supervisors	Brian Lee	-	-
35	Oriental Industries (Suzhou) Ltd.	President	S.Y. Lai	-	-
		Directors	Oriental Textile (H) Ltd. Eric Hu (Chairman), Brian Lee, M.J. Wu, Eric Huang, Steve Liu	-	100.00
		Supervisors	P.T. Huang	-	-
36	Far Eastern Industries (Suzhou) Ltd.	President	M.J. Wu	-	-
		Directors	FEDP (H) Ltd. Eric Hu (Chairman), S.Y. Lai, Brian Lee, Steve Liu, M.J. Wu	-	100.00
		Supervisors	Davis Dai	-	-
37	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	President	S.Y. Lai	-	-
		Directors	Far Eastern Apparel (H) Ltd. Eric Hu (Chairman), Mingo A. Chen, Brian Lee, Allen Sha, Steve Liu	-	100.00
		Supervisors	Davis Dai	-	-
38	Sino-Belgium Beer (Suzhou) Ltd.	President	Mingo A. Chen	-	-
		Directors	Sino Belgium (H) Ltd. Eric Hu (Chairman), S.Y. Lai, Brian Lee, Allen Sha, Jenny Ho	-	100.00
		Supervisors	P.T. Huang	-	-
39	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	President	S.Y. Lai	-	-
		Directors	Far Eastern Apparel (H) Ltd. Eric Hu (Chairman), Judy Lee, Steve Liu, Allen Sha, Jenny Ho	-	100.00
		Supervisors	Davis Dai	-	-
40	Far Eastern Apparel (Suzhou) Co., Ltd.	President	Judy Lee	-	-
		Directors	Far Eastern Polytex (H) Ltd. Far Eastern Apparel (H) Ltd. Eric Hu (Chairman), Brian Lee, Allen Sha, Judy Lee, Steve Liu	-	61.54
		Supervisors	Davis Dai	-	38.46
41	Suzhou An Ho Apparel Ltd.	President	Judy Lee	-	-
		Directors	Far Eastern Apparel (Suzhou) Co., Ltd. Eric Hu (Chairman), Judy Lee, Brian Lee, Allen Sha, Steve Liu	-	100.00
		Supervisors	Davis Dai	-	-
		President	Judy Lee	-	-

Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
42	Far Eastern Industries (Wuxi) Ltd.	Directors	Oriental Textile (H) Ltd. Eric Hu (Chairman), T.K. Wei, Brian Lee, Allen Sha, Mingo A. Chen	-	100.00
		Supervisors	Mike Wu	-	-
		President	Mingo A. Chen	-	-
				-	-
43	Far Eastern Yihua Petrochemical (Yangzhou) Corp.	Directors	Far Eastern Polytex (H) Ltd. K.S. Wu (Chairman), Humphrey Cheng, H.D. Zhou	-	60.00
			Sinopec Yizheng Chemical Fibre Co. Ltd.	-	40.00
			X.G. Mao, J.P. Li	-	-
		Supervisors	S.M. Peng, H. Jiang	-	-
		President	X.G. Mao	-	-
				-	-
44	Far Eastern Industries (Yangzhou) Ltd.	Directors	Far Eastern Polychem Industries Ltd. Humphrey Cheng (Chairman), Brian Lee, Donald Fan, M. Y. Yeh, Allen Sha	-	100.00
		Supervisors	Davis Dai	-	-
		President	Donald Fan	-	-
				-	-
45	Far Eastern Ishizuka Green PET Corporation	Directors	Far Eastern Polychem Industries Ltd. Y.H. Tseng (Chairman), Humphrey Cheng, Donald Fan, David Wang, Yasuda Shinichi	3,578,040	90.00
			Ishizuka Glass Co., Ltd.	-	-
			Ishizuka Hisatugu	397,560	10.00
		Supervisors	Alan Tsai	-	-
		President	Yasuda Shinichi	-	-
				-	-
46	Far Eastern Apparel (Vietnam) Limited	Directors	Far Eastern Investment (H) Ltd. Alan Tsai (Chairman), Judy Lee, Tony Liang, Allen Sha, Carol Wang	-	100.00
		Supervisors	Davis Dai	-	-
		President	Tony Liang	-	-
				-	-
47	Far Eastern Polytex (Vietnam) Ltd.	Directors	Far Eastern Investment (H) Ltd. Humphrey Cheng (Chairman), Y.H. Tseng, Judy Lee, M.Y. Yeh, Patrick Ho, David Wang, Li-Chi Chen	-	100.00
		Supervisors	Alan Tsai	-	-
		President	Y.H. Tseng	-	-
				-	-
48	Far Eastern New Apparel (Vietnam) Ltd.	Directors	Far Eastern Investment (H) Ltd. Alan Tsai (Chairman), Allen Sha, Judy Lee, Tony Liang, Carol Wang	-	100.00
		Supervisors	Davis Dai	-	-
		President	Tony Liang	-	-
				-	-
49	PET Far Eastern (M) SDN BHD	Directors	Far Eastern Investment (H) Ltd. 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	8,000,000	50.00
		President	Donald Fan	-	-
				-	-
50	Worldwide Polychem (HK) Limited	Directors	Far Eastern Investment (H) Ltd. Y.J. Lou, Mike Wu, Alan Tsai	2,700,000	100.00
51	FETG Investment Antilles N.V.	Directors	Far Eastern Investment (H) Ltd. Shaw Y. Wang, K.S. Wu, Humphrey Cheng, Orangefield (Caribbean) N.V.	6,000	100.00
				-	-
52	Malaysia Garment Manufacturers Private Ltd.	Directors	Da Ju Fiber Co., Ltd. Humphrey Cheng, Raymond Hsu	34,160	43.17
			Yuan Tong Investment Co., Ltd.	-	-
			Shaw Y. Wang	10,285	13.00
			Far Eastern Investment (H) Ltd.	-	-
			K.L. Li	30,000	37.92
			YUE MING CO Ltd.	-	-
53	PT Malaysia Garment Bintan	Directors	Malaysia Garment Manufacturers Private Ltd. K.L. Li, Austin Lee, C.T. Hu, M.J. Wang	4,675	5.91
				-	-
		Supervisors	W.H. Wu, C.S. Lin	-	-
				30	1.00

