



FAR EASTERN NEW CENTURY

Handbook for 2022 Annual Shareholders' Meeting



掌握契機 造新勢 創新局
Shaping the New Models



台北遠東通訊園區
Taipei Far Eastern Telecom Park

Property Development

Production Business



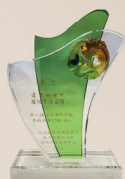
Retail



Telecommunications



Cement



Corporate Governance TOP 5%



GCSA Best Practice Award World Class Outstanding Practice



HR Asia Best Companies To Work For In Asia



遠東集團
FAR EASTERN GROUP

Date : June 30, 2022

Place : Auditorium in the Taipei Hero House No.20, Changsha Street, Section 1, Taipei, Taiwan

Meeting type: A hybrid shareholders' meeting (Physical shareholders' meeting with the assistance of video conference)

E-meeting platform: Taiwan Depository & Clearing Corporation (TDCC) Stockvote (<https://www.stockvote.com.tw>)

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The meeting handbook is available at <http://investor.fenc.com/report.aspx?lang=en&id=81>.

If you would like to obtain a hard copy of the meeting handbook, please email to ir@fenc.com , or write to

Attn: IR team

Far Eastern New Century Corporation

34F, No. 207, Tun-Hwa South Road, Section 2, Taipei 106, Taiwan

(+886-2-7752-8537 / +886-2-7752-8470 / +886-2-7752-8492)

Far Eastern New Century Corporation (FENC)

2022 Annual General Shareholders' Meeting (Translation)

Meeting type:	A hybrid shareholders' meeting (Physical shareholders' meeting with the assistance of video conference)
Time:	9:00 a.m., Thursday, June 30, 2022 (Taipei time)
Place:	Auditorium in the Taipei Hero House, No. 20, Changsha Street, Section 1, Taipei, Taiwan
E-meeting platform:	Taiwan Depository & Clearing Corporation (TDCC) / TDCC Stockvote (https://www.stockvote.com.tw)

Meeting Agenda

Call the meeting to order

Chairperson takes chair

Chairperson remarks

Reporting items:

1. 2021 business operations
2. 2021 financial statements
3. The Audit Committee's review report of 2021 business operations and financial statements
4. 2021 employees' compensation and Directors' remuneration
5. Information of the corporate bonds issued in 2021
6. Amendments to "Sustainable Development Principles of Far Eastern New Century Corporation"

Approval items:

1. To accept 2021 business report and financial statements
2. To approve the proposal for distribution of 2021 profits

Proposed resolutions:

1. To approve the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation"
2. To approve amending the company bylaw of "Meeting Rules of Stockholders for Far Eastern New Century Corporation"
3. To approve amending the company bylaw of "Election Procedures of Director for Far Eastern New Century Corporation"

4. To approve amending the company bylaw of "Procedures for Lending of Capital to Others of Far Eastern New Century Corporation" and "Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation"
5. To approve amending the company bylaw of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation"

Extemporary motion

Meeting adjourned

The English version is the translation of the Chinese version and if there is any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.

Reporting items

1. To report 2021 business operations

The 2021 business report is attached as Attachment I.

2. To report 2021 financial statements

The 2021 independent auditors' reports and financial statements by Deloitte & Touche are attached as Attachment II. (The 2021 financial report can be downloaded at <http://mops.twse.com.tw>)

3. To report the Audit Committee's review report of 2021 business operations and financial statements

The Audit Committee's review report is attached as Attachment III.

4. To report 2021 employees' compensation and Directors' remuneration

- i. Regarding expensing employees' compensation under the Business Entity Accounting Act which has been aligned with the international standards, the Article 235-1 of the "Company Act" was therefore amended on May 20, 2015, requiring each company to determine that either a fixed amount or a ratio of profit of the current year distributable as employees' compensation shall be definitely specified in the Articles of Incorporation. Besides, the MoEA Letter No.10402427800 issued by Ministry of Economic Affairs on Oct 15, 2015, specifies the ratio distributable as Directors' remuneration in the Articles of Incorporation shall be limited using upper limit only. In accordance with the related regulations abovementioned, FENC has resolved to amend the Article 26 of the "Articles of Incorporation of Far Eastern New Century Corporation" in 2016 Annual General Shareholders' meeting as there are profits for the current year, with the Company's accumulated losses have been covered, a range of the percentage of profit of the current year should be distributed as employees' compensation and an upper limit of profit of the current year should be distributed as Directors' remuneration. The aforesaid profit of the current year shall be audited by the independent auditors of the Company.
- ii. 2021 Directors' remuneration and employees' compensation were calculated as NT\$180,847,070 and NT\$345,346,800, respectively. The aforesaid items will be paid in cash.
- iii. The 24th term Board of Directors approved 2021 employees' compensation and Directors' remuneration in the 3rd Board meeting.

5. To report the information of the corporate bonds issued in 2021

Three corporate bonds were issued in year 2021. Pursuant to Article 246 of "Company Act", the information about the issuance of such corporate bonds is disclosed as Attachment IV.

6. To report the amendments to "Sustainable Development Principles of Far Eastern New Century Corporation"

The Company proposed to amend the "Sustainable Development Principles of Far Eastern New Century Corporation" in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies (version 6)" which was published by Taiwan Stock Exchange Corporation on 7 December 2021. The 24th term Board of Directors approved the amendments in the 3rd Board meeting on March 8, 2022, and the overview table for "Sustainable Development Principles of Far Eastern New Century Corporation" Before and After amendments is attached as Attachment V.

Approval items

1. To accept 2021 business report and financial statements

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of 2021 business report and financial statements.

Explanatory Notes:

- i. FENC's 2021 business report and financial statements (including consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows) have been audited by independent auditors, Mr. Shao Chih-Ming and Mr. Kuo Cheng-Hung of Deloitte & Touche, and have been examined by and determined to be correct and accurate by the Audit Committee of FENC. We thereby submit this report.
- ii. The 2021 business report, independent auditors' reports, Audit Committee's report, and the aforesaid financial statements are attached as Attachments I, II, and III.
- iii. Please accept the aforesaid business report and financial statements.

2. To approve the proposal for distribution of 2021 profits

The Board of Directors proposes and recommends that each shareholder vote FOR the distribution of 2021 profits.

Explanatory Notes:

- i. Cash dividends to common shareholders: NT\$8,029,312,841. (NT\$ 1.5/share)
- ii. After being approved at the Annual General Shareholders' Meeting, the cash dividends to common shareholders will be distributed on a record date to be determined by the Chairman granted full authority from the Board of Directors. Should FENC subsequently repurchase its common shares or issue new common shares according to the relevant regulations, the total number of common shares outstanding may change, and the ultimate cash to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FENC be authorized to adjust the cash to be distributed to each common share based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.

iii. Please refer to the following table for the 2021 profit allocation proposal

(Unit: NT\$)

1. Net income of 2021	9,684,584,384
2. Adjustments due to changes in investees' equity in equity-method investments	204,788,514
3. Adjustments due to changes in other comprehensive income	288,691,994
4. Legal reserve	1,017,806,489
5. Special reserve	780,268,043
6. Reversal of special reserve	272,781
7. Unappropriated earnings of previous years	3,678,505,928
Earnings available for distribution as of 31 December 2021 (1+2+3-4-5+6+7)	12,058,769,069
Distribution item:	
1. Shareholders' dividend (NT\$ 1.5/share in cash)	8,029,312,841
Total distribution	8,029,312,841
Unappropriated earnings	4,029,456,228

iv. Please approve the aforesaid proposal for the distribution of 2021 profits.

Proposed resolutions

1. To approve the revisions to the “Articles of Incorporation of Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments to the Articles of Incorporation.

Explanatory Notes:

- i. In accordance with the provisions of Article 172-2, paragraph 1 of the “Company Act” and to make the Company’s shareholders’ meetings to be able to be held by more flexible means, the Company hereby amends the Articles 11 and 29 of the “Articles of Incorporation of Far Eastern New Century Corporation”.
- ii. The overview table for the “Articles of Incorporation of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment VI.
- iii. Please approve the proposal for the amendments to the “Articles of Incorporation of Far Eastern New Century Corporation”.

2. To approve amending the company bylaw of “Meeting Rules of Stockholders for Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments to Meeting Rules of Stockholders.

Explanatory Notes:

- i. In accordance with the provisions of Article 172-2 of the “Company Act”, the Financial Supervisory Commission promulgated the “Regulations Governing the Administration of Shareholder Services of Public Companies” on March 4, 2022, which revised and augmented the provisions concerning the means and processes of the holding of shareholders' meetings by visual communication networks. Therefore, the Company hereby refers to the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”, issued by Taiwan Stock Exchange Corporation (TWSE) on 8 March 2022, to amend Articles 2, 8-1,11,13 of the “Meeting Rules of Stockholders for Far Eastern New Century Corporation”.
- ii. The overview table for the “Meeting Rules of Stockholders for Far Eastern New Century Corporation” Before and After amendments is attached as Attachment VII.
- iii. Please approve the above proposal.

3. To approve amending the company bylaw of “Election Procedures of Director for Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments to Election Procedures of Director.

Explanatory Notes:

- i. In accordance with the “Sample Template for XXX Co., Ltd. Procedures for Election of Directors” revised by Taiwan Stock Exchange Corporation, the Company hereby amends the “Election Procedures of Director for Far Eastern New Century Corporation”.

- ii. The overview table for the “Election Procedures of Director for Far Eastern New Century Corporation” Before and After amendments is attached as Attachment VIII.
- iii. Please approve the above proposal.

4. To approve amending the company bylaw of “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation” and “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments to Procedures for Lending of Capital to Others and Procedures for Endorsements and Guarantees.

Explanatory Notes:

- i. In accordance with the “FAQ of the Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies” issued by the Financial Supervisory Commission on December 24, 2021, which revised the publishing and reporting standard procedures for both lending of capital to others and making of endorsements/ guarantees by public companies or its subsidiaries, the Company hereby amends Article 8 of the “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation” and Article 8 of the “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation”.
- ii. The overview table for the “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation” and “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment IX.
- iii. Please approve the above proposal.

5. To approve amending the company bylaw of “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments to Procedures for Acquisition and Disposition of Assets.

Explanatory Notes:

- i. In accordance with the amendment promulgated by the Financial Supervisory Commission to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, issued by the decree of no.1110380465 on January 28, 2022, the Company hereby amends Articles 6, 7, 8, 9, 9-1 and 12 of the “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation”.
- ii. The overview table for the “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment X.
- iii. Please approve the above proposal.

Extemporaneous motion

Meeting adjourned

Attachment I

2021 Business Report

I. Preface

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

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

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

Environmentally, an international consensus has been reached on the need to curb global warming through carbon reduction. At the COP26 climate conference in the U.K., the attending parties agreed on a new deal to build upon the Paris Agreement. 130 plus economies around the world declared their ambitions to attain the goal of carbon neutrality. Action will be taken to mitigate the impacts of climate change with an EU carbon border adjustment mechanism

implemented in 2023 and China's cabinet releasing the "Action Plan for Carbon Dioxide Peaking" amid its efforts to accelerate energy transitions and reduce carbon emissions. However, China's increasingly tightened power supply poses a great challenge to the country's pursuit of energy transition and could also threaten to derail the revival of businesses and the global economy as a whole. The green economy and ESG investing continue to show great vitality. Energy conservation, carbon reduction and energy transition are not merely international trends, but what makes or breaks corporate competitiveness.

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

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

II. Operating Results

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

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

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

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

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

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

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

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

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

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

3. Creating brand value with green innovation

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

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

4. Achieving energy efficiency and reducing carbon emissions

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

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

In 2021, the Company contributes to waste reduction an equivalent of an estimated 20 billion PET bottles. Compared with conventional oil-derived PET resins, our recycled PET resins reduce GHG emissions by 63%, an equivalent of 580,000 tons CO₂e every year. We will strive continuously to realize the sustainable goals of energy efficiency and carbon reduction with innovative technology.

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

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

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

Investment Business: Keeping Investments Diversified to Maximize Returns

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

Property Business: Developing Properties to Unlock Asset Potential

To increase returns on land resources, Far Eastern Resources Development Corporation was set up and put in charge of land development, rental, and sale. The Company develops properties with the prospects of regional development in mind, and its construction projects include residences, office buildings, shopping malls, warehouses and logistics facilities, hospitals, and schools. They contribute significantly to FENC's profit growth. The Company owns a total land area of 570,000 pings (1,884,306 m²) in Taiwan. Most of its properties are located in premium areas across the north of Taiwan, including Taipei Far Eastern Plaza and other lots with tremendous development potential scattered in the districts of Banqiao, Wugu and Taishan across New Taipei City. All the residential and commercial properties developed by the Company have delivered impressive results in sale or rental.

The Company's signature project—Taipei Far Eastern Telecom Park (Tpark) is positioned as a hub for 5G and AI-related industries and is currently at Phase III of development. In addition to TPKA—the Park's first office building for commercial rental, the R&D building TPKD and the Cloud Data Center TPKC have also been leased to, respectively, Google and Far EasTone Telecom, bringing in a stable rental income. The new residential complex is planned for completion for sale by the end of the year and is expected to create considerable profits. There is another development project for an old plant in Neili Taoyuan City with an area of 30,000 pings (99,173.7 m²). The first phase application for land rezoning has been approved by the local authorities. Land plans include residential, commercial, and medical districts and public facilities for various purposes. Thanks to the property's proximity to schools and the train station, it is expected to revitalize the community as a whole and enhance the efficiency of land use, which in turn becomes a distinctive feature of this project.

III. Business Goals and Prospects

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

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

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

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

B. Accelerating Digital Transformation by Implementing Intelligent Manufacturing

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

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

C. Expanding Business Presence in the Circular Economy

To meet the robust demand from world-class brand customers that have pledged commitment to green growth, the Company has expanded the scope of application for green materials and upscaled their production through organic expansion and acquisitions, with the ambition of

being the world's largest recycled polyester producer. FENC actualizes its vision of circular economy with three actions—to replace with eco-friendly materials, to reduce reliance on fossil fuel energy and to recycle waste from land, sea and air, via mechanical recycling technology, chemical recycling technology, and carbon capture technology.

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

D. Maintaining Growth Momentum with Responsive Management

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

(1) Strengthening digitalization of corporate administration

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

(2) Expanding global presence with coordinated managerial support

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

(3) Implementing an effective mechanism of risk management

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

(4) Devoted in ESG initiatives for sustainability

The Company has developed a carbon emission inventory and set a timetable for definite GHG reduction targets after deliberation with the management of the Production Business. It has incorporated TCFD guidance as well as SASB standards into its ESG reporting practices to optimize corporate governance, supply chain management, and environmental performance. Moreover, the Company also has long-term plans to uphold its commitment to ESG principles. We will publicly communicate the efforts FENC has been making in relevant areas and continue to raise our scores in international ESG research and ratings.