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
54	Far EasTone Telecommunications Co., Ltd.	Directors	Yuan-Ding Investment Co., Ltd.	1,066,657,614	32.73
			Douglas Tong Hsu (Chairman), Peter Hsu (Managing Director), Jan Nilsson (Managing Director)	-	-
			U-Ming Marine Transport Corp.	331,000	0.01
			Nobukata Kurata	-	-
			Yuan Ding Co., Ltd.	4,163,500	0.13
			Champion Lee, Jeff Hsu	-	-
			Asia Investment Corporation	1,426,303	0.04
			Bonnie Peng	-	-
		Independent Directors	Ding Yuan International Investment Co., Ltd.	919,653	0.03
			Toon Lim	-	-
55	Far Eastern Info Service (H) Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	1,200	100.00
		President	Chee Ching (Chairman), T.Y. Yin, Sharon Lin	-	-
			Chee Ching	-	-
56	KGEx.com Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	68,897,234	99.99
		Supervisors	Philip Tseng (Chairman), Bruce Yu, Vivian Lee, James Lee, Leon Li	-	-
			Sharon Lin	-	-
			Philip Tseng	-	-
57	Yuan Cing Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	2,000,000	100.00
		Supervisors	Maxwell Cheng (Chairman), Andy Kuo, Vivian Lee	-	-
			Far EasTone Telecommunications Co., Ltd.	2,000,000	100.00
			Sharon Lin	-	-
			Andy Kuo	-	-
58	ARCOA Communication Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	82,762,221	61.63
		Supervisors	Chee Ching (Chairman), Alan Tsai, T.Y. Yin, Brian Chao, Lopes Lu, Andy Tu	-	-
			Wan-Shih-Shin Co., Ltd.	457,325	0.34
			Gary Lin	-	-
			Li-Chi Chen, David Tsai, Sharon Lin	-	-
			Jessica Sung	-	-
59	Data Express Infotech Co., Ltd.	Directors	ARCOA Communications Co., Ltd.	13,895,664	70.00
		Supervisors	Chee Ching (Chairman), Andy Tu, Brian Chao	-	-
			Jing Ho Tech Ltd.	3,769,984	18.99
			Grace Chu	-	-
60	Home Master Technology Ltd	Directors	Ann Chang	-	-
			Data Express Infotech Co., Ltd.	-	100.00
61	New Century InfoComm Tech Co., Ltd.	Directors	Andy Tu	-	-
		Supervisors	Far EasTone Telecommunications Co., Ltd.	2,100,000,000	100.00
			Douglas Tong Hsu (Chairman), Chee Ching, Philip Tseng	-	-
			Far EasTone Telecommunications Co., Ltd.	2,100,000,000	100.00
		President	Sharon Lin	-	-
62	New Diligent Co., Ltd.	Directors	Chee Ching	-	-
		Supervisors	New Century InfoComm Tech Co., Ltd.	54,000,000	100.00
			Eric Li (Chairman), Philip Tseng, James Lee	-	-
63	New Diligent Hong Kong Co. Limited	Supervisors	New Century InfoComm Tech Co., Ltd.	54,000,000	100.00
			Sharon Lin	-	-
64	Sino Lead Enterprise Limited.	Directors	New Diligent Co., Ltd.	-	-
			Sharon Lin, T.Y. Yin	30,000	100.00
65	Information Security Service Digital United	Directors	Philip Tseng	-	-
		Supervisors	New Century InfoComm Tech Co., Ltd.	10,249,047	100.00
			Philip Tseng (Chairman), Eton Shu, Bruce Yu, Leon Li	-	-
			New Century InfoComm Tech Co., Ltd.	10,249,047	100.00
		President	Sharon Lin	-	-
66	Digital United (Cayman) Ltd.	Directors	Andy Kuo	-	-
			New Century InfoComm Tech Co., Ltd.	10,320,000	100.00
			Philip Tseng (Chairman), T.Y. Yin	-	-

Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
67	Digital United Information Technology (Shanghai) Ltd.	Directors	Digital United (Cayman) Ltd.	-	100.00
		President	Philip Tseng (Chairman), James Lee, Eric Li	-	-
			Digital United (Cayman) Ltd.	-	100.00
			Sharon Lin	-	-
68	Far Eastern New Diligence Corporation	Directors	New Diligent Co., Ltd. Jennifer Liu, T.Y. Yin, Mike Lee	-	100.00
69	Yuanshi Digital Technology Co., Ltd.	Directors	Far EastOne Telecommunications Co., Ltd. Chee Ching (Chairman), Andy Tu, Charlene Lin, Philby Lee, T.Y. Yin	107,004,329	96.18
		Supervisors	Yuan-Ding Co., Ltd.	-	-
		President	Sharon Lin	1,498,414	1.35
			Andy Tu	-	-
70	Prime Ecopower Co., Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Philip Tseng (Chairman), Eric Li, James Lee	16,000,000	100.00
		Supervisors	New Century InfoComm Tech Co., Ltd.	-	-
		President	Sharon Lin	16,000,000	100.00
			Oliver Liu	-	-
71	Nextlink Technology Co., Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Philip Tseng (Chairman), Eton Shu, Vivian Lee, Mark Lee, Eric Li	3,430,000	70.00
		Supervisors	Avalon Enterprises Ltd.	-	-
			K.S. Ho, Family Chang	1,470,000	30.00
			Sharon Lin	-	-
72	Microfusion Technology Co., Ltd.	Directors	Nextlink Technology Co., Ltd.	-	-
		Supervisors	Philip Tseng (Chairman), Mark Lee, K.S. Ho	2,600,000	100.00
			Nextlink Technology Co., Ltd.	-	-
			Sharon Lin	2,600,000	100.00
73	Nextlink (HK) Technology Co., Ltd.	Directors	Nextlink Technology Co., Ltd. Milly Lin	-	-
74	Microfusion (HK) Technology Co., Ltd.	Directors	Nextlink Technology Co., Ltd. Eric Li	-	-
75	Nextlink (Shanghai) Technology Co., Ltd.	Directors	Nextlink (HK) Technology Co., Ltd.	-	100.00
		Supervisors	Family Chang	-	-
			Nextlink (HK) Technology Co., Ltd.	-	100.00
		President	K.S. Ho Family Chang	-	-
76	Yuan Bao Fintech Co., Ltd.	Directors	Far EastOne Telecommunications Co., Ltd. T.Y. Yin (Chairman), S.J. Dai, Sharon Lin	6,000,000	100.00
		Supervisors	Far EastOne Telecommunications Co., Ltd.	-	-
		President	Charlene Lin	6,000,000	100.00
			Jessie Teng	-	-
77	Far EastOne Property Insurance Agent Co., Ltd.	Directors	Far EastOne Telecommunications Co., Ltd. T.Y. Yin (Chairman), Frank Su, Jessie Teng	500,000	100.00
		Supervisors	Far EastOne Telecommunications Co., Ltd.	-	-
		President	Sharon Lin	500,000	100.00
			Frank Su	-	-
78	Yuan-Ding Co., Ltd.	Directors	Douglas Tong Hsu (Chairman)	3,144	-
		Supervisors	Far Eastern New Century Corp.	186,928,831	37.13
			Morton Mate Huang, Alan Tsai, Humphrey Cheng	-	-
			Asia Cement Corp.	-	-
			K.Y. Lee, Peter Hsu, X.Y. Kao	178,707,648	35.50
			Far Eastern Department Stores Ltd.	-	-
			Nancy Hsu	2,796	-
			U-Ming Commerce Co., Ltd.	-	-
			David Wang	12,585	-
			Yuan Ding Investment Co., Ltd.	-	-
			Shaw Y. Wang	64,758,813	12.86
			Der Ching Investment Co., Ltd.	-	-
		President	Y.F. Chang	72,989,090	14.50
			Humphrey Cheng	-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
79	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	-	-
80	Yuan Hong Electric Co., Ltd.	Supervisors	Der Ching Investment Co., Ltd.	213,442	0.21
			Charles Wang	-	-
			Randy Zupanski	-	-
		President			
81	Far Eastern Technical Consultants Co., Ltd.	Directors	Yuan-Ding Co., Ltd.	37,000,000	100.00
			Humphrey Cheng (Chairman), P.C. Hu, Z.K. Dai	-	-
			Yuan-Ding Co., Ltd.	37,000,000	100.00
			M.G. Chang	-	-
82	Ding Ding Integrated Marketing Service Co., Ltd.	Supervisors	Yuan-Ding Co., Ltd.	4,550,000	91.00
			Humphrey Cheng(Chairman), T.J. Chang, Z.K. Dai, P.C. Hu, S.J. Lai	-	-
			Far Eastern General Contractor Inc.	450,000	9.00
			S.F. Cheng	-	-
			T.J. Chang	-	-
83	YDT Technology International 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
			T.Y. Yin	-	-
			Far Eastern Department Stores Ltd.	3,631,096	10.00
			Nancy Hsu	-	-
84	Far Eastern Electronic Toll Collection Co., Ltd.	Supervisors	Pacific Sogo Co., Ltd.	3,631,096	10.00
			J.W. Huang	-	-
			New Century InfoComm Tech Co., Ltd.	1,815,548	5.00
			Sharon Lin	-	-
			G.L. Liang	-	-
85	Far Eastern Electronic Toll Collection Co., Ltd.	Directors	Yuan-Ding Co., Ltd.	13,992,000	100.00
			Y.S. Yang (Chairman), P.C. Hu, Z.K. Dai	-	-
			Yuan-Ding Co., Ltd.	13,992,000	100.00
			H.W. Tu	-	-
			F.H. Ho	-	-
86	Far Eastern Electronic Toll Collection Co., Ltd.	Supervisors	Far EasTone Telecommunications Co., Ltd.	118,250,967	39.42
			Douglas Tong Hsu (Chairman), T.Y. Yin, 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	-	-
87	Far Eastern Electronic Toll Collection Co., Ltd.	Supervisors	MiTAC Information Technology Corp.	27,724,093	9.24
			Liang Su	-	-
			TECO Electric & Machinery Co., Ltd.	32,979,907	10.99
			S.W. Kao	-	-
			S.J. Hsu	-	-
			S.W. Chao	-	-
88	Far Eastern Electronic Toll Collection Co., Ltd.	Supervisors	Eton Shu	-	-
			Syscore Corporation	7,716,831	2.57
			Larry Chung	-	-
			He Li Investment	5,255,813	1.75
			B.L. Tsai	-	-
			Y.C. Chang	-	-

Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
85	Yuan Hsin Digital Payment Co., Ltd.	Directors	Ding Ding Integrated Marketing Service Co., Ltd. G.L. Liang(Chairman) Yuan Ding Co., Ltd. Y.S. Yang, Y.C. Chang	28,231,253 - 10,967,692 -	37.72 - 14.66 -
			Far EasTone Telecommunications Co., Ltd. Eton Shu Far Eastern Department Stores Ltd. Greg Tseng	16,451,538 - 8,225,769 -	21.98 - 10.99 -
		Supervisors	Pacific Sogo Co., Ltd. H.T. Peng Far Eastern International Bank S.J. Dai	8,225,769 - 2,736,439 -	10.99 - 3.66 -
		President	S.J. Li	-	-
86	FETC International Co., Ltd.	Directors	Far Eastern Electronic Toll Collection Co., Ltd. Douglas Tong Hsu (Chairman), T.Y. Yin, Philip Tseng, Y.C. Chang, S.C. Yang, S.W. Kao, Liang Su, S.J. Hsu, S.W. Chao	20,000,000 - -	100.00 - -
		Supervisors	Far Eastern Electronic Toll Collection Co., Ltd. Eton Shu, Larry Chung, B.L. Tsai	20,000,000 -	100.00 -
87	DDIM (Virgin Islands) Ltd.	Directors	Yuan Hong Electric Co., Ltd. Humphrey Cheng, P.C. Hu, Z.K. Dai	1,501 -	53.87 -
88	YDC (Virgin Islands) Ltd.	Directors	Yuan-Ding Co., Ltd. Humphrey Cheng, P.C. Hu, Z.K. Dai	200 -	17.70 -
89	Yuan Ding Integrated Information Service Inc. (Shanghai)	Directors	DDIM(Virgin Islands) Ltd. YDC(Virgin Islands) Ltd. R.H. Shao, G.L. Liang, P.C. Hu	- - -	99.54 0.46 -
		Supervisors	Y.Z. Tsai	-	-
		President	R.H. Shao	-	-
90	Speedy (Shanghai) digital Tech. Co., Ltd.	Directors	YDC (Virgin Islands) Ltd. F.H. Ho	- -	100.00 -
		Supervisors	P.C. Hu	-	-
		President	F.H. Ho	-	-
91	APG Polytech USA Holdings, Inc.	Directors	Far Eastern Investment (H) Ltd. Humphrey Cheng, David Wang, L.C. Kuo Tung, Fanny Liao, Justin Tsai	5,064 -	100.00 -
92	APG Polytech, LLC	Directors	APG Polytech USA Holdings, Inc. Donald Fan, P.T. Huang, Y.H. Wang	- -	100.00 -
		President	Y.H. Wang	-	-
93	Phoenix Technologies International, LLC	Directors	APG Polytech USA Holdings, Inc. Donald Fan, Y.H. Wang, Richard Gerardo Maack, Carol Wang	- -	100.00 -
		President	Y.H. Wang	-	-
94	FE Oriental Investment Holding (Singapore) Pte. Ltd.	Directors	Far Eastern New Century Corp. Humphrey Cheng, K.S. Wu, L.C. Kuo Tung, K.L. Li, C.L. Meng	50,000 -	100.00 -
95	FE New Century Industry (Singapore) Pte. Ltd.	Directors	FE Oriental Investment Holding (Singapore) Pte. Ltd. Humphrey Cheng, David Wang, Alan Tsai, Carol Wang, P.T. Huang, K.L. Li	49,000 - -	100.00 - -
96	FETC International (Thailand) Co., Ltd.	Directors	FETC International Co., Ltd. Y.C. Chang C.C. Wu P.W. Chou S.K. Chen	824,997 1 1 1 -	100.00 - - - -
97	Oriental Investment Holding (Netherlands) B.V. (Note)	Directors	FE New Century Industry (Singapore) Pte. Ltd. Humphrey Cheng, K.S. Wu, L.C. Kuo Tung	- -	100.00 -
98	Oriental Martens (Netherlands) B.V. (Note)	Directors	Oriental Investment Holding (Netherlands) B.V. Humphrey Cheng, Eric Hu, Fanny Liao	- -	100.00 -