E. Fulfilling Social Responsibility by Committing to Philanthropy

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

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

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

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

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

Chairman



President



Chief Accountant



Attachment II

2021 Independent Auditors' Report

(English Translation of a Report Originally Issued in Chinese)

The Board of Directors and Shareholders
Far Eastern New Century Corporation

Opinion

We have audited the accompanying consolidated financial statements of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the consolidated financial statements for the year ended December 31, 2021 are as follows:

Fair Value Evaluation of Investment Property

The Group's investment property was subsequently measured using the fair value model. The fair value evaluation involved significant accounting estimation and judgment. As a result, the fair value evaluation of investment property is considered to be a key audit matter.

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

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

1. We assessed the competencies and independence of the external appraiser engaged by the management, discussed with the management the scope of work of the appraiser and the process of appointment to confirm that there is no possible risk affecting the appraiser's independence, nor restrictions on the appraiser's work scope.
2. We assessed the reasonableness of the valuer's assumptions and methods used in the valuation.
3. We audited items from management's supporting documentation, including data which was used by the valuer in the valuation process.

Recognition of Revenue Derived from Mobile Telecommunications Service

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

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

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

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

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

In coordination with the internal IT specialists, we:

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

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

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

Accounting Treatment of Frequency and Network Sharing Services

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

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

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

Other Matter

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 31, 2022

Notice to Readers

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 34,544,963	5	\$ 35,198,619	6
Financial assets at fair value through profit or loss	5,973,798	1	5,455,230	1
Financial assets at fair value through other comprehensive income	141,111	-	86,209	-
Financial assets at amortized cost - current	3,736,179	1	2,507,071	-
Contact assets	6,838,329	1	6,098,262	1
Notes and accounts receivable, net	29,336,993	5	26,788,957	4
Other receivables	3,409,599	-	3,828,566	1
Current tax assets	43,922	-	35,937	-
Inventories	48,965,163	8	21,937,176	4
Prepayments	4,659,552	1	3,349,841	1
Other financial assets	2,837,333	-	2,655,502	-
Refundable deposits	52,252	-	64,369	-
Other current assets	3,534,464	1	3,240,328	-
Total current assets	144,073,658	23	111,246,067	18
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	7,450,337	1	2,726,579	-
Financial assets at amortized cost	515,300	-	510,000	-
Financial assets for hedging	3,517	-	-	-
Investments accounted for using the equity method	79,452,479	13	75,201,025	12
Contract assets	3,362,671	1	3,221,916	1
Property, plant and equipment	165,089,960	26	162,659,904	26
Right-of-use assets	17,282,460	3	18,710,578	3
Investment properties	117,236,910	18	136,853,033	22
Concessions	71,801,775	11	77,002,309	13
Goodwill	12,285,871	2	12,287,387	2
Other intangible assets	3,485,296	1	4,327,470	1
Deferred tax assets	2,766,907	-	2,700,290	-
Prepayments for equipment	803,961	-	568,398	-
Refundable deposits	1,380,859	-	1,363,405	-
Long-term receivables	93,134	-	129,598	-
Incremental costs of obtaining a contract	3,908,968	1	3,490,644	1
Net defined benefit assets	1,409,774	-	642,298	-
Other financial assets	2,263,788	-	2,770,633	1
Other non-current assets	659,960	-	543,736	-
Total non-current assets	491,253,927	77	505,709,203	82
TOTAL	\$ 635,327,585	100	\$ 616,955,270	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 41,123,185	6	\$ 33,474,613	5
Short-term bills payable	5,907,698	1	6,905,315	1
Financial liabilities at fair value through profit or loss	372	-	10,619	-
Contract liabilities	5,884,426	1	5,509,591	1
Notes and accounts payable	17,980,129	3	17,746,056	3
Notes and accounts payable to related parties	292,181	-	291,020	-
Lease liabilities	3,218,502	-	3,220,558	1
Payables to suppliers of machinery and equipment	3,556,519	1	3,455,701	1
Other payables	15,949,146	3	14,431,102	2
Current tax liabilities	3,146,037	-	2,913,079	-
Provisions	256,684	-	249,424	-
Guarantee deposits received	145,360	-	126,100	-
Current portion of long-term liabilities	23,213,998	4	15,524,620	3
Other current liabilities	3,467,081	1	3,167,672	-
Total current liabilities	124,141,318	20	107,025,470	17
NON-CURRENT LIABILITIES				
Financial liabilities for hedging	-	-	8,508	-
Contract liabilities	10,619,363	2	189,322	-
Bonds payable	103,892,830	16	104,682,499	17
Long-term borrowings	96,014,553	15	107,093,501	18
Provisions	1,401,275	-	1,049,170	-
Deferred tax liabilities	18,568,637	3	18,359,149	3
Lease liabilities	6,447,007	1	7,289,561	1
Deferred credit-gains on related-party transactions	121,416	-	121,971	-
Net defined benefit liabilities	873,412	-	904,696	-
Guarantee deposits received	779,279	-	761,458	-
Other non-current liabilities	3,053,577	1	45,325	-
Total non-current liabilities	241,771,349	38	240,505,160	39
Total liabilities	365,912,667	58	347,530,630	56
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Common stock	53,528,751	8	53,528,751	9
Capital surplus	3,403,003	1	3,320,137	1
Retained earnings				
Legal reserve	19,759,271	3	19,028,517	3
Special reserve	119,451,597	19	117,342,360	19
Unappropriated earnings	13,856,572	2	13,744,880	2
Total retained earnings	153,067,440	24	150,115,757	24
Other equity	(3,925,396)	(1)	(2,910,395)	(1)
Treasury shares	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	206,048,735	32	204,029,187	33
NON-CONTROLLING INTERESTS	63,366,183	10	65,395,453	11
Total equity	269,414,918	42	269,424,640	44
TOTAL	\$ 635,327,585	100	\$ 616,955,270	100

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

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

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Interest expense	(2,691,754)	(1)	(2,939,261)	(1)
Other expenses	(722,472)	-	(899,092)	(1)
Exchange (loss)/gain, net	(207,822)	-	15,204	-
Impairment loss	(834,189)	-	(635,089)	-
Total non-operating income and expenses	<u>6,115,767</u>	<u>2</u>	<u>6,121,173</u>	<u>3</u>
INCOME BEFORE INCOME TAX	17,827,305	7	16,123,484	8
INCOME TAX EXPENSE	<u>(2,982,820)</u>	<u>(1)</u>	<u>(3,142,945)</u>	<u>(2)</u>
NET INCOME	<u>14,844,485</u>	<u>6</u>	<u>12,980,539</u>	<u>6</u>
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	317,398	-	(209,796)	-
Gain on property revaluation	272,452	-	1,721,507	1
Unrealized (loss)/gain on investments in equity instruments designated as at fair value through other comprehensive income	(170,815)	-	53,125	-
Share of the other comprehensive income gain/(loss) of associates accounted for using the equity method	415,502	1	(752,803)	(1)
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(78,870)</u>	<u>-</u>	<u>(91,796)</u>	<u>-</u>
	<u>755,667</u>	<u>1</u>	<u>720,237</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(1,314,281)	(1)	(520,593)	-
Gain on hedging instruments	12,025	-	22,579	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>(433,142)</u>	<u>-</u>	<u>36,246</u>	<u>-</u>
	<u>(1,735,398)</u>	<u>(1)</u>	<u>(461,768)</u>	<u>-</u>
Other comprehensive income (loss), net of income tax	<u>(979,731)</u>	<u>-</u>	<u>258,469</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 13,864,754</u>	<u>6</u>	<u>\$ 13,239,008</u>	<u>6</u>
NET INCOME ATTRIBUTABLE TO:				

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Owners of the Company	\$ 9,684,584	4	\$ 8,062,699	4
Non-controlling interests	<u>5,159,901</u>	<u>2</u>	<u>4,917,840</u>	<u>2</u>
	<u>\$ 14,844,485</u>	<u>6</u>	<u>\$ 12,980,539</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 9,169,547	4	\$ 8,036,556	4
Non-controlling interests	<u>4,695,207</u>	<u>2</u>	<u>5,202,452</u>	<u>2</u>
	<u>\$ 13,864,754</u>	<u>6</u>	<u>\$ 13,239,008</u>	<u>6</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS)				
Basic	<u>\$ 1.94</u>		<u>\$ 1.62</u>	
Diluted	<u>\$ 1.94</u>		<u>\$ 1.61</u>	

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company													
						Other Equity						Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
						Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Hedging Instruments	Gain on Property Revaluations	Treasury Shares				
	Common Stock	Capital Surplus	Retained Earnings											
			Legal Reserve	Special Reserve	Unappropriated Earnings									
BALANCE AT JANUARY 1, 2020	\$ 53,528,751	\$ 3,270,355	\$ 17,955,250	\$115,505,874	\$ 17,376,404	\$ (6,545,706)	\$ 2,439,965	\$ 11,700	\$ 1,004,758	\$ (25,063)	\$204,522,288	\$ 66,798,895	\$271,321,183	
Appropriation of the 2019 earnings														
Legal reserve	-	-	1,073,267	-	(1,073,267)	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	1,836,486	(1,836,486)	-	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(8,029,313)	-	-	-	-	-	(8,029,313)	-	(8,029,313)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(6,682,000)	(6,682,000)	
Cash dividends distributed by subsidiaries from capital surplus	-	-	-	-	-	-	-	-	-	-	-	(51,156)	(51,156)	
Net income for the year ended December 31, 2020	-	-	-	-	8,062,699	-	-	-	-	-	8,062,699	4,917,840	12,980,539	
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	(180,004)	(673,235)	(469,545)	7,780	1,288,861	-	(26,143)	284,612	258,469	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	7,882,695	(673,235)	(469,545)	7,780	1,288,861	-	8,036,556	5,202,452	13,239,008	
Change in associates accounted for using the equity method	-	48,613	-	-	(417,606)	-	-	-	-	-	(368,993)	(3,859)	(372,852)	
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,169	-	-	-	-	-	-	-	-	1,169	-	1,169	
Change in ownership interest of subsidiaries	-	-	-	-	(133,171)	-	651	-	-	-	(132,520)	131,121	(1,399)	
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(24,376)	-	24,376	-	-	-	-	-	-	
BALANCE AT DECEMBER 31, 2020	53,528,751	3,320,137	19,028,517	117,342,360	13,744,880	(7,218,941)	1,995,447	19,480	2,293,619	(25,063)	204,029,187	65,395,453	269,424,640	
Appropriation of the 2020 earnings														
Legal reserve	-	-	730,754	-	(730,754)	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	2,109,237	(2,109,237)	-	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(7,226,382)	-	-	-	-	-	(7,226,382)	-	(7,226,382)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(4,705,450)	(4,705,450)	
Cash dividends distributed by subsidiaries from capital surplus	-	-	-	-	-	-	-	-	-	-	-	(2,041,690)	(2,041,690)	
Net income for the year ended December 31, 2021	-	-	-	-	9,684,584	-	-	-	-	-	9,684,584	5,159,901	14,844,485	
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	288,692	(1,500,584)	409,880	3,912	283,063	-	(515,037)	(464,694)	(979,731)	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	9,973,276	(1,500,584)	409,880	3,912	283,063	-	9,169,547	4,695,207	13,864,754	
Change in associates accounted for using the equity method	-	131,179	-	-	46,117	-	(50,869)	-	(1,731)	-	124,696	1,134	125,830	
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,052	-	-	-	-	-	-	-	-	1,052	-	1,052	
Differences between the acquisition or disposition of the equity price of subsidiaries and the carrying amount	-	(50,072)	-	-	-	-	-	-	-	-	(50,072)	(27,167)	(77,239)	
Change in ownership interest of subsidiaries	-	707	-	-	-	-	-	-	-	-	707	48,696	49,403	
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	125,315	-	(125,315)	-	-	-	-	-	-	
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	33,357	-	(33,357)	-	-	-	-	-	-	
BALANCE AT DECEMBER 31, 2021	\$ 53,528,751	\$ 3,403,003	\$ 19,759,271	\$119,451,597	\$ 13,856,572	\$ (8,719,525)	\$ 2,195,786	\$ 23,392	\$ 2,574,951	\$ (25,063)	\$206,048,735	\$ 63,366,183	\$269,414,918	

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

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

CASH FLOWS FROM INVESTING ACTIVITIES

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	2021	2020
Acquisition of financial assets at fair value through other comprehensive income	(5,248,450)	(522,455)
Proceeds from the disposal of financial assets at fair value through other comprehensive income	272,256	-
Cash received by reduction of capital of financial assets at fair value through other comprehensive income	21,450	13,500
Increase in financial assets at amortized cost	(1,234,408)	(704,982)
Acquisition of investments accounted for using the equity method	(1,773,561)	(4,080,195)
Acquisition of property, plant, equipment and prepayments for equipment	(20,173,864)	(19,332,091)
Proceeds from the disposal of property, plant and equipment	3,130,060	222,484
(Increase)/decrease in refundable deposits	(5,337)	155,900
Decrease/(increase) in other receivables	568,230	(550,590)
Acquisition of intangible assets	(684,663)	(758,880)
Increase in concessions	(171,271)	(42,150,715)
Proceeds from disposal of concessions	1,714	40
Proceeds on the disposal of intangible assets	19,411	2,061
Acquisition of right-of-use assets	(1,752)	(208,951)
Acquisition of investment properties	(21,258)	(5,370)
Proceeds from the disposal of investment properties	192,882	101
Decrease in other financial assets	325,014	1,535,382
Increase in other non-current assets	(164,261)	(59,262)
Other investing activities	<u>3,163,755</u>	<u>-</u>
Net cash used in investing activities	<u>(21,784,053)</u>	<u>(66,444,023)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	7,648,572	(1,954,973)
Decrease in short-term bills payables	(1,000,522)	(1,218,878)
Proceeds from issue of bonds	21,400,000	34,500,000
Repayments of bonds payables	(13,200,000)	(20,600,000)
Proceeds from long-term borrowings	230,986,198	266,586,037
Repayments of long-term borrowings	(243,049,759)	(237,847,021)
Increase in guarantee deposits received	37,081	19,085
Repayment of the principal portion of lease liability	(3,953,827)	(4,160,695)
Decrease in other non-current liabilities	(155,503)	(45,594)
Cash dividends paid	(7,226,382)	(8,028,144)
Increase on non-controlling interests	49,403	162
Acquisition of partial equity in subsidiaries from non-controlling interest	(77,239)	-
Dividends paid to non-controlling interests	<u>(6,746,753)</u>	<u>(6,733,082)</u>
Net cash generated from (used in) financing activities	<u>(15,288,731)</u>	<u>20,516,897</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>(104,979)</u>	<u>711,702</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	2021	2020
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(653,656)</u>	<u>(3,725,969)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>35,198,619</u>	<u>38,924,588</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 34,544,963</u>	<u>\$ 35,198,619</u>

(Concluded)

Independent auditors' report

(English Translation of a Report Originally Issued in Chinese)

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

Opinion

We have audited the financial statements of Far Eastern New Century Corporation (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the financial statements for the year ended December 31, 2021 are as follows:

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

The Company's investment properties (including the investment properties held by subsidiaries accounted for by using the equity method) are subsequently measured using the fair value model. The fair value evaluation involves significant accounting estimation and judgment. As a result, the fair value evaluation of investment properties (including the investment properties held by subsidiaries accounted for by using the equity method) is considered a key audit matter.