Note: Capital payment has not been remitted until 31 Dec 2020.

Far Eastern New Century

Annual Report 2020

Operation Results of Each Subsidiary and Affiliate

Unit: NT\$ thousands, unless stated otherwise
Book closure date: 31 December 2020

	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	616,955,270	347,530,630	269,424,640	206,769,281	10,002,311	8,062,699	1.62
1	Yuan Ding Investment Co., Ltd.	18,338,262	79,292,058	37,264,137	42,027,921	23,006,072	4,414,407	4,274,879	2.33
2	Oriental Petrochemical (Taiwan) Co., Ltd.	22,660,930	36,031,581	23,647,452	12,384,129	22,884,234	(2,425,778)	(2,512,959)	(1.11)
3	Yuan Tong Investment Co., Ltd.	7,399,529	10,712,261	1,658,915	9,053,346	621,788	619,636	573,219	0.77
4	Far Eastern Resources Development Co., Ltd.	7,758,355	119,340,874	12,967,459	106,373,415	864,263	121,619	1,569,370	2.02
5	Far Eastern Construction Co., Ltd.	3,775,655	22,253,915	6,254,883	15,999,032	507,664	263,700	1,711,346	4.53
6	Kai Yuan International Investment Co., Ltd.	3,671,430	6,464,907	882,008	5,582,899	355,852	355,432	323,009	0.88
7	Ding Yuan International Investment Co., Ltd.	2,550,313	3,452,626	343,652	3,108,974	148,161	147,744	134,679	0.53
8	Far Eastern General Contractor Inc.	1,489,776	5,509,497	3,281,709	2,227,788	7,918,630	224,848	202,829	1.36
9	Far Eastern Fibertech Co., Ltd.	910,000	2,012,509	889,827	1,122,682	1,563,228	48,755	56,445	0.62
10	An Ho Garment Co., Ltd.	757,037	2,652,674	467,715	2,184,959	181,357	180,977	176,101	2.33
11	Oriental Resources Development Co., Ltd.	24,839	101,113	27,586	73,527	137,641	47,549	36,761	14.90
12	Oriental Green Materials Ltd.	553,106	1,083,278	476,548	606,730	1,118,145	62,497	51,533	0.93
13	Far Eastern Apparel Co., Ltd.	247,723	613,612	539,676	73,936	742,030	(75,775)	(44,789)	(1.81)
14	Yuan Faun Co., Ltd.	50,000	136,968	214	136,754	-	(1,894)	5,337	1.07
15	Fu Kwok Knitting & Garment Co., Ltd.	40,000	299,767	89,824	209,943	858,385	2,904	15,615	3.90
16	Yuan Cheng Human Resources Consultant Corp.	13,500	34,659	11,948	22,711	264,914	1,227	2,049	1.52
17	Far Eastern Textile Ltd.	1,000	1,769	50	1,719	-	(238)	63	0.63
18	Far Eastern Investment (H) Ltd.	1,444 USD 51	26,000,794 912,949	266,225 9,348	25,734,569 903,601	681,221 23,054	(32,452) (1,098)	(100,906) (3,415)	(19.89) (0.67)
19	Far Eastern Polychem Industries Ltd.	418 HKD 114	11,991,743 3,264,836	1,395,624 379,968	10,596,119 2,884,868	297,305 78,047	(50,647) (13,296)	107,429 28,202	0.09 0.02
20	FEDP (H) Ltd.	161 USD 6	1,810,989 63,588	110 4	1,810,879 63,584	(6,805) (230)	(7,218) (244)	(15,700) (531)	(32.39) (1.10)
21	PET Far Eastern(H) Ltd.	125 RMB 29	5,346,501 1,221,499	451,255 103,097	4,895,246 1,118,402	(1,190,809) 1,118,402	(1,245,019) (278,122)	(1,189,775) (277,880)	(2,752.92) (642.96)
22	Far Eastern Polytex (H) Ltd.	52 USD 1.8	9,686,282 340,108	35,208 1,236	9,651,074 338,872	(88,919) (3,009)	(95,181) (3,221)	(95,091) (3,218)	(567.60) (19.21)
23	Far Eastern Apparel (H) Ltd.	32 USD 1.1	5,329,712 187,139	1,015,569 35,659	4,314,143 151,480	4,196,144 142,006	306,707 10,380	339,556 11,491	3,053.56 103.34
24	Oriental Textile (H) Ltd.	31 USD 1.1	9,480,387 332,879	1,529,914 53,719	7,950,473 279,160	1,696,589 57,416	35,519 1,202	11,005 372	100.39 3.40
25	Sino Belgium (H) Ltd.	12 USD 0.4	18,831 661	834,433 29,299	(815,602) (28,638)	(39,797) (1,347)	(40,218) (1,361)	(33,926) (1,148)	(855.85) (28.96)
26	Magna View Sdn.Bhd	20,369 MYR 3,000	198,613 29,253	141 21	198,472 29,232	- -	(194) (29)	7,158 1,063	2.39 0.35
27	Far Eastern Industries (Shanghai) Ltd.	8,230,508 RMB 1,880,399	13,108,542 2,994,869	4,487,626 1,025,274	8,620,916 1,969,595	18,741,519 4,377,213	862,147 201,360	101,704 23,754	NA NA
28	Oriental Petrochemical (Shanghai) Corp.	7,850,541 RMB 1,793,590	7,587,256 1,733,438	3,068,927 701,149	4,518,329 1,032,289	10,475,841 2,446,706	(862,705) (201,491)	(1,458,015) (340,530)	NA NA