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

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

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

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

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

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

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

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

In coordination with the internal IT specialists, we:

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

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

1. For the billed amounts, we compared whether there is any difference between the reports generated from the accounting system and the billing system.

2. For the unbilled amounts, we recalculated the service revenue for services provided as of the balance sheet date based on the applied charge rates to confirm the accuracy of the amounts.

Accounting Treatment of Frequency and Network Sharing Services of a Subsidiary's Associate

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

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

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

Other Matter

The financial statements of APG Polytech, LLC and Corpus Christi Polymers, LLC, associates of the Company's subsidiaries, were audited by other auditors. Our opinion, insofar as it relates to the amounts of investment accounted for using the equity method and other comprehensive income included in the financial statements for these investees, is based solely on the reports of other auditors. The balance of investment accounted for using the equity method of the aforementioned investees was NT\$15,882,387 thousand and NT\$14,718,570 thousand, both representing 5% of the Company's total assets as of December 31, 2021 and 2020. The other comprehensive gain (losses) of the aforementioned investees were NT\$854,804 thousand and NT\$(653,472) thousand, representing 9% and (8%) of the Company's total comprehensive income for the year ended December 31, 2021 and 2020, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 31, 2022

Notice to Readers

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

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

FAR EASTERN NEW CENTURY CORPORATION

BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 17,887,855	6	\$ 19,436,311	6
Financial assets at fair value through profit or loss	10,163	-	-	-
Notes and accounts receivable, net	7,749,273	2	5,097,229	2
Other receivables	306,763	-	877,192	-
Current tax assets	17,344	-	14,193	-
Inventories	6,656,153	2	4,281,313	1
Financial assets at amortized cost	-	-	300,000	-
Prepayments	585,473	-	56,087	-
Refundable deposits	5,592	-	17,146	-
Other current assets	238,962	-	177,542	-
Total current assets	33,457,578	10	30,257,013	9
NON-CURRENT ASSETS				
Investments accounted for using the equity method	274,119,131	82	269,392,281	83
Property, plant and equipment	22,808,295	7	24,271,372	8
Right-of-use assets	432,439	-	663,682	-
Investment properties	1,065,125	-	1,023,412	-
Other intangible assets	15,611	-	16,280	-
Deferred tax assets	12,638	-	63,353	-
Prepayments for equipment	28,102	-	21,598	-
Refundable deposits	57,348	-	56,244	-
Net defined benefit assets	1,322,348	1	568,701	-
Other financial assets	56,642	-	71,343	-
Other non-current assets	100,601	-	46,797	-
Total non-current assets	300,018,280	90	296,195,063	91
TOTAL	\$ 333,475,858	100	\$ 326,452,076	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 3,772,868	1	\$ 3,462,493	1
Financial liabilities at fair value through profit or loss	-	-	10,619	-
Contract liabilities	251,722	-	294,756	-
Notes and accounts payable	1,670,187	1	1,234,900	1
Notes and accounts payable to related parties	1,335,725	-	743,905	-
Payables to suppliers of machinery and equipment	1,804	-	596	-
Other payables	5,101,639	2	4,334,098	1
Lease liabilities	232,097	-	235,201	-
Current portion of long-term liabilities	9,496,599	3	11,297,104	4
Other current liabilities	779,180	-	766,710	-
Total current liabilities	22,641,821	7	22,380,382	7
NON-CURRENT LIABILITIES				
Lease liabilities	208,966	-	438,087	-
Bonds payable	61,631,311	18	53,931,438	17
Long-term borrowings	40,417,185	12	43,438,049	13
Deferred tax liabilities	2,481,372	1	2,187,424	1
Guarantee deposits received	1,043	-	1,164	-
Deferred credit-gains on related-party transactions	45,425	-	46,345	-
Total non-current liabilities	104,785,302	31	100,042,507	31
Total liabilities	127,427,123	38	122,422,889	38
EQUITY (Note 19)				
Share capital				
Common stock	53,528,751	16	53,528,751	16
Capital surplus	3,403,003	1	3,320,137	1
Retained earnings				
Legal reserve	19,759,271	6	19,028,517	6
Special reserve	119,451,597	36	117,342,360	36
Unappropriated earnings	13,856,572	4	13,744,880	4
Total retained earnings	153,067,440	46	150,115,757	46
Other equity	(3,925,396)	(1)	(2,910,395)	(1)
Treasury shares	(25,063)	-	(25,063)	-
Total equity	206,048,735	62	204,029,187	62
TOTAL	\$ 333,475,858	100	\$ 326,452,076	100

FAR EASTERN NEW CENTURY CORPORATION

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE				
Net sales	\$45,527,236	100	\$38,768,801	100
OPERATING COSTS				
Cost of goods sold	<u>38,592,537</u>	<u>85</u>	<u>33,478,180</u>	<u>86</u>
GROSS PROFIT	<u>6,934,699</u>	<u>15</u>	<u>5,290,621</u>	<u>14</u>
OPERATING EXPENSES				
Selling and marketing	4,848,388	11	2,759,130	7
General and administrative	1,906,015	4	1,496,777	4
Research and development	712,873	1	683,260	2
Expected credit loss	<u>22,361</u>	<u>-</u>	<u>11,539</u>	<u>-</u>
Total operating expenses	<u>7,489,637</u>	<u>16</u>	<u>4,950,706</u>	<u>13</u>
OPERATING (LOSS) INCOME	<u>(554,938)</u>	<u>(1)</u>	<u>339,915</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of subsidiaries and associates	11,578,885	25	8,560,758	22
Interest income	13,560	-	13,945	-
Other income	349,873	1	323,449	1
Gain on disposal of property, plant and equipment (Note 26)	3,809	-	29,923	-
Gain on disposal of investments	(47,580)	-	85	-
Gain on change in fair value of investment properties	41,713	-	39,639	-
Exchange (loss) gain, net	(194,288)	-	(18,318)	-
Gain (loss) on financial assets (liabilities) at fair value through profit or loss	71,185	-	(43,132)	-
Interest expense	(890,867)	(2)	(949,065)	(3)
Other expenses	(264,369)	(1)	(263,121)	(1)
Impairment loss	<u>(163,229)</u>	<u>-</u>	<u>(149,476)</u>	<u>-</u>
Total non-operating income and expenses	<u>10,498,692</u>	<u>23</u>	<u>7,544,687</u>	<u>19</u>
INCOME BEFORE INCOME TAX	9,943,754	22	7,884,602	20
INCOME TAX BENEFIT (EXPENSE)	<u>(259,170)</u>	<u>(1)</u>	<u>178,097</u>	<u>1</u>
NET INCOME	<u>9,684,584</u>	<u>21</u>	<u>8,062,699</u>	<u>21</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

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

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	334,120	1	(180,372)	-
Share of other comprehensive loss of subsidiaries and associates	850,012	2	714,136	2
Income tax relating to items that will not be reclassified subsequently to profit or loss	(66,824)	-	36,074	-
	<u>1,117,308</u>	<u>3</u>	<u>569,838</u>	<u>2</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive loss of subsidiaries and associates	<u>(1,632,345)</u>	<u>(4)</u>	<u>(595,981)</u>	<u>(2)</u>
Other comprehensive income (loss), net of income tax	<u>(515,037)</u>	<u>(1)</u>	<u>(26,143)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 9,169,547</u>	<u>20</u>	<u>\$ 8,036,556</u>	<u>21</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS)				
Basic	<u>\$ 1.94</u>		<u>\$ 1.62</u>	
Diluted	<u>\$ 1.94</u>		<u>\$ 1.61</u>	

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

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

			Retained Earnings			Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Hedging Instruments	Gain on Property Revaluations	Treasury Shares	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2020	\$ 53,528,751	\$ 3,270,355	\$ 17,955,250	\$115,505,874	\$ 17,376,404	\$ (6,545,706)	\$ 2,439,965	\$ 11,700	\$ 1,004,758	\$ (25,063)	\$204,522,288
Appropriation of the 2019 earnings											
Legal reserve	-	-	1,073,267	-	(1,073,267)	-	-	-	-	-	-
Special reserve	-	-	-	1,836,486	(1,836,486)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(8,029,313)	-	-	-	-	-	(8,029,313)
Net income for the year ended December 31, 2020	-	-	-	-	8,062,699	-	-	-	-	-	8,062,699
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	(180,004)	(673,235)	(469,545)	7,780	1,288,861	-	(26,143)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	7,882,695	(673,235)	(469,545)	7,780	1,288,861	-	8,036,556
Change in associates and subsidiaries accounted for using the equity method	-	48,613	-	-	(571,360)	-	21,234	-	-	-	(501,513)
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,169	-	-	-	-	-	-	-	-	1,169
Associates disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(3,793)	-	3,793	-	-	-	-
BALANCE, DECEMBER 31, 2020	53,528,751	3,320,137	19,028,517	117,342,360	13,744,880	(7,218,941)	1,995,447	19,480	2,293,619	(25,063)	204,029,187
Appropriation of the 2020 earnings											
Legal reserve	-	-	730,754	-	(730,754)	-	-	-	-	-	-
Special reserve	-	-	-	2,109,237	(2,109,237)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(7,226,382)	-	-	-	-	-	(7,226,382)
Net income for the year ended December 31, 2021	-	-	-	-	9,684,584	-	-	-	-	-	9,684,584
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	288,692	(1,500,584)	409,880	3,912	283,063	-	(515,037)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	9,973,276	(1,500,584)	409,880	3,912	283,063	-	9,169,547
Change in associates and subsidiaries accounted for using the equity method	-	81,814	-	-	98,746	-	(103,498)	-	(1,731)	-	75,331
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,052	-	-	-	-	-	-	-	-	1,052
Subsidiaries and associates disposal the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	106,043	-	(106,043)	-	-	-	-
BALANCE, DECEMBER 31, 2021	<u>\$ 53,528,751</u>	<u>\$ 3,403,003</u>	<u>\$ 19,759,271</u>	<u>\$119,451,597</u>	<u>\$ 13,856,572</u>	<u>\$ (8,719,525)</u>	<u>\$ 2,195,786</u>	<u>\$ 23,392</u>	<u>\$ 2,574,951</u>	<u>\$ (25,063)</u>	<u>\$206,048,735</u>

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 9,943,754	\$ 7,884,602
Adjustments for:		
Expected credit loss	22,361	11,539
Depreciation	2,378,051	2,432,107
Amortization	9,229	12,081
Interest expense	890,867	949,065
Interest income	(13,560)	(13,945)
Share of the profit of subsidiaries and associates	(11,578,885)	(8,560,758)
Gain on disposal of property, plant and equipment	(3,809)	(29,923)
Loss/(gain) on disposal of investments	47,580	(85)
Impairment loss	163,229	149,476
Write-down of inventories	121,694	2,036
Gain on change in fair value of investment properties	(41,713)	(39,639)
Gain on lease modification	-	(107)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(10,163)	7,703
Notes and accounts receivable	(2,674,405)	214,816
Other receivables	(89,659)	88,897
Inventories	(2,496,534)	887,099
Prepayments	(529,386)	22,013
Other current assets	(61,420)	131,260
Contract liabilities	(43,034)	150,078
Notes and accounts payable	435,287	(72,674)
Notes and accounts payable to related parties	591,820	(542,285)
Other payables	843,150	219,637
Financial liabilities at fair value through profit or loss	(10,619)	10,619
Other current liabilities	12,470	(49,659)
Net defined benefit assets	(419,527)	(331,645)
Cash generated from operations	(2,513,222)	3,532,308
Interest received	13,648	13,945
Dividends received	8,073,232	7,928,924
Interest paid	(958,437)	(969,737)
Income tax received	15,518	8,475
Net cash generated from operating activities	<u>4,630,739</u>	<u>10,513,915</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in financial assets at amortized cost	300,000	(300,000)
Acquisition of investments accounted for using the equity method	(1,974,813)	(1,108,414)
Acquisition of property, plant, equipment and prepayments for equipment	(857,796)	(1,180,312)
Proceeds from disposal of property, plant and equipment	5,262	42,045
Decrease in refundable deposits	10,450	38,528
(Increase) decrease in other receivables	660,000	(660,000)

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

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

	2021	2020
Acquisition of intangible assets	(8,560)	(9,413)
Acquisition of investment properties	-	(5,369)
Decrease in other financial assets	14,701	1,229,030
(Increase) decrease in other non-current assets	<u>(46,455)</u>	<u>694</u>
Net cash used in investing activities	<u>(1,897,211)</u>	<u>(1,953,211)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	310,375	1,062,078
Proceeds from issue of bonds	17,200,000	20,500,000
Repayments of bonds payable	(11,300,000)	(13,700,000)
Proceeds from long-term borrowings	146,039,764	180,330,464
Repayments of long-term borrowings	(149,069,299)	(189,641,931)
Repayment of the principal portion of lease liabilities	(236,321)	(238,157)
Decrease in guarantee deposits received	(121)	(459)
Cash dividends paid	<u>(7,226,382)</u>	<u>(8,029,313)</u>
Net cash used in financing activities	<u>(4,281,984)</u>	<u>(9,717,318)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(1,548,456)	(1,156,614)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>19,436,311</u>	<u>20,592,925</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 17,887,855</u>	<u>\$ 19,436,311</u>

(Concluded)

Attachment III

The Audit Committee's Review Report

To the 2022 General Shareholders' Meeting of Far Eastern New Century Corporation,

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

The Convener of the Audit Committee: Chen-En Ko

A handwritten signature in black ink, consisting of stylized Chinese characters, likely representing the name Chen-En Ko.

May 6, 2022

Attachment IV

Information of the Corporate Bonds Issued in Year 2021

Offering Type		Domestic unsecured bonds (1 st of Year 2021)	Domestic unsecured bonds (2 nd of Year 2021)	Domestic unsecured bonds (3 rd of Year 2021)
Total Amount		NT\$ 9.5 billion	NT\$ 1.2 billion	NT\$ 6.5 billion
Maturity		5 years	5 years	5 years
Coupon rate		0.67% p.a.	0.52% p.a.	0.63 % p.a.
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.
Guarantor		None	None	None
Approval authority	Agency	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)
	Date	April 21, 2021	May 20, 2021	September 17, 2021
	Letter No.	Securities-TPEX-Bond - 11000035821	Securities-TPEX-Bond - 11000052871	Securities-TPEX-Bond - 11000107191
Use of proceeds		To payback short-term borrowings or current portion of long-term liabilities and improve the financial structure	To meet the social investment projects of the Company, or to reimburse the loans required by the aforementioned projects	To payback short-term borrowings or current portion of long-term liabilities and improve the financial structure
Remark		To be issued at par value on April 28, 2021	To be issued at par value on May 24, 2021	To be issued at par value on September 27, 2021

Attachment V

Amendments to “Sustainable Development Principles of Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles
	<u>Sustainable Development Principles of Far Eastern New Century Corporation</u>	<u>Sustainability Principles of Far Eastern New Century Corporation</u>
Article 1	In order to fulfill Far Eastern New Century Corporation’s corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, Far Eastern New Century Corporation (“FENC”) hereby promulgates the <u>Sustainable Development Principles</u> (“the Principles”) in accordance with “ <u>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</u> ”.	In order to fulfill Far Eastern New Century Corporation’s corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, Far Eastern New Century Corporation (“FENC”) hereby promulgates the <u>Sustainability Principles</u> (“the Principles”) in accordance with “ <u>Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies</u> ”.
Article 3	<p>1. For the purpose of managing and promoting a sound corporate <u>sustainable development</u> initiatives, the board of directors of the Company shall establish “Sustainability Committee” to be in charge of supervising the <u>sustainable development</u> policies, systems, or relevant management guidelines, and to report the status of the handling to the board of directors periodically.</p> <p>2. The Company shall set up “Sustainability Implementation Committee” to be responsible for the implementation of <u>sustainable development</u> related matters. Corporate Management President shall serve as the general convener. The “Sustainability Implementation Committee” works as follows:</p> <p>(1) Compilation and disclosure of corporate <u>sustainable development</u> information.</p> <p>(2) Planning and implementation of corporate <u>sustainable development</u> projects.</p> <p>(3) Co-ordination and submission of information on external evaluation matters for corporate <u>sustainable development</u>.</p>	<p>1. For the purpose of managing and promoting a sound corporate <u>sustainability</u> initiatives, the board of directors of the Company shall establish “Sustainability Committee” to be in charge of supervising the <u>sustainability</u> policies, systems, or relevant management guidelines, and to report the status of the handling to the board of directors periodically.</p> <p>2. The Company shall set up “Sustainability Implementation Committee” to be responsible for the implementation of <u>sustainability</u> related matters. Corporate Management President shall serve as the general convener. The “Sustainability Implementation Committee” works as follows:</p> <p>(1) Compilation and disclosure of corporate <u>sustainability</u> information.</p> <p>(2) Planning and implementation of corporate <u>sustainability</u> projects.</p> <p>(3) Co-ordination and submission of information on external evaluation matters for corporate <u>sustainability</u>.</p>
Article 5	To implement corporate <u>sustainable development</u> initiatives, the Company sets out the principles below:	To implement corporate <u>sustainability</u> initiatives, the Company sets out the principles below:
	<p>1. Exercise corporate governance.</p> <p>2. Foster a sustainable environment.</p>	<p>1. Exercise corporate governance.</p> <p>2. Foster a sustainable environment.</p>

Section	Proposed Changes	Current Articles
	<p>3. Preserve public welfare.</p> <p>4. Enhance disclosure of corporate <u>sustainable development</u> information.</p>	<p>3. Preserve public welfare.</p> <p>4. Enhance disclosure of corporate <u>sustainability</u> information.</p>
Article 6	<p>1. The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate <u>sustainable development</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate <u>sustainable development</u> policies.</p> <p>2. The Company should give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its corporate <u>sustainable development</u> initiatives:</p> <p>(1) Developing "Sustainability Strategic Blueprint" and corporate <u>sustainable development</u> related management guidelines.</p> <p>(2) Making corporate <u>sustainable development</u> the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for corporate <u>sustainable development</u> initiatives.</p> <p>(3) Enhancing the timeliness and accuracy of the disclosure of corporate <u>sustainable development</u> information.</p> <p>3. The Company should organize education and trainings on the implementation of corporate <u>sustainable development</u> initiatives.</p>	<p>1. The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate <u>sustainability</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate <u>sustainability</u> responsibility policies.</p> <p>2. The Company should give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its corporate <u>sustainability</u> initiatives:</p> <p>(1) Developing "Sustainability Strategic Blueprint" and corporate <u>sustainability</u> related management guidelines.</p> <p>(2) Making corporate <u>sustainability</u> the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for corporate <u>sustainability</u> initiatives.</p> <p>(3) Enhancing the timeliness and accuracy of the disclosure of corporate <u>sustainability</u> information.</p> <p>3. The Company should organize education and trainings on the implementation of corporate <u>sustainability</u> initiatives.</p>
Article 13	<p>The Company shall adopt standards or guidelines generally used in the country and overseas countries to collect data on greenhouse gas emissions, water intakes, energy consumptions and various wastes, and disclose relevant information. <u>The scope of greenhouse gas disclosure should include the following:</u></p> <p>1. <u>Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.</u></p> <p>2. <u>Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.</u></p>	<p>The Company shall adopt standards or guidelines generally used in the country and overseas countries to collect data on greenhouse gas emissions, water intakes, energy consumptions and various wastes, and disclose relevant information.</p>

Section	Proposed Changes	Current Articles
	<p>3. Other indirect greenhouse gas emissions: <u>emissions from company activities that are not from energy sources but originate from sources owned or controlled by other companies.</u></p> <p><u>The Company should establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of business operations on climate change.</u></p>	
Article 19	<p>1. The Company should assess the impact its procurement has on society as well as the environment of the community that it is procuring from, and should cooperate with its suppliers and business partners to jointly implement the corporate <u>sustainable development</u> initiative.</p> <p>2. The Company should adopt the supplier management policy. When the Company enter into a contract with any of the major suppliers, the content should include terms stipulating mutual compliance with corporate <u>sustainable development</u> policy.</p> <p>3. The Company should avoid conducting transactions with suppliers against the Company's corporate <u>sustainable development</u> policy. The contract may be terminated or rescinded any time if the supplier has violated <u>supplier management policy</u> and has caused significant negative impact on the environment and society of the community of the supply source.</p>	<p>1. The Company should assess the impact its procurement has on society as well as the environment of the community that it is procuring from, and should cooperate with its suppliers and business partners to jointly implement the corporate <u>sustainability</u> initiative.</p> <p>2. The Company should adopt the supplier management policy. When the Company enter into a contract with any of the major suppliers, the content should include terms stipulating mutual compliance with corporate <u>sustainability</u> policy.</p> <p>3. The Company should avoid conducting transactions with suppliers against the Company's corporate <u>sustainability</u> policy. The contract may be terminated or rescinded any time if the supplier has violated <u>such policy</u> and has caused significant negative impact on the environment and society of the community of the supply source.</p>
Chapter V	Enhancing Disclosure of Corporate <u>Sustainable Development</u> Information	Enhancing Disclosure of Corporate <u>Sustainability</u> Information
Article 21	The Company shall disclose information according to relevant laws, and shall disclose relevant and reliable information relating to its corporate <u>sustainable development</u> initiatives to improve information transparency.	The Company shall disclose information according to relevant laws, and shall disclose relevant and reliable information relating to its corporate <u>sustainability</u> initiatives to improve information transparency.
Article 22	1. The Company's sustainability report shall adopt internationally widely recognized standards or guidelines required by the laws to	1. The Company shall adopt internationally widely recognized standards or guidelines required by the laws to disclose the status and

Section	Proposed Changes	Current Articles
	<p>disclose the status and performance of its implementation of the <u>sustainable development</u> initiatives and obtain a third-party assurance or verification to enhance the reliability of the information.</p> <p>2. The disclosed Company's <u>sustainable development</u> information shall include:</p> <p>(1) The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>sustainable development</u> initiatives.</p> <p>(2) Major stakeholders and their concerns.</p> <p>(3) Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>(4) Future improvements and goals.</p>	<p>performance of its implementation of the <u>sustainability</u> initiatives and obtain a third-party assurance or verification to enhance the reliability of the information.</p> <p>2. The disclosed Company's <u>sustainability</u> information shall include:</p> <p>(1) The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>sustainability</u> initiatives.</p> <p>(2) Major stakeholders and their concerns.</p> <p>(3) Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>(4) Future improvements and goals.</p>
Article 23	<p>The Company shall monitor the development of the country and overseas countries corporate <u>sustainable development</u> standards and the change of business environment so as to examine and improve its established corporate <u>sustainable development</u> framework and to obtain better results from the <u>promotion of the sustainable development</u> initiatives.</p>	<p>The Company shall monitor the development of the country and overseas countries corporate <u>sustainability</u> standards and the change of business environment so as to examine and improve its established corporate <u>sustainability</u> framework and to obtain better results from the <u>implementation of the sustainability</u> initiatives.</p>

Attachment VI

Revisions to the “Articles of Incorporation of Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles
Article 11	<p>Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice 30 days before the General Shareholders' Meeting and 15 days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place and reasons for calling the shareholders' meeting.</p> <p><u>The Shareholders' Meetings can be held by means of visual communication network or other methods promulgated by the central competent authority.</u></p>	<p>Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice 30 days before the General Shareholders' Meeting and 15 days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place and reasons for calling the shareholders' meeting.</p>
Article 29	<p>These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.</p> <p><u>Sixty-ninth amendment on June 30, 2022</u></p>	<p>These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.</p> <p><u>Sixty-eighth amendment on June 30, 2020</u></p>

Attachment VII

Amendments to “Meeting Rules of Stockholders for Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles	Description
Article 2	<p>The location for stockholders’ meeting shall be the Company’s place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.</p> <p><u>Changes to the forms of how the Company convenes shareholders’ meetings shall be resolved by resolutions of the board of directors, and shall be made no later than the mailing of the shareholders’ meeting notices.</u></p> <p>The meeting notice of the shareholders’ meeting shall state the registration time, location and other important information. The aforesaid registration time shall start at least thirty minutes before the beginning of the meeting. The registration desk shall be featured with clear instructions and competent staffs. <u>For virtual shareholders’ meetings, shareholders may begin to register on the virtual meeting platform 30 minutes prior to the starting time. Shareholders who complete the registration process will be deemed to attend the shareholders’ meeting in person.</u></p> <p>When convening stockholders’ meeting, the Company shall incorporate electronic vote casting as one of the alternative ways to cast the vote, and the procedure of electronic casting shall be written in the notice of stockholders’ meeting. Shareholders who vote via electronic casting is deemed as presented in person. <u>Shareholders who have already exercised their voting rights by paper correspondence or electronic means and still attended the shareholders’ meetings physically or registered to attend the shareholders’ meeting online without withdrawing the former</u></p>	<p>The location for stockholders’ meeting shall be the Company’s place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.</p> <p>The meeting notice of the shareholders’ meeting shall state the registration time, location and other important information. The aforesaid registration time shall start at least thirty minutes before the beginning of the meeting. The registration desk shall be featured with clear instructions and competent staffs.</p> <p>When convening stockholders’ meeting, the Company shall incorporate electronic vote casting as one of the alternative ways to cast the vote, and the procedure of electronic casting shall be written in the notice of stockholders’ meeting. Shareholders who vote via electronic casting is deemed as presented in person. <u>With respect to extemporaneous motions, amendments of the original proposals, and substitute proposals raised in the stockholders’ meeting, those who vote via electronic casting shall be considered as abstain.</u></p>	<p>I. In accordance with the amendments to the “Company Act” and the “Regulations Governing the Administration of Shareholder Services of Public Companies”, regarding the means and processes of the holding of the shareholders’ meetings via visual communication networks, the Company hereby takes the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” (referred hereinafter as the “Sample Template”) issued by TWSE on 8 March 2022, as a reference to amending paragraph 2 of this Article.</p> <p>II. The Company refers to the paragraph 2 of Article 6 of the “Sample Template” to stipulate the time and procedures of the registration process for shareholders who attend the shareholders’ meetings via virtual meeting platforms. Therefore, the paragraph 3 of this Article is amended.</p> <p>III. The “Sample Template” takes the contents of the interpretative letters of</p>

Section	Proposed Changes	Current Articles	Description
	<p><u>declaration of such intent of voting, in such case, except for exercising voting rights on extemporary motions, they shall not exercise voting rights on the original proposals or make any amendment to the original proposals or exercise voting rights on amendments to the original proposals.</u></p> <p>Shareholders (or by proxies) attending the Meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The proxy solicitor shall provide ID document for verification purpose. The stockholders (or by proxies) when attending the meeting shall hand in signed attendance form.</p> <p>Number of stockholders in attendance shall be calculated based on the number of attending shares, which equals to the sum of number of shares shown on the signed attended forms, <u>and the shares that checked in on the virtual meeting platform</u>, and the number of voting shares via electronic casting.</p> <p>The Company may appoint lawyers, accountants or related personnel to attend the stockholders' meeting.</p> <p>The personnel in charge of handling the affaires of the meeting shall wear identification badge or armband.</p> <p>For a stockholders' meeting convened by the board of directors, the chairman of the board of directors shall preside at the meeting. If the chairman of the board of directors is on leave or unable to exert the rights, the vice-chairman of the board of directors shall preside instead. If the position of vice-chairman is vacant or the vice-chairman is on leave or unable to exert the rights, the chairman of the board of directors shall designate a director to preside at the meeting. If no director is so designated, the chairman of the meeting shall be elected by the board of directors from among themselves. If a director presides at the meeting including the representative of an institutional director, shall be</p>	<p>Shareholders (or by proxies) attending the Meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The proxy solicitor shall provide ID document for verification purpose. The stockholders (or by proxies) when attending the meeting shall hand in signed attendance form.</p> <p>Number of stockholders in attendance shall be calculated based on the number of attending shares, which equals to the sum of number of shares shown on the signed attended forms and the number of voting shares via electronic casting.</p> <p>The Company may appoint lawyers, accountants or related personnel to attend the stockholders' meeting.</p> <p>The personnel in charge of handling the affaires of the meeting shall wear identification badge or armband.</p> <p>For a stockholders' meeting convened by the board of directors, the chairman of the board of directors shall preside at the meeting. If the chairman of the board of directors is on leave or unable to exert the rights, the vice-chairman of the board of directors shall preside instead. If the position of vice-chairman is vacant or the vice-chairman is on leave or unable to exert the rights, the chairman of the board of directors shall designate a director to preside at the meeting. If no director is so designated, the chairman of the meeting shall be elected by the board of directors from among themselves. If a director presides at the meeting including the representative of an institutional director, shall be</p>	<p>No.10102404740, dated 24 February 2012, and of No.10102414350, dated 3 May 2012, issued by the Ministry of Economic Affair, as a reference to amend paragraph 12 of Article 13, which stipulates that shareholders who have already exercised their voting rights via paper correspondence or electronic means, can still register to attend the virtual shareholders' meeting, even though they have not revoked the former declaration of such intent of voting, in that case, except for exercising voting rights on extemporary motions, the shareholders cannot exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal. Therefore, the Company hereby refers to the amendment of the "Sample Template" hereinabove to amend paragraph 3 of this Article and reclassifies it as paragraph 4.</p> <p>IV. In addition to the number of shares in attendance being exercised in the attendance book, sign-in cards, paper</p>