29	Far Eastern New Century (China) Investment Co., Ltd.	4,683,616 RMB 1,070,052	4,283,005 978,525	409,311 93,514	3,873,694 885,011	(123,211) (28,777)	(123,811) (28,917)	(113,319) (26,466)	NA NA
30	Martens Beers (Shanghai) Ltd.	326,771 RMB 74,656	21,723 4,963	6,801 1,554	14,922 3,409	- -	(30) (7)	(2) (0)	NA NA
31	Shanghai Yuan Hua Logistic Corp.	83,163 RMB 19,000	189,403 43,272	43,041 9,833	146,362 33,439	163,125 38,099	6,905 1,613	9,251 2,161	NA NA
32	Shanghai Far Eastern IT Corp.	55,632 RMB 12,710	64,366 14,706	6,179 1,412	58,187 13,294	110,775 25,872	300 70	777 181	NA NA
33	Yuan Ding Enterprise (Shanghai) Limited	7,718,511 RMB 1,763,425	7,086,581 1,619,050	39,817 9,097	7,046,764 1,609,953	240 56	(130,509) (30,481)	(99,730) (23,293)	NA NA
34	Wuhan Far Eastern New Material Ltd.	748,675 RMB 171,048	1,258,118 287,439	316,785 72,375	941,333 215,064	968,023 226,089	(9,403) (2,196)	11,164 2,607	NA NA
35	Oriental Industries (Suzhou) Ltd.	4,792,144 RMB 1,094,847	13,457,116 3,074,507	7,441,180 1,700,064	6,015,936 1,374,443	6,533,086 1,525,848	197,665 46,166	62,605 14,622	NA NA
36	Far Eastern Industries (Suzhou) Ltd.	1,726,156 RMB 394,370	1,603,923 366,443	3,157 721	1,600,766 365,722	- -	(31,997) (7,473)	(6,805) (1,589)	NA NA
37	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	1,616,308 RMB 369,273	5,114,848 1,168,574	1,807,777 413,017	3,307,071 755,557	4,194,230 979,592	336,327 78,552	258,735 60,429	NA NA
38	Sino-Belgium Beer (Suzhou) Ltd.	1,668,329 RMB 381,158	382,182 87,316	760,379 173,722	(378,197) (86,406)	- -	(12,859) (3,003)	(39,795) (9,294)	NA NA
39	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	1,040,056 RMB 237,619	1,078,596 246,423	1,760 402	1,076,836 246,021	- -	(312) (73)	19,004 4,439	NA NA
40	Far Eastern Apparel (Suzhou) Co., Ltd.	895,434 RMB 204,577	1,986,326 453,810	385,110 87,985	1,601,216 365,825	1,933,365 451,551	(7,769) (1,815)	16,163 3,775	NA NA
41	Suzhou An Ho Apparel Ltd.	4,377 RMB 1,000	55,919 12,775	19 4	55,900 12,771	- -	(69) (16)	1,123 262	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.	2,107,397 RMB 481,471	2,903,354 663,321	84,226 19,243	2,819,128 644,078	2,320,366 541,938	(100,443) (23,459)	(70,842) (16,546)	NA NA
43	Far Eastern Yihua Petrochemical (Yangzhou) Corp.	6,361,318 RMB 1,453,351	6,885,076 1,573,012	477,703 109,139	6,407,373 1,463,873	-	(51,968) (12,137)	5,481 1,280	NA NA
44	Far Eastern Industries (Yangzhou) Ltd.	1,352,066 RMB 308,902	1,411,613 322,507	27,489 6,280	1,384,124 316,227	-	(17,763) (4,149)	8,029 1,875	NA NA
45	Far Eastern Ishizuka Green PET Corporation.	27,630 JPY 100,000	4,688,816 16,970,018	3,419,299 12,375,313	1,269,517 4,594,705	1,860,823 6,721,412	201,595 728,174	185,334 669,438	46.62 168.39
46	Far Eastern Apparel (Vietnam) Ltd.	330,368 USD 11,600	2,293,818 80,541	1,353,101 47,510	940,717 33,031	2,725,428 92,234	(28,529) (965)	(47,138) (1,595)	NA NA
47	Far Eastern Polytex (Vietnam) Ltd.	6,835,200 USD 240,000	23,025,668 808,485	15,543,845 545,781	7,481,823 262,704	13,507,412 457,118	996,195 33,713	816,407 27,629	NA NA
48	Far Eastern New Apparel (Vietnam) Ltd.	512,640 USD 18,000	1,377,074 48,352	1,227,541 43,102	149,533 5,250	1,446,239 48,944	(188,163) (6,368)	(217,110) (7,347)	NA NA
49	PET Far Eastern (M) Sdn Bhd	108,632 MYR 16,000	655,220 96,505	258,326 38,048	396,894 58,457	920,833 136,728	29,040 4,312	14,705 2,183	0.92 0.14
50	Worldwide Polychem (HK) Limited	99,680 USD 3,500	2,051,025 72,016	1,945,203 68,300	105,822 3,716	3,607,908 122,099	(105,782) (3,580)	46,901 1,587	17.37 0.59
51	FETG Investment Antilles N.V.	189 USD 7	32,307 1,134	71 2	32,236 1,132	-	(411) (14)	(1,221) (41)	(203.50) (6.89)