Section	Proposed Changes	Current Articles	Description
	<p>appointed at least 6 months and familiar with the financial performance and operations of the Company. For a stockholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting; if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.</p> <p>The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year. If a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the video and audio records shall be retained until the conclusion of the litigation. <u>When a virtual shareholders' meeting has convened, the Company shall make continuous and uninterrupted audio and video recordings throughout the entire meeting and shall properly preserve the relevant records and audio and video recordings during the entirety of the Company's existence.</u></p>	<p>appointed at least 6 months and familiar with the financial performance and operations of the Company. For a stockholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting; if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.</p> <p>The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year. If a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the video and audio records shall be retained until the conclusion of the litigation.</p>	<p>correspondences or electronic means, the total shares number in attendance shall also be calculated by adding up the shares of those shareholders who have completed the registration process on the virtual meeting platform, after a virtual shareholders' meeting has convened. The Company hereby amends paragraph 5 of this Article and reclassifies it as paragraph 6.</p> <p>V. The Company refers to the paragraphs 3 and 4 of Article 8 of the "Sample Template" to amend paragraph 10 of this Article.</p>
Article 8-1	<p><u>When a virtual shareholders' meeting has convened, shareholders who attend the meeting online may raise their questions in text form on the virtual meeting platform right from the moment when the chairman declares the meeting has convened until the moment when the meeting is being declared adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The provisions of the Articles 5,7,8 shall not be applied herein.</u></p>		<p>In order to specify how the shareholders' question- raising methods, procedures and restrictions are to be executed on virtual meeting platforms, the Company hereby refers to the paragraph 7 of Article 11 of the "Sample Template" to amend this Article.</p>
Article 11	<p><u>When a virtual shareholders' meeting has convened, shareholders who attend the meeting online may cast their votes on various proposals and elections via the virtual meeting platform after the chairman declares the meeting has now convened and shall complete the casting prior to the moment when the chairman declares the closing of the voting session or otherwise shall be deemed to abstain from voting.</u></p>		<p>I. In order to make the shareholders who attend the virtual shareholders' meeting on the virtual meeting platform to have sufficient time to conduct the voting process, the Company hereby amends paragraph 1 of this Article.</p>

Section	Proposed Changes	Current Articles	Description
	<p>In regard to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's articles of incorporation, resolution shall be passed by a majority of the voting rights represented by the stockholders (or proxies) attending the meeting.</p> <p><u>Votes on all proposals and elections shall be conducted by one-time voting and shall be counted as one-time vote right after the chairman declares the closing of the voting session.</u></p> <p>If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote.</p> <p>The results of voting and election shall be announced after the vote calculation on the spot and kept for records.</p> <p><u>After a virtual shareholders' meeting has convened, the Company shall disclose the voting results of each proposal and the results of each election promptly on the virtual meeting platform right after the closing of the voting session to accord with the regulations. The Company shall disclose the information hereinabove continuously for at least 15 minutes on the virtual meeting platform after the chairman declares the meeting is adjourned.</u></p>	<p>In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's articles of incorporation, resolution shall be passed by a majority of the voting rights represented by the stockholders (or proxies) attending the meeting.</p> <p><u>All proposals shall be put to vote and may be put to vote one after the other by its sequence or may be put to vote together and numbers of votes for each proposal are counted separately. Whichever way of the voting procedures shall be decided by the chairperson.</u></p> <p>If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote.</p> <p>The results of voting and election shall be announced after the vote calculation on the spot and kept for records.</p>	<p>II. When a virtual shareholders' meeting has convened, the vote counting process has to be done by a one-time operation to match up the voting period of those shareholders who attend the shareholders' meeting on the virtual meeting platform. Hence, in accordance with the amendment of Paragraph 1 of this Article, the Company hereby amends Paragraph 2 of this Article and reclassifies it as Paragraph 3.</p> <p>III. In order to enable the shareholders who attend shareholders' meetings on the virtual meeting platform to promptly know the voting status of every resolution and the final result of each election, the Company refers to the Article 19 of the "Sample Template" to amend paragraph 6 of this Article.</p>
Article 13	<p><u>After a virtual shareholders meeting has convened, the chairman shall declare the opening of the meeting and, at the same time, declare that, unless the meeting does not need to be postponed or resumed under the laws, if there are factors as to natural disasters, accidents or other force majeure events which have led the operation of the virtual meeting platform or the participation via virtual</u></p>		<p>When a virtual shareholders' meeting has convened, at the beginning of the shareholders' meeting, the Chairman shall announce the disposing mechanism for interrupted situations, such as obstruction or</p>

Section	Proposed Changes	Current Articles	Description
	<p><u>meetings to be obstructed for more than 30 minutes, the shareholders' meeting shall be postponed or resumed within five days, and the chairman shall also declare the date on which the shareholders' meeting to be postponed or resumed.</u></p> <p>If encountering force majeure during the meeting, the chairperson may suspend the meeting and will announce the time to resume the meeting.</p>	<p>If encountering force majeure during the meeting, the chairperson may suspend the meeting and will announce the time to resume the meeting.</p>	<p>disconnection from the virtual meeting platform. The Company hereby refers to the paragraph 2 of Article 21 of the "Sample Template" to amend paragraph 1 of this Article.</p>

Attachment VIII

Amendments to “Election Procedures of Director for Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles
Article 3	<p>The election of <u>Directors</u> shall be pursued according to the number of position required, and the Independent and non-Independent Directors elected shall be calculated separately. The candidates that obtain more number of votes shall be elected. If there are more than two candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst the two candidates to determine. The chairperson shall conduct the drawing for the candidate who is absent.</p> <p>Directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of Company Act. Moreover, the professional qualifications, the assessment of independence and other matters of the Independent Directors shall be in compliance with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” or other relevant regulations of ROC.</p>	<p>The election of <u>Directors and Independent Directors</u> shall be pursued according to the number of position required and <u>shall be held together; provided, however, that</u> the Independent and non-Independent Directors elected shall be calculated separately. The candidates that obtain more number of votes shall be elected. If there are more than two candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst the two candidates to determine. The chairperson shall conduct the drawing for the candidate who is absent.</p> <p>Directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of Company Act. Moreover, the professional qualifications, the assessment of independence and other matters of the Independent Directors shall be in compliance with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” or other relevant regulations of ROC.</p>
Article 6	<p>If the candidate is a natural person, the voters shall fill out the ballot with the name of the candidate. If the candidate is <u>the government or juristic stockholder</u>, the ballot shall be filled out with the name <u>of government or juristic person</u>. If the candidate is the <u>representative of the government or juristic stockholder</u>, the ballot shall be filled out with the name of government or juristic person and the representative's name.</p>	<p>If the candidate is a natural person <u>with the stockholder status</u>, the voters shall fill out the ballot with the name <u>and stockholder number</u> of the candidate. <u>If the candidate is not of the stockholder status</u>, the ballot shall be filled out with the name <u>and the number of identity document of the candidate</u>. If the candidate is the government or juristic stockholder, <u>the</u> ballot shall be filled out with <u>the number</u>, the name of government or juristic person and the representative name. <u>If there are more than one representative, all the representative names shall be listed.</u></p>
Article 7	<p>The ballot shall be considered invalid in any of the following situations:</p> <p>(1) Not the ballot provided under the rules herein.</p> <p>(2) One ballot with more than two candidate names listed.</p> <p>(3) Blank ballot.</p>	<p>The ballot shall be considered invalid in any of the following situations:</p> <p>(1) Not the ballot provided under the rules herein.</p> <p>(2) One ballot with more than two candidate names listed.</p> <p>(3) Blank ballot.</p>

Section	Proposed Changes	Current Articles
	<p>(4) <u>Other words or marks are entered in addition to the candidate's name and the number of voting rights allotted.</u></p> <p>(5) Written characters blurred and not legible.</p> <p>(6) <u>The candidate whose name is entered in the ballot does not conform to the director candidate list.</u></p> <p>(7) <u>The total number of voting rights exercised by the voters exceeds to the total number of voting rights the voters entitled to.</u></p>	<p>(4) <u>Ballot not filled out according to article 6 or ballot with unrelated writing to this election.</u></p> <p>(5) Written characters blurred and not legible.</p> <p>(6) <u>Incorrect candidate information on the ballot.</u></p>
Article 13	(Delete)	<u>The elected Directors shall be given the election notification by the Board of Directors.</u>
Article 14 moved to Article 13	The rules herein take effect after approval at the stockholders' meeting. The same apply for any amendments.	The rules herein take effect after approval at the stockholders' meeting. The same apply for any amendments.

Attachment IX

Amendments to “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation” and “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation”

1. Amendments to “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles	Description
Article 8	<p>(Procedure for Public Notices and Announcement)</p> <p>The Company shall before the 10th day of each month publish and report the loans it and its subsidiaries extended and their balance amounts as of the end of last month.</p> <p>When limits of the Company's loans extended set below have occurred, the Company shall publish and report them within 2 days commencing immediately from the date of occurrence:</p> <ol style="list-style-type: none"> 1) The balance of any and all loans extended by the Company and its subsidiaries has reached 20% of the Company's Latest Net Worth; or 2) The balance of loans extended by the Company and its subsidiaries to an individual company has reached 10% of the Company's Latest Net Worth; or 3) <u>The amount of new loans of funds by the Company or the Company's subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in the latest financial statement.</u> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to item 3 of the preceding paragraph.</p> <p>The "public announcement and report" referred to herein shall be those entered into the web-site designated by the Financial Supervisory Commission for reporting information.</p>	<p>(Procedure for Public Notices and Announcement)</p> <p>The Company shall before the 10th day of each month publish and report the loans it and its subsidiaries extended and their balance amounts as of the end of last month.</p> <p>When limits of the Company's loans extended set below have occurred, the Company shall publish and report them within 2 days commencing immediately from the date of occurrence:</p> <ol style="list-style-type: none"> 1) The balance of any and all loans extended by the Company and its subsidiaries has reached 20% of the Company's Latest Net Worth; or 2) The balance of loans extended by the Company and its subsidiaries to an individual company has reached 10% of the Company's Latest Net Worth; or 3) Any additional <u>individual</u> loan extended by the Company or its subsidiary exceeds NT\$10 million and has reached 2% or more of the Company's Latest Net Worth. <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to item 3 of the preceding paragraph.</p> <p>The "public announcement and report" referred to herein shall be those entered into the web-site designated by the Financial Supervisory Commission for reporting information.</p>	<p>I. According to Question NO.35 of the “FAQ of the Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies” announced by the Financial Supervisory Commission on 24 December 2021, one of the publishing and reporting standard procedures for lending of capital to others, as referred to in subparagraph 3, paragraph 1, Article 22 of the “Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies”, is based on the total amount of new loans of funds lent by the public company or its subsidiaries, rather than on a single new loan amount, and therefore subparagraph 3 of the second</p>

Section	Proposed Changes	Current Articles	Description
	<p>“Date of occurrence” in these Procedures means the date of contract signing, date of payment, dates of Boards of Directors’ resolutions, or other date that can confirm the counterparty and monetary amount of the loans, whichever date is earlier.</p> <p>The Company shall assess the status of loans extended and reserve an appropriate amount to offset against bad loans. The Company shall furthermore disclose the relevant information in its financial statements and provide the chartered accountants with relevant materials for them to carry out the necessary audit processes.</p>	<p>“Date of occurrence” in these Procedures means the date of contract signing, date of payment, dates of Boards of Directors’ resolutions, or other date that can confirm the counterparty and monetary amount of the loans, whichever date is earlier.</p> <p>The Company shall assess the status of loans extended and reserve an appropriate amount to offset against bad loans. The Company shall furthermore disclose the relevant information in its financial statements and provide the chartered accountants with relevant materials for them to carry out the necessary audit processes.</p>	<p>paragraph is hereby amended.</p> <p>II. The remaining provisions have not been amended.</p>

2. Amendments to “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles	Description
Article 8	<p>The Company shall before the 10th day of each month publish and report the endorsements/ guarantees it and its subsidiaries provided and their balance amounts as of the end of last month.</p> <p>Where limits of the Company's endorsements /guarantees set below have occurred, the Company shall publish and report within 2 days commencing immediately from the date of occurrence:</p> <ol style="list-style-type: none"> 1) The aggregate balance of endorsements/ guarantees provided by the Company and its subsidiaries has reached 50% or more of the Company's Latest Net Worth; or 2) The balance of endorsements/guarantees provided by the Company and its subsidiaries for an individual company has reached 20% or more of the Company's Latest Net Worth; or 3) The balance of endorsements/guarantees provided by the Company and its subsidiaries for an individual company has reached Ten Million New Taiwan Dollars (NT\$10,000,000) or more and the aggregate amount of all endorsements/guarantees, the booking value of any investment 	<p>The Company shall before the 10th day of each month publish and report the endorsements/ guarantees it and its subsidiaries provided and their balance amounts as of the end of last month.</p> <p>Where limits of the Company's endorsements /guarantees set below have occurred, the Company shall publish and report within 2 days commencing immediately from the date of occurrence:</p> <ol style="list-style-type: none"> 1) The aggregate balance of endorsements/ guarantees provided by the Company and its subsidiaries has reached 50% or more of the Company's Latest Net Worth; or 2) The balance of endorsements/guarantees provided by the Company and its subsidiaries for an individual company has reached 20% or more of the Company's Latest Net Worth; or 3) The balance of endorsements/guarantees provided by the Company and its subsidiaries for an individual company has reached Ten Million New Taiwan Dollars (NT\$10,000,000) or more and the aggregate amount of all endorsements/guarantees, the booking value of any investment 	<p>I. According to the Question NO.35 of the “FAQ of the Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies” announced by the Financial Supervisory Commission on 24 December 2021, one of the publishing and reporting standard procedures for endorsements and guarantees, as referred to in subparagraph 4, paragraph 1, Article 25 of the “Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public</p>

Section	Proposed Changes	Current Articles	Description
	<p>accounted for using equity method, and balance of loans to, such company has reached 30% of the Company's Latest Net Worth; or</p> <p>4) <u>The amount of new endorsements/ guarantees made by the Company or the Company's subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in the latest financial statement.</u></p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to any subparagraph of the preceding paragraph.</p> <p>The "public announcement and report" referred to herein shall be those entered into the web-site designated by the Financial Supervisory Commission for reporting information.</p> <p>"Date of occurrence" in these Procedures means the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the counterparty and monetary amount of the endorsements/ guarantees, whichever date is earlier.</p> <p>The Company shall assess the status of endorsements/guarantees provided and reserve an appropriate amount to offset against contingent loss. The Company shall furthermore disclose the relevant information in its financial statements and provide the certified accountants with relevant materials for them to carry out the necessary audit processes.</p>	<p>accounted for using equity method, and balance of loans to, such company has reached 30% of the Company's Latest Net Worth; or</p> <p>4) The additional <u>individual</u> endorsement/ guarantee provided by the Company or its subsidiary has reached Thirty Million New Taiwan Dollars (NT\$30,000,000) or more and has reached 5% or more of the Company's Latest Net Worth.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to any subparagraph of the preceding paragraph.</p> <p>The "public announcement and report" referred to herein shall be those entered into the web-site designated by the Financial Supervisory Commission for reporting information.</p> <p>"Date of occurrence" in these Procedures means the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the counterparty and monetary amount of the endorsements/ guarantees, whichever date is earlier.</p> <p>The Company shall assess the status of endorsements/guarantees provided and reserve an appropriate amount to offset against contingent loss. The Company shall furthermore disclose the relevant information in its financial statements and provide the certified accountants with relevant materials for them to carry out the necessary audit processes.</p>	<p>Companies", is based on the total amount of new endorsements/ guarantees made by the public company or its subsidiaries, rather than on a single new endorsements/ guarantees amount, and therefore subparagraph 4 of the second paragraph in hereby amended.</p> <p>II. The remaining provisions have not been amended.</p>