52	Malaysia Garment Manufacturers Private Ltd.	170,583 SDG 7,912	1,522,629 70,623	307,835 14,278	1,214,794 56,345	-	(33,958) (1,585)	(3,790) (177)	(47.90) (2.24)
53	PT Malaysia Garment Bintan	4,416 IDR 2,175,600	10 4,926	48 23,645	(38) (18,719)	-	-	-	-
54	Far EasTone Telecommunications Co., Ltd.	32,585,008	173,429,320	105,182,111	68,247,209	79,500,965	11,037,699	8,354,128	2.56
55	Far Eastern Info Service (H) Ltd.	342 USD 12	4,811 169	-	4,811 169	-	(1) (0)	(97) (3)	(80.71) (2.73)
56	KGEx.com Co., Ltd.	689,074	954,876	53,843	901,033	558,347	147,413	160,925	2.34
57	Yuan Qing Co., Ltd.	20,000	103,548	62,835	40,713	145,335	20,353	16,326	8.16
58	ARCOA Communication Co., Ltd.	1,342,800	3,605,929	1,773,426	1,832,503	10,167,579	126,532	168,637	1.26
59	Data Express Infotech Co., Ltd.	198,509	1,426,410	1,086,287	340,123	4,178,312	89,055	95,205	4.80
60	Home Master Technology Ltd	12,725	435,796	388,505	47,291	1,599,598	36,122	28,050	NA
61	New Century InfoComm Tech Co., Ltd.	21,000,000	27,620,972	3,133,597	24,487,375	9,950,885	1,688,357	2,016,549	0.96
62	New Diligent Co., Ltd.	540,000	82,175	100	82,075	-	(152)	(4,630)	(0.09)
63	New Diligent Hong Kong Co. Ltd.	3,051 USD 100	2,611 91	320 11	2,291 80	-	(308) (10)	(418) (14)	NA NA
64	Sino Lead Enterprise Limited.	125 HKD 30	1,010 275	720 196	290 79	73,982 19,421	11 3	(4) (1)	(0.13) (0.03)
65	Information Security Service Digital United	102,490	306,417	177,247	129,170	480,825	22,062	17,482	1.71
66	Digital United (Cayman) Ltd.	293,914 USD 10,320	163,416 5,738	72 3	163,344 5,735	-	(301) (10)	3,539 120	0.34 0.01
67	Digital United Information Technology (Shanghai) Ltd.	103,090 RMB 23,553	44,923 10,263	38,936 8,895	5,987 1,368	82,100 19,175	6,193 1,446	6,233 1,456	NA NA
68	Far Eastern New Diligence Ltd.	407,264 USD 14,300	20,140 707	72 2	20,068 705	-	(277) (9)	(4,418) (150)	NA NA
69	Yuanshi Digital Technology Co., Ltd.	1,112,502	531,641	600,825	(69,184)	2,183,511	(193,995)	(195,262)	(1.76)
70	Prime Ecopower Co., Ltd.	160,000	295,777	168,347	127,430	21,055	(12,645)	(13,018)	(0.81)
71	Nextlink Technology Co., Ltd.	49,000	291,325	182,574	108,751	612,803	(10,920)	43,098	8.80
72	Microfusion Technology Co., Ltd.	26,000	198,510	168,301	30,209	618,831	15,616	13,747	5.29
73	Nextlink (HK) Technology Co., Ltd.	973 HKD 265	322,930 87,920	314,352 85,585	8,578 2,335	1,028,962 270,118	5,696 1,495	3,339 877	NA NA
74	Microfusion (HK) Technology Co., Ltd.	1,494 HKD 400	1,739 474	615 168	1,124 306	-	(358) (94)	(358) (94)	NA NA
75	Nextlink (Shanghai) Technologies Co., Ltd.	2,188 RMB 500	6,965 1,591	5,734 1,310	1,231 281	2,630 614	(63) (15)	(219) (51)	NA NA
76	Yuan Bao Fintech Co., Ltd.	60,000	56,592	4,547	52,045	3,079	(7,824)	(7,635)	(1.27)
77	Far EasTone Property Insurance Agent Co., Ltd.	5,000	193,572	128,985	64,587	415,658	74,517	59,587	119.17
78	Yuan-Ding Co., Ltd.	5,034,047	11,304,809	2,235,845	9,068,964	1,560,272	429,765	47,072	0.31
79	Ding Ding Hotel Co., Ltd.	1,040,470	1,741,270	1,645,407	95,863	1,016,411	(806,754)	(730,961)	(7.03)
80	Yuan Hong Electric Co., Ltd.	370,000	39,683	45	39,638	-	(56)	(3,408)	(0.09)
81	Far Eastern Technical Consultants Co., Ltd.	50,000	124,179	47,223	76,956	75,379	9,351	11,909	2.38
82	Ding Ding Integrated Marketing Service Co., Ltd.	363,110	874,041	617,955	256,086	392,671	487	(15,753)	(0.43)
83	YDT Technology International Co., Ltd.	139,920	317,583	32,132	285,451	93,282	561	11,798	0.84
84	Far Eastern Electronic Toll Collection Co., Ltd.	3,000,000	7,570,887	4,348,883	3,222,004	2,359,425	576,262	541,109	1.80
85	Yuan Hsin Digital Payment Co., Ltd.	748,385	708,671	146,433	562,238	27,872	(190,222)	(186,581)	(2.49)
86	FETC International Co., Ltd.	200,000	276,476	122,892	153,584	284,295	31,230	30,104	1.51
87	DDIM (Virgin Islands) Ltd.	679,182 USD 23,846	50,572 1,776	-	50,572 1,776	-	(43) (1)	(6,370) (216)	(2,449.06) (82.88)