Attachment X

Amendments to “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles	Description
Article 6	<p>1) Evaluation Process</p> <p>a) For investments in securities, the Finance Department or other relevant units shall undertake the relevant financial analysis and projection of potential returns as well as evaluation of potential investment risks in relation to the said investment.</p> <p>b) Investments by the Company in securities traded on centralized exchange markets or over the counter markets shall be decided by the responsible unit in accordance with the prevailing market conditions; investments by the Company in securities not traded on centralized exchange markets or over the counter markets shall require the latest audited or reviewed financial reports of the target company as reference for the evaluation of transaction price, taking into consideration the net asset value per share, profitability and future potential, etc.</p> <p>2) Experts' Opinions</p> <p>a) The Company acquiring or disposing of securities shall, prior to the date of the transaction occurred, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is twenty <u>percent</u> (20%) of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of the transaction occurred, also engage a certified public accountant to provide an opinion</p>	<p>1) Evaluation Process</p> <p>a) For investments in securities, the Finance Department or other relevant units shall undertake the relevant financial analysis and projection of potential returns as well as evaluation of potential investment risks in relation to the said investment.</p> <p>b) Investments by the Company in securities traded on centralized exchange markets or over the counter markets shall be decided by the responsible unit in accordance with the prevailing market conditions; investments by the Company in securities not traded on centralized exchange markets or over the counter markets shall require the latest audited or reviewed financial reports of the target company as reference for the evaluation of transaction price, taking into consideration the net asset value per share, profitability and future potential, etc.</p> <p>2) Experts' Opinions</p> <p>a) The Company acquiring or disposing of securities shall, prior to the date of the transaction occurred, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is twenty <u>per cent</u> (20%) of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of the transaction occurred, also engage a certified public accountant to provide an opinion</p>	<p>When appraisal reports or opinions are being issued by external experts, the provisions of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” (referred hereinafter as “the Regulation”) requires external experts, such as certified public accountants to comply with the self-regulatory rules of the industry associations to which they belong, rather than to comply with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF). Therefore, subparagraph(a) of paragraph 2 is hereby amended.</p>

Section	Proposed Changes	Current Articles	Description
	<p>regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted price of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>b) Where assets are acquired or disposed by way of judicial auctions, documentary proof furnished by the courts may replace valuation reports or accountants' opinions.</p> <p>3) Process in Determining Authorized Investment Limit and Responsible Units</p> <p>Prior to the Company acquiring or disposing securities, the Finance Department shall firstly submit the Board of Directors the relevant information for approval before undertaking the said transaction. Where the urgency of the matter does not permit prior approval, the General Manager (or any person so authorized by the General Manager) shall have the authority to approve/disapprove investments which amount is below NT\$ 10 million; the Chairman (or any person so authorized by the Chairman) shall have the authority to approve/disapprove investments which amount is in excess of NT\$ 10 million. In any case, the said transactions shall be submitted to the immediate following meeting of the Board of Directors for ratification.</p>	<p>regarding the reasonableness of the transaction price. <u>Should the aforesaid accountant needs to refer to experts' opinions, Auditing Standards No. 20 published by the R.O.C. Accounting Research and Development Foundation (ARDF) shall be abided by.</u> This requirement does not apply, however, to publicly quoted price of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>b) Where assets are acquired or disposed by way of judicial auctions, documentary proof furnished by the courts may replace valuation reports or accountants' opinions.</p> <p>3) Process in Determining Authorized Investment Limit and Responsible Units</p> <p>Prior to the Company acquiring or disposing securities, the Finance Department shall firstly submit the Board of Directors the relevant information for approval before undertaking the said transaction. Where the urgency of the matter does not permit prior approval, the General Manager (or any person so authorized by the General Manager) shall have the authority to approve/disapprove investments which amount is below NT\$ 10 million; the Chairman (or any person so authorized by the Chairman) shall have the authority to approve/disapprove investments which amount is in excess of NT\$ 10 million. In any case, the said transactions shall be submitted to the immediate following meeting of the Board of Directors for ratification.</p>	
Article 7	<p>1) Evaluation Process</p> <p>a) For investments in real property, equipment, or their right-of-use assets, the Accounting Department or other relevant</p>	<p>1) Evaluation Process</p> <p>a) For investments in real property, equipment, or their right-of-use assets, the Accounting Department or other relevant</p>	The reasons to amend are the same as the ones set forth in the description table for Article 6.

Section	Proposed Changes	Current Articles	Description
	<p>units shall undertake the projection of potential returns as well as evaluation of potential investment risks in relation to the said investment based on the current operation and financial conditions and future development plan.</p> <p>b) The proposed acquisition or disposition of real property, or its right-of-use asset shall require analysis reports taking reference to their current published value, appraised values and transactions prices for neighboring real properties, etc., along with suggested transaction conditions and prices.</p> <p>c) The proposed acquisition or disposition of equipment or its right-of-use asset shall be carried out by way of any of the following: price inquiry; price comparison; negotiated prices or tender.</p> <p>2) Valuation Reports In the case of real property, equipment, or their right-of-use assets acquired or disposed by the Company other than as a result of transactions with the domestic government, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipments or its right-of-use asset for business operation purposes, where their transaction value is the amount equivalent to twenty <u>percent</u> (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following provisions shall be complied with:</p> <p>a) Where due to special circumstances it is necessary to give a limited price, specified</p>	<p>units shall undertake the projection of potential returns as well as evaluation of potential investment risks in relation to the said investment based on the current operation and financial conditions and future development plan.</p> <p>b) The proposed acquisition or disposition of real property, or its right-of-use asset shall require analysis reports taking reference to their current published value, appraised values and transactions prices for neighboring real properties, etc., along with suggested transaction conditions and prices.</p> <p>c) The proposed acquisition or disposition of equipment or its right-of-use asset shall be carried out by way of any of the following: price inquiry; price comparison; negotiated prices or tender.</p> <p>2) Valuation Reports In the case of real property, equipment, or their right-of-use assets acquired or disposed by the Company other than as a result of transactions with the domestic government, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipments or its right-of-use asset for business operation purposes, where their transaction value is the amount equivalent to twenty <u>per cent</u> (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following provisions shall be complied with:</p> <p>a) Where due to special circumstances it is necessary to give a limited price, specified</p>	

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	<p>price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>b) Where the transaction amount is NT\$ 1 billion or more, two (2) or more professional appraiser shall be engaged to provide their appraisals.</p> <p>c) Where the appraisal prices from professional appraiser come under one of the following, unless the appraisal prices of acquired assets are higher than the transaction price, or the appraisal prices of assets being disposed are lower than the transaction price. The said accountants shall be required to provide their opinions in respect of the reasons for such discrepancy and the fairness of the transaction price:</p> <p>i) The appraisal results differ from the transaction amount by twenty <u>percent</u> (20%) or greater;</p> <p>ii) The difference between the appraisal result provided by two or more professional appraisers and the transaction price is ten <u>percent</u> (10%) or greater.</p> <p>d) Report made by the professional appraiser shall not be dated beyond three (3) months prior to the date of the contract; however, where an appropriate value published during the same period but not exceeding six (6) months, the original professional appraiser may issue its opinion in respect of the said value.</p> <p>e) Where real property or other fixed</p>	<p>price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>b) Where the transaction amount is NT\$ 1 billion or more, two (2) or more professional appraiser shall be engaged to provide their appraisals.</p> <p>c) Where the appraisal prices from professional appraiser come under one of the following, unless the appraisal prices of acquired assets are higher than the transaction price, or the appraisal prices of assets being disposed are lower than the transaction price, <u>accountants shall be engaged to handle the matter pursuant to the provisions of Auditing Standards No. 20 promulgated by ARDF;</u> <u>furthermore</u> the said accountants shall be required to provide their opinions in respect of the reasons for such discrepancy and the fairness of the transaction price:</p> <p>i) The appraisal results differ from the transaction amount by twenty <u>per cent</u> (20%) or greater;</p> <p>ii) The difference between the appraisal result provided by two or more professional appraisers and the transaction price is ten <u>per cent</u> (10%) or greater.</p> <p>d) Report made by the professional appraiser shall not be dated beyond three (3) months prior to the date of the contract; however where an appropriate value published during the same period but not exceeding six (6) months, the original professional appraiser may issue its opinion in respect of the said value.</p> <p>e) Where real property or other fixed</p>	

Section	Proposed Changes	Current Articles	Description
	<p>assets are acquired or disposed by way of judicial auctions, documentary proof furnished by the courts may replace appraisal reports or accountants' opinions.</p> <p>3) Process in Determining Authorized Investment Limit and Responsible Units</p> <p>Prior to the Company acquiring or disposing real property, equipment, or their right-of-use assets, the Accounting Department shall firstly submit the Board of Directors the relevant information for approval before undertaking the said transaction. Where the urgency of the matter does not permit prior approval, the General Manager (or any person so authorized by the General Manager) shall have the authority to approve/disapprove investments which amount is below NT\$ 10 million; the Chairman (or any person so authorized by the Chairman) shall have the authority to approve/disapprove investments which amount is in excess of NT\$ 10 million. In any case, the said transactions shall be submitted to the immediate following meeting of the Board of Directors for ratification.</p>	<p>assets are acquired or disposed by way of judicial auctions, documentary proof furnished by the courts may replace appraisal reports or accountants' opinions.</p> <p>3) Process in Determining Authorized Investment Limit and Responsible Units</p> <p>Prior to the Company acquiring or disposing real property, equipment, or their right-of-use assets, the Accounting Department shall firstly submit the Board of Directors the relevant information for approval before undertaking the said transaction. Where the urgency of the matter does not permit prior approval, the General Manager (or any person so authorized by the General Manager) shall have the authority to approve/disapprove investments which amount is below NT\$ 10 million; the Chairman (or any person so authorized by the Chairman) shall have the authority to approve/disapprove investments which amount is in excess of NT\$ 10 million. In any case, the said transactions shall be submitted to the immediate following meeting of the Board of Directors for ratification.</p>	
Article 8	<p>Transactions of Real Property with Related Parties</p> <p>1) Where the Company acquires or disposes real property from or to related parties, without prejudice to the applicability of the aforesaid articles in respect of real property, the Company shall pursuant to the provisions of this Article undertake the relevant resolution and appraisal of the fairness of transaction conditions, etc., and shall pursuant to the provisions of this Article obtain appraisal reports made by professional appraisers or accountants' opinions when the transaction amount is <u>ten percent</u> (10%) of the total assets of the Company or more. In deciding whether the other party to the transaction is a related party, in</p>	<p>Transactions of Real Property with Related Parties</p> <p>1) Where the Company acquires or disposes real property from or to related parties, without prejudice to the applicability of the aforesaid articles in respect of real property, the Company shall pursuant to the provisions of this Article undertake the relevant resolution and appraisal of the fairness of transaction conditions, etc., and shall pursuant to the provisions of this Article obtain appraisal reports made by professional appraisers or accountants' opinions when the transaction amount is <u>ten per cent</u> (10%) of the total assets of the Company or more. In deciding whether the other party to the transaction is a related party, in</p>	<p>In order to strengthen the regulation on the related party's transaction, the Regulation stipulates that if a public company or a subsidiary thereof that is not a domestic public company is going to acquire or dispose assets from a related party and the transaction amount will reach 10 percent or more of the public company's total assets, the public company cannot sign a transaction contract</p>

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	<p>addition to the forms as provided by law, the Company shall also consider the substantive relationship.</p> <p>2) Evaluation and Procedures</p> <p><u>a)</u> The Company shall, if it acquires or disposes real property or its right-of-use asset from or to related parties, or if it acquires or disposes other assets except real property or its right-of-use asset from or to related parties and the said transaction amount is twenty <u>percent</u> (20%) of the paid-in capital of the Company, or ten <u>percent</u> (10%) of the total assets of the Company, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises, submit to the Audit Committee and the Board of Directors for approval of the following information prior to the signing of the transaction contract and making payments:</p> <p><u>i)</u> Purpose of acquiring or disposing the said assets, its necessity and projected benefits;</p> <p><u>ii)</u> Reasons for transacting with related parties;</p> <p><u>iii)</u> Information relating to the appraisal of the fairness of the proposed transaction conditions pursuant to items 3) a) and d) herein, when acquiring real property or its right-of-use asset from related parties;</p> <p><u>iv)</u> Date and price of acquisition by the related party, party to the transaction and relationship between the said party and the Company and related party;</p> <p><u>v)</u> Forecast of monthly cash income within one (1) year from the date of the contract; furthermore, evaluation shall be conducted in respect of the</p>	<p>addition to the forms as provided by law, the Company shall also consider the substantive relationship.</p> <p>2) Evaluation and Procedures</p> <p>The Company shall, if it acquires or disposes real property or its right-of-use asset from or to related parties, or if it acquires or disposes other assets except real property or its right-of-use asset from or to related parties and the said transaction amount is twenty <u>per cent</u> (20%) of the paid-in capital of the Company, or ten <u>per cent</u> (10%) of the total assets of the Company, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises, submit to the Audit Committee and the Board of Directors for approval of the following information prior to the signing of the transaction contract and making payments:</p> <p><u>a)</u> Purpose of acquiring or disposing the said assets, its necessity and projected benefits;</p> <p><u>b)</u> Reasons for transacting with related parties;</p> <p><u>c)</u> Information relating to the appraisal of the fairness of the proposed transaction conditions pursuant to items 3) a) and d) herein, when acquiring real property or its right-of-use asset from related parties;</p> <p><u>d)</u> Date and price of acquisition by the related party, party to the transaction and relationship between the said party and the Company and related party;</p> <p><u>e)</u> Forecast of monthly cash income within one (1) year from the date of the contract; furthermore evaluation shall be conducted in respect of the necessity of the</p>	<p>or make any payment unless the relevant materials have been first submitted and approved by a shareholders' meeting. However, in the event of maintaining the integrated business planning needs for the public company, such restriction does not apply to transactions between the public company and its parent company, subsidiaries or between its subsidiaries. Hence the proviso exempts such transactions between the companies thereof from restriction. Therefore, subparagraph (c) of paragraph 2 is hereby amended.</p>

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	<p>necessity of the transaction and the fairness of the use of fund; and</p> <p><u>vi)</u> Pursuant to the paragraph 1 of this Article, the appraisal reports made by the professional appraisers or accountants' opinions.</p> <p><u>vii)</u> Restrictions on this transaction and other key contractual issues.</p> <p><u>b)</u> When a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p><u>c)</u> <u>If the Company or its subsidiary thereof that is not a domestic public company will have a transaction that set out in the subparagraph(a) of paragraph 2, and the transaction amount will reach ten percent (10%) or more of the Company's total assets, the Company shall submit the materials in all the items of subparagraph (a) to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its subsidiaries or between its subsidiaries.</u></p> <p>3) Evaluation of the Fairness of Transaction Costs</p> <p>a) In the case of the Company obtaining real property or its right-of-use asset from related parties, it shall evaluate the fairness of the transaction costs in the following manner:</p> <p>i) Addition to the related party's transaction price the necessary interest on funding and the costs to be borne by</p>	<p>transaction and the fairness of the use of fund; and</p> <p><u>f)</u> Pursuant to the paragraph 1 of this Article, the appraisal reports made by the professional appraisers or accountants' opinions.</p> <p><u>g)</u> Restrictions on this transaction and other key contractual issues.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>3) Evaluation of the Fairness of Transaction Costs</p> <p>a) In the case of the Company obtaining real property or its right-of-use asset from related parties, it shall evaluate the fairness of the transaction costs in the following manner:</p> <p>i) Addition to the related party's transaction price the necessary interest on funding and the costs to be borne by</p>	

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	<p>the purchaser. "Necessary interest on funding" shall be calculated by the weighted average interest rate over the period during which the asset is purchased on the amount of money borrowed by the Company in its purchase of the said asset, subject to it being not higher than the maximum interest rate charged by non-financial institutions as published by the Ministry of Finance.</p> <p>ii) In the case of related party having previously pledged the subject matter with financial institutions, the total appraised value for the subject matter by the said financial institution for the purposes of the extension of the loan shall be used, subject to the total cumulative amount of loans by the said financial institution not being lesser than <u>seventy percent</u> (70%) of the appraised value of such subject matter and that the loan period was for a period of one (1) year or more. The aforesaid shall not apply where the said financial institution and the party to the transaction are themselves related parties.</p> <p>b) Where both the land and the buildings on it are purchased or leased in toto, the transaction costs for both the land and the buildings shall be separately evaluated using either of the abovementioned methods.</p> <p>c) In the case of the Company acquiring real property or its right-of-use asset from related parties, in addition to the appraisal of the costs of the said real property or its right-of-use asset in the manner provided above, the Company shall furthermore engage accountants to review and provide their opinions in respect of the same.</p>	<p>the purchaser. "Necessary interest on funding" shall be calculated by the weighted average interest rate over the period during which the asset is purchased on the amount of money borrowed by the Company in its purchase of the said asset, subject to it being not higher than the maximum interest rate charged by non-financial institutions as published by the Ministry of Finance.</p> <p>ii) In the case of related party having previously pledged the subject matter with financial institutions, the total appraised value for the subject matter by the said financial institution for the purposes of the extension of the loan shall be used, subject to the total cumulative amount of loans by the said financial institution not being lesser than <u>seventy per cent</u> (70%) of the appraised value of such subject matter and that the loan period was for a period of one (1) year or more. The aforesaid shall not apply where the said financial institution and the party to the transaction are themselves related parties.</p> <p>b) Where both the land and the buildings on it are purchased or leased in toto, the transaction costs for both the land and the buildings shall be separately evaluated using either of the abovementioned methods.</p> <p>c) In the case of the Company acquiring real property or its right-of-use asset from related parties, in addition to the appraisal of the costs of the said real property or its right-of-use asset in the manner provided above, the Company shall furthermore engage accountants to review and provide their opinions in respect of the same.</p>	

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	<p>d) Under any one of the following circumstances in which the Company acquires real property or its right-of-use asset from related parties, it need only undertake items 1) and 2) herein; the evaluation of fairness of transaction cost as provided for in items a), b) and c) hereunder shall not apply:</p> <p>i) The related party having obtained the real property or its right-of-use asset by way of inheritance or gift;</p> <p>ii) The time lapse between the related party's contract for acquisition of the real property or its right-of-use asset and this transaction exceeds five (5) years; or</p> <p>iii) The Company obtaining the real property by way of joint-development contract entered with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.</p> <p>iv) The acquisition of the right-of-use asset of real estate for business operation purposes between the Company and subsidiary, or between subsidiary companies, whose total number of issued shares or total capital is 100%-owned, directly or indirectly, by the Company.</p> <p>e) Where the evaluated results pursuant to items a) and b) hereinabove are lower than the transaction price, the Company shall follow items f) and g) hereunder; however, under one of the following situations, with the objective evidence, professional appraisal for the real property and the accountants' opinion of the fairness of the transaction being provided, the aforesaid shall not apply:</p> <p>i) The related party having undertaken construction on</p>	<p>d) Under any one of the following circumstances in which the Company acquires real property or its right-of-use asset from related parties, it need only undertake items 1) and 2) herein; the evaluation of fairness of transaction cost as provided for in items a), b) and c) hereunder shall not apply:</p> <p>i) The related party having obtained the real property or its right-of-use asset by way of inheritance or gift;</p> <p>ii) The time lapse between the related party's contract for acquisition of the real property or its right-of-use asset and this transaction exceeds five (5) years; or</p> <p>iii) The Company obtaining the real property by way of joint-development contract entered with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.</p> <p>iv) The acquisition of the right-of-use asset of real estate for business operation purposes between the Company and subsidiary, or between subsidiary companies, whose total number of issued shares or total capital is 100%-owned, directly or indirectly, by the Company.</p> <p>e) Where the evaluated results pursuant to items a) and b) hereinabove are lower than the transaction price, the Company shall follow items f) and g) hereunder; however, under one of the following situations, with the objective evidence, professional appraisal for the real property and the accountants' opinion of the fairness of the transaction being provided, the aforesaid shall not apply:</p> <p>i) The related party having undertaken construction on</p>	

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	<p>undeveloped land or rental land, may offer evidence in respect of its conformity to one the following conditions:</p> <p>A. The undeveloped land being valued in the methods provided hereinabove, and the buildings being valued by adding reasonable development profits to their construction costs, and the total amount exceeding the actual transaction price. "Reasonable development profits" herein shall comprise of the average gross profit margin of the related party's construction department within the last three (3) years, or the latest gross profit margin for the construction industry published by the Ministry of Finance, whichever is the lower;</p> <p>B. Transactions by non-related parties involving other floors of the same subject matter or of the neighboring areas within the past one (1) year, with comparable areas, and their transaction conditions being comparable to those of transactions with evaluations of acceptable price difference between floor levels or areas in accordance with the practice for sale and purchase or lease of real property.</p> <p>ii) The Company providing evidence that the transaction conditions of its purchase of real property or its lease of right-of-use asset of real property from related party are comparable with those cases within the neighboring areas within the past one (1) year and between non-related parties and with approximately similar space. "Cases within</p>	<p>undeveloped land or rental land, may offer evidence in respect of its conformity to one the following conditions:</p> <p>A. The undeveloped land being valued in the methods provided hereinabove, and the buildings being valued by adding reasonable development profits to their construction costs, and the total amount exceeding the actual transaction price. "Reasonable development profits" herein shall comprise of the average gross profit margin of the related party's construction department within the last three (3) years, or the latest gross profit margin for the construction industry published by the Ministry of Finance, whichever is the lower;</p> <p>B. Transactions by non-related parties involving other floors of the same subject matter or of the neighboring areas within the past one (1) year, with comparable areas, and their transaction conditions being comparable to those of transactions with evaluations of acceptable price difference between floor levels or areas in accordance with the practice for sale and purchase or lease of real property.</p> <p>ii) The Company providing evidence that the transaction conditions of its purchase of real property or its lease of right-of-use asset of real property from related party are comparable with those cases within the neighboring areas within the past one (1) year and between non-related parties and with approximately similar space. "Cases within</p>	

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	<p>the neighboring areas" shall in principle include those in the same or adjacent street and within a radius of five hundred (500) meters of the subject matter or where their published current values are approximately similar. "Approximately similar space" shall in principle include the spaces of those cases between non-related parties that are not less than <u>fifty percent</u> (50%) of that of the subject matter.</p> <p>f) Where the appraisal results pursuant to the preceding items are all lower than the transaction price, the Company shall undertake the following:</p> <p>i) With respect to the difference between the transaction price for the real property or its right-of-use asset and the evaluated costs, set aside special profit/loss reserve, in compliance with Article 41(1) of the Securities and Exchange Act, which shall not be distributed or allocated in the form of stock dividends. Where investors of the Company that adopt the equity accounting in respect of their investments in the Company are public companies, the investor shall set aside special profit/loss reserve for the amount according to their respective shareholding;</p> <p>ii) The Independent Directors shall undertake measures in compliance with Article 218 of the Company Act;</p> <p>iii) The shareholders' meeting shall be informed of measures under items i) and ii) hereinabove, with details of the transaction to be disclosed in the Company's annual report or prospectus.</p> <p>g) Where the Company has set aside a special reserves under</p>	<p>the neighboring areas" shall in principle include those in the same or adjacent street and within a radius of five hundred (500) meters of the subject matter or where their published current values are approximately similar. "Approximately similar space" shall in principle include the spaces of those cases between non-related parties that are not less than <u>fifty per cent</u> (50%) of that of the subject matter.</p> <p>f) Where the appraisal results pursuant to the preceding items are all lower than the transaction price, the Company shall undertake the following:</p> <p>i) With respect to the difference between the transaction price for the real property or its right-of-use asset and the evaluated costs, set aside special profit/loss reserve, in compliance with Article 41(1) of the Securities and Exchange Act, which shall not be distributed or allocated in the form of stock dividends. Where investors of the Company that adopt the equity accounting in respect of their investments in the Company are public companies, the investor shall set aside special profit/loss reserve for the amount according to their respective shareholding;</p> <p>ii) The Independent Directors shall undertake measures in compliance with Article 218 of the Company Act;</p> <p>iii) The shareholders' meeting shall be informed of measures under items i) and ii) hereinabove, with details of the transaction to be disclosed in the Company's annual report or prospectus.</p> <p>g) Where the Company has set aside a special reserves under</p>	

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	<p>preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at premium or leased, or they have been disposed of, or lease agreement had been terminated, or adequate compensation had been made, or status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and FSC has given its consent.</p> <p>h) When the Company obtains real property or its right-of-use asset from a related party, it shall also comply with the provisions of the preceding paragraph (f) and (g) if there is other evidence indicating that the acquisition was not an arm's length transaction.</p> <p>4) Process in determining authorized investment limit and responsible units</p> <p>In terms of the following transactions between the Company and its subsidiaries, or between the subsidiaries, whose total number of issued shares or total capital is 100%-owned, directly or indirectly, by the Company, the Accounting Department shall firstly submit the Board of Directors the relevant information for approval before undertaking the said transaction. When the dollar amount of the said transactions is below NT\$300 million; the Chairman shall have the authority to approve/disapprove the said transactions. In any case, the said transactions shall be submitted to the immediate following meeting of the Board of Directors for ratification.</p> <p>a) Acquisition or disposal of the equipment or its right-of-use asset for business operation purposes.</p> <p>b) Acquisition or disposal of the right-of-use asset of real estate</p>	<p>preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at premium or leased, or they have been disposed of, or lease agreement had been terminated, or adequate compensation had been made, or status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and FSC has given its consent.</p> <p>h) When the Company obtains real property or its right-of-use asset from a related party, it shall also comply with the provisions of the preceding paragraph (f) and (g) if there is other evidence indicating that the acquisition was not an arm's length transaction.</p> <p>4) Process in determining authorized investment limit and responsible units</p> <p>In terms of the following transactions between the Company and its subsidiaries, or between the subsidiaries, whose total number of issued shares or total capital is 100%-owned, directly or indirectly, by the Company, the Accounting Department shall firstly submit the Board of Directors the relevant information for approval before undertaking the said transaction. When the dollar amount of the said transactions is below NT\$300 million; the Chairman shall have the authority to approve/disapprove the said transactions. In any case, the said transactions shall be submitted to the immediate following meeting of the Board of Directors for ratification.</p> <p>a) Acquisition or disposal of the equipment or its right-of-use asset for business operation purposes.</p> <p>b) Acquisition or disposal of the right-of-use asset of real estate</p>	

Section	Proposed Changes	Current Articles	Description
	for business operation purposes. 5) With respect to the regulations of 10 percent of total assets, the calculation is based upon total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.	for business operation purposes. 5) With respect to the regulations of 10 percent of total assets, the calculation is based upon total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.	
Article 9	<p>1) Evaluation and Process</p> <p>a) Acquisition or disposition of club memberships shall be by way of suggestions in respect of transaction conditions and prices, taking into consideration fair market price, and compiled into analysis report. Where the transaction is NT\$ 3 million or below, the said analysis report shall be submitted to the General Manager for approval before submitting to the Board of Directors at the immediate following meeting for review. Where the transaction is above NT\$ 3 million, the approval of the Board of Directors shall be required before proceeding with the same.</p> <p>b) Acquisition or disposition of intangible assets or its right-of-use asset shall be by way of suggestions in respect of transaction conditions and prices, taking into consideration expert's valuation report or fair market price, and compiled into analysis reports. Where the transaction is NT\$ 3 million or below, the said analysis report shall be submitted to the General Manager for approval before submitting to the Board of Directors at the immediate following meeting for review. Where the transaction is above NT\$ 3 million, the approval of the Board of Directors shall be required before proceeding with the same.</p> <p>2) Expert's Valuation Report</p> <p>a) Expert's valuation report shall be</p>	<p>1) Evaluation and Process</p> <p>a) Acquisition or disposition of club memberships shall be by way of suggestions in respect of transaction conditions and prices, taking into consideration fair market price, and compiled into analysis report. Where the transaction is NT\$ 3 million or below, the said analysis report shall be submitted to the General Manager for approval before submitting to the Board of Directors at the immediate following meeting for review. Where the transaction is above NT\$ 3 million, the approval of the Board of Directors shall be required before proceeding with the same.</p> <p>b) Acquisition or disposition of intangible assets or its right-of-use asset shall be by way of suggestions in respect of transaction conditions and prices, taking into consideration expert's valuation report or fair market price, and compiled into analysis reports. Where the transaction is NT\$ 3 million or below, the said analysis report shall be submitted to the General Manager for approval before submitting to the Board of Directors at the immediate following meeting for review. Where the transaction is above NT\$ 3 million, the approval of the Board of Directors shall be required before proceeding with the same.</p> <p>2) Expert's Valuation Report</p> <p>a) Expert's valuation report shall be</p>	The reasons to amend are the same as the ones set forth in the description table for Article 6.