	Name	Paid-in Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (loss)	Net Income (loss)	EPS (NT\$)
88	YDC (Virgin Islands) Ltd.	32,182 USD 1,130	57,772 2,029	- -	57,772 2,029	- -	(74) (3)	4,775 162	4,225.66 143.00
89	Yuan Ding Integrated Information Service Inc. (Shanghai)	659,388 RMB 150,648	56,410 12,888	5,818 1,329	50,592 11,559	17,762 4,148	(6,758) (1,578)	(6,356) (1,484)	NA NA
90	Speedy (Shanghai) digital Tech. Co., Ltd.	28,622 RMB 6,539	64,340 14,699	8,003 1,828	56,337 12,871	65,423 15,280	4,777 1,116	4,876 1,139	NA NA
91	APG Polytech USA Holdings, Inc.	1 USD 0.05	14,990,022 526,335	743,995 26,123	14,246,027 500,212	(13,332) (451)	(40,272) (1,363)	(56,585) (1,915)	(11,173.97) (378.15)
92	APG Polytech, LLC	2,563,200 USD 90,000	5,677,887 199,364	2,812,408 98,750	2,865,479 100,614	9,560,043 323,531	284,585 9,631	220,047 7,447	NA NA
93	Phoenix Technologies International, LLC	469,920 USD 16,500	826,142 29,008	696,814 24,467	129,328 4,541	974,399 32,976	(134,674) (4,558)	(142,601) (4,826)	NA NA
94	FE Oriental Investment Holding (Singapore) Pte. Ltd.	142,400 USD 5,000	165,215 5,801	151 5	165,064 5,796	23,672 801	23,515 796	23,515 796	470.30 15.92
95	FE New Century Industry (Singapore) Pte. Ltd.	139,552 USD 4,900	2,149,165 75,462	1,986,797 69,761	162,368 5,701	2,903,252 98,252	30,574 1,035	23,672 801	483.10 16.35
96	FETC International (Thailand) Co., Ltd.	7,884 THB 8,250	7,498 7,846	757 792	6,741 7,054	- -	(1,139) (1,199)	(1,136) (1,196)	(1.38) (1.45)
97	Oriental Investment Holding (Netherlands) B.V. (Note)	-	-	-	-	-	-	-	-
98	Oriental Martens (Netherlands) B.V. (Note)	-	-	-	-	-	-	-	-

Note: Capital payment has not been remitted until 31 Dec 2020.

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, 2020 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 24, 2021

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 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

36F, Taipei Metro Tower 207, Tun Hwa South Rd., Sec.2, Taipei, Taiwan, R.O.C
Tel +886 2 2733-8000