Section	Proposed Changes	Current Articles	Description
	<p>required in the case of acquisition or disposition of intangible assets or its right-of-use asset or club membership.</p> <p>b) Where the transaction amount for acquisition or disposition of intangible assets or its right-of-use asset or club membership exceeds twenty <u>percent</u> (20%) of the Company's paid-in capital or NT\$300 million, except in transaction with domestic government agency, accountants shall be engaged, prior to the date of occurrence, to provide an opinion with respect to the fairness of the transaction price.</p> <p>c) Where the club membership or intangible assets are acquired or disposed by way of judicial auctions, documentary proof furnished</p> <p>3) Implementation The Company may only proceed with the acquisition or disposition of intangible assets or its right-of-use asset or club membership after the Accounting Department has submitted its application for approval in accordance with item 1) hereunder.</p>	<p>required in the case of acquisition or disposition of intangible assets or its right-of-use asset or club membership.</p> <p>b) Where the transaction amount for acquisition or disposition of intangible assets or its right-of-use asset or club membership exceeds twenty <u>per cent</u> (20%) of the Company's paid-in capital or NT\$300 million, except in transaction with domestic government agency, accountants shall be engaged, prior to the date of occurrence, to provide an opinion with respect to the fairness of the transaction price; <u>the said accountants shall undertake the same in conformity with Auditing Standards No. 20 promulgated by the ARDF.</u></p> <p>c) Where the club membership or intangible assets are acquired or disposed by way of judicial auctions, documentary proof furnished</p> <p>3) Implementation The Company may only proceed with the acquisition or disposition of intangible assets or its right-of-use asset or club membership after the Accounting Department has submitted its application for approval in accordance with item 1) hereunder.</p>	
Article 9-1	<p>The calculation of the dollar amount of the transactions referred to in the paragraph 1 of Article 6, Article 7, and Article 8, and transactions referred to in the Article 9 shall be done in accordance with Article 12, paragraph 1-(g) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or <u>an</u> accountant' opinion has been obtained need not be counted toward the dollar amount of transactions. The calculation of the <u>transaction</u> amount referred to in the paragraph 2 of Article 8 be made in accordance with Article 12, paragraph 1-(g) herein, and</p>	<p>The calculation of the dollar amount of the transactions referred to in the paragraph 1 of Article 6, Article 7, and Article 8, and transactions referred to in the Article 9 shall be done in accordance with Article 12, paragraph 1-(g) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or <u>a</u> accountant' opinion has been obtained need not be counted toward the dollar amount of transactions. The calculation of the <u>dollar</u> amount of <u>the transactions</u> referred to in the paragraph 2 of Article 8 be made in accordance with Article 12, paragraph</p>	<p>In accordance with the amended provisions of subparagraph(c) of paragraph 2 of Article 8, paragraph 2 of this Article is hereby amended.</p>

Section	Proposed Changes	Current Articles	Description
	"within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the <u>shareholders' meeting or Audit Committee</u> and Board of Directors need not be counted toward the dollar amount of transactions.	1-(g) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and Board of Directors need not be counted toward the dollar amount of transactions.	
Article 12	<p>1) Items to be publicly disclosed and standard for public disclosure and report</p> <p>a) Acquisition or disposal of real property or its right-of-use asset from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use asset from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises;</p> <p>b) Undertaking merger, demerger, merger or shareholding transfer;</p> <p>c) Loss in derivative trade in an amount exceeding the limits for all trades or individual trade as stipulated in Article 10 1) f);</p> <p>d) The acquisition or disposal of the equipment or its right-of-use asset for business purposes and in which the counterparties are not related parties, and that the transaction amounts reach 1 billion</p> <p>e) Real property obtained by way of entrusted construction on own land, engaging others to construct on rented land, division of property or profits deriving from sale of property following joint-development, and in which the counterparties are not related parties, where the projected</p>	<p>1) Items to be publicly disclosed and standard for public disclosure and report</p> <p>a) Acquisition or disposal of real property or its right-of-use asset from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use asset from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises;</p> <p>b) Undertaking merger, demerger, merger or shareholding transfer;</p> <p>c) Loss in derivative trade in an amount exceeding the limits for all trades or individual trade as stipulated in Article 10 1) f);</p> <p>d) The acquisition or disposal of the equipments or its right-of-use asset for business purposes and in which the counterparties are not related parties, and that the transaction amounts reach 1 billion</p> <p>e) Real property obtained by way of entrusted construction on own land, engaging others to construct on rented land, division of property or profits deriving from sale of property following joint-development, and in which the counterparties are not related parties, where the projected</p>	According to the Regulation, when a public company trades foreign government bonds with a sovereign rating that is not lower than the sovereign rating of Taiwan, in such case, the transactions can also be exempt from the public announcement and reporting procedures as the trading of domestic government bonds. Therefore, subparagraph (f) of paragraph 1 is hereby amended.

Section	Proposed Changes	Current Articles	Description
	<p>amount to be invested in the transaction reaches NT\$500 million.</p> <p>f) Transactions relating to assets other than those stipulated hereinabove, or undertaking investments in Mainland, where their transaction amounts reach twenty percent (20%) of the Company's paid-in capital or equal or greater than NT\$300 million, with the following exceptions:</p> <p>i) Sale and purchase of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>ii) Sale and purchase of bonds with call or put options, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>g) The calculation of transaction amount for g) above as follows:</p> <p>i) Each single transaction amount;</p> <p>ii) Cumulative amount for transactions with the same counterparty within one (1) year or acquisition or disposal of subject matters of similar nature;</p> <p>iii) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of real property or its right-of-use asset under the same development project within one (1) year;</p> <p>iv) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of the same securities within one (1) year.</p> <p>h) "Within one (1) year" as used in the preceding paragraph refers to the year preceding the date of</p>	<p>amount to be invested in the transaction reaches NT\$500 million.</p> <p>f) Transactions relating to assets other than those stipulated hereinabove, or undertaking investments in Mainland, where their transaction amounts reach twenty percent (20%) of the Company's paid-in capital or equal or greater than NT\$300 million, with the following exceptions:</p> <p>i) Sale and purchase of domestic government bonds;</p> <p>ii) Sale and purchase of bonds with call or put options, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>g) The calculation of transaction amount for g) above as follows:</p> <p>i) Each single transaction amount;</p> <p>ii) Cumulative amount for transactions with the same counterparty within one (1) year or acquisition or disposal of subject matters of similar nature;</p> <p>iii) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of real property or its right-of-use asset under the same development project within one (1) year;</p> <p>iv) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of the same securities within one (1) year.</p> <p>h) "Within one (1) year" as used in the preceding paragraph refers to the year preceding the date of</p>	

Section	Proposed Changes	Current Articles	Description
	<p>occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>2) Time Limit for Public Announcement and Reports Public announcement and submission of report in respect of acquisition or disposition of assets by the Company under items a) to f) above shall be undertaken within two (2) days of the occurrence of the event.</p> <p>3) Procedure for Public Announcement</p> <p>a) The Company shall undertake public announcement and report at the web-site appointed by the FSC;</p> <p>b) The Company shall on a monthly basis, and before the 10th day of each month, enter at the information and reporting web-site appointed by the FSC, all derivative trades undertaken for the preceding month by the Company and its non-public subsidiaries;</p> <p>c) Where there are errors and omissions for which corrections are required in the Company's public announcement and reports in conformity with regulations, the Company shall cause all of the items to be re-published within two days after becoming aware of these errors and omissions;</p> <p>d) Where any of the following events has occurred following the Company's public announcement and reports in respect of its transactions pursuant to regulations, the Company shall within two (2) days, commencing immediately from the date of the occurrence of the said events, undertake public announcement and report in respect of the relevant information at the web-site appointed by FSC:</p> <p>i) Amendment, termination or cancellation of the contracts</p>	<p>occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>2) Time Limit for Public Announcement and Reports Public announcement and submission of report in respect of acquisition or disposition of assets by the Company under items a) to f) above shall be undertaken within two (2) days of the occurrence of the event.</p> <p>3) Procedure for Public Announcement</p> <p>a) The Company shall undertake public announcement and report at the web-site appointed by the FSC;</p> <p>b) The Company shall on a monthly basis, and before the 10th day of each month, enter at the information and reporting web-site appointed by the FSC, all derivative trades undertaken for the preceding month by the Company and its non-public subsidiaries;</p> <p>c) Where there are errors and omissions for which corrections are required in the Company's public announcement and reports in conformity with regulations, the Company shall cause all of the items to be re-published within two days after becoming aware of these errors and omission;</p> <p>d) Where any of the following events has occurred following the Company's public announcement and reports in respect of its transactions pursuant to regulations, the Company shall within two (2) days, commencing immediately from the date of the occurrence of the said events, undertake public announcement and report in respect of the relevant information at the web-site appointed by FSC:</p> <p>i) Amendment, termination or cancellation of the contracts</p>	

Section	Proposed Changes	Current Articles	Description
	<p>relating to the original transaction;</p> <p>ii) Failure of merger, demerger, acquisition or shareholding transfer to be completed at the prescribed dates.</p> <p>iii) Change to the originally publicly announced and reported information</p> <p>4) Format of Public Announcement The necessary items and contents of public announcement which the Company shall comply with are referred to the appendixes of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>	<p>relating to the original transaction;</p> <p>ii) Failure of merger, demerger, acquisition or shareholding transfer to be completed at the prescribed dates.</p> <p>iii) Change to the originally publicly announced and reported information</p> <p>4) Format of Public Announcement The necessary items and contents of public announcement which the Company shall comply with are referred to the appendixes of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>	

Attachment XI

Current Shareholding of Directors

The list of the 24th term of Board of Directors of Far Eastern New Century Corporation

Book closure date: May 1, 2022

Title	Name of persons or companies	Representatives appointed	Number of shares held	Percentage of shares held
Chairman	Douglas Tong Hsu	-	91,748,698	1.71%
Director	Asia Cement Corporation	Johnny Hsi	1,272,277,085	23.77%
		Peter Hsu		
		Shaw Y. Wang		
		Jeff Hsu		
	Far Eastern Department Stores Ltd.	Richard Yang	19,964,370	0.37%
		Tonia Katherine Hsu		
	U-Ming Marine Transport Corporation	Kwan-Tao Li	31,181,470	0.58%
		Alice Hsu		
	Yue Ding Investment Co., Ltd.	Champion Lee	33,617,781	0.63%
Independent Director	Chen-En Ko	-	-	-
	Johnsee Lee	-	-	-
	Raymond R. M. Tai	-	-	-
The combined shareholding of all Directors			1,448,789,404	27.06%
The minimum required combined shareholding of all Directors by law			85,646,004	1.60%

Note: The holdings of individual representatives are excluded from total shareholding calculations.

Attachment XII

Impact of the Stock Dividend Distribution on Operating Results, Earnings per Share and Shareholders' Return on Investment

Not applicable.

General information

I. Articles of Incorporation of Far Eastern New Century Corporation

Chapter 1 General Provisions

Article 1 The Company is duly incorporated under the provisions of the Company Act of the Republic of China, and shall be called: Far Eastern New Century Corporation

Article 2 The Company's businesses are as follows :

1. C301010 Yarn spinning mills
2. C302010 Knit fabric mills
3. C303010 Non woven fabric mills
4. C305010 Printing dyeing and finishing mills
5. C306010 Outerwear knitting mills
6. C307010 Apparel, clothing accessories and other textile product manufacturing
7. C399990 Other textile products
8. C801120 Manmade fiber manufacturing
9. C801990 Other chemical material manufacturing
10. F104110 Wholesale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products
11. F105050 Wholesale of furniture, bedclothes, kitchen equipment and fixtures
12. F106020 Wholesale of articles for daily use
13. F107990 Wholesale of other chemical products
14. F204110 Retail sale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products
15. F205040 Retail sale of furniture, bedclothes, kitchen equipment and fixtures
16. F206020 Retail sale of articles for daily use
17. F207990 Retail sale of other chemical products
18. F301010 Department stores
19. F401010 International trade
20. F501060 Restaurants
21. J701020 Amusement parks
22. J801030 Athletics and recreational sport stadium
23. H701010 Residence and buildings lease construction and development
24. H701020 Industrial factory buildings lease construction and development
25. H701040 Specialized field construction and development
26. H701050 Public works construction and investment
27. G202010 Parking garage business
28. G801010 Warehousing and storage
29. IZ06010 Cargos packaging
30. C802120 Industrial catalyst manufacturing
31. F102040 Wholesale of nonalcoholic beverages
32. F107030 Wholesale of cleaning preparations
33. F113070 Wholesale of telecom instruments
34. F213060 Retail sale of telecom instruments
35. CC01080 Electronic part and component manufacturing
36. CF01011 Medical materials and equipment manufacturing

37. F108031 Wholesale of drugs and medical goods
38. F208031 Retail sale of medical equipments
39. C803990 Other Petroleum and Charcoal Manufacturing
40. F112020 Wholesale of Coal and Products
41. ZZ99999 Except where permits are required, to run operations not forbidden or limited by laws and regulations

- Article 3 The Company may provide guarantees for third parties in accordance with the Company bylaw of "Procedures for Endorsements and Guarantees".
- Article 4 Where the Company invests in other companies and becomes a shareholder with limited liability; its total investment may exceed 40% of its paid-up capital as stipulated under Article 13 of the Company Act, subject to approval of the Board of Directors.
- Article 5 The Company is incorporated in Taipei, the Republic of China; the Board of Directors may by resolution approve the establishment of domestic and international branches where it deems necessary.

Chapter 2 Share Capital

- Article 6 The Company's total capital shall be Sixty Billion New Taiwan Dollar (NT\$60,000,000,000) divided into 6,000,000,000 shares of NT\$10 each. The Board of Directors is authorized to issue the un-issued shares in separate trenches.
Out of the above total capital amount, One Hundred Million New Taiwan Dollar (NT\$100,000,000) shall be divided into 10,000,000 shares of NT\$10 each, to be issued as warrants for employees to subscribe.
- Article 7 Shares issued by the Company are not required to be evidenced by share certificates, provided that they shall be recorded at the Securities Central Depository Enterprises.
The Company can issue special stock.
In the event of the Company merging with another company, matters relating to the merger need not be approved by way of a resolution of the special shareholders meeting.
- Article 8 Matters relating to the Company's shares shall be dealt with according to the provisions of "Regulations Governing Handling of Stock Affairs by Public Companies" and the relevant laws and regulations.
- Article 9 Registration of share transfer shall be closed within 60 days prior to General Shareholders' Meeting, or with 30 days prior to Extraordinary Shareholders' Meeting or within 5 days prior to the record date on which Company distributes the dividends or bonuses.

Chapter 3 Shareholders' Meeting

- Article 10 The Shareholders' Meetings shall be General or Extraordinary Shareholders' Meetings:
General Shareholders' Meeting shall be held once a year within 6 months of the end of the Company's financial year.
Extraordinary Shareholders' Meeting shall be convened in accordance with the relevant laws, rules and regulations of the Republic of China.
- Article 11 Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice 30 days before the General Shareholders' Meeting and 15 days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place and reasons for calling the shareholders' meeting.

- Article 12 Unless otherwise stipulated by the Company Act, a quorum shall be present at the shareholders' meeting if shareholders representing more than half of the shares issued by the Company are in attendance and resolutions at the said assembly shall be passed if approved by a majority of the shareholders in attendance.
- Article 13 Shareholders may by way of power of attorney appoint proxies to attend the said shareholders' meeting. Except for trust enterprises or share registration agencies approved by the securities management authorities, when one shareholder is entrusted by two or more shareholders, the voting right represented by the said shareholder shall not exceed 3% of the voting rights of total shares issued. Where it has so exceeded, the voting right in excess shall not be included.
Unless otherwise stipulated by the Company Act, attendance of shareholder's proxies shall be in accordance with the provisions of "Regulation Governing the Use of Proxies For Attendance of Shareholders' Meeting of Public Companies".
- Article 14 Unless otherwise stipulated by the Company Act and the Articles of Incorporation, shareholders' meeting shall be conducted in accordance with the Company's regulations for shareholders' meeting.
- Article 15 Minutes and resolutions of shareholders' meeting shall be recorded and signed by or affixed with the seal of the chairman of the meeting. The said minutes and resolutions shall specify the date and place of the shareholders' meeting, number of shares represented by the shareholders (or proxies) present at the meeting; number of voting rights represented; name of the chairman of the shareholders' meeting; resolutions and the manner in which they are passed. The said minutes and resolutions shall be kept, together with the register of shareholders' attendance and the proxies' powers of attorney, in compliance with the law.

Chapter 4 Directors and Managers

- Article 16 There shall be 10 to 15 Directors of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies".
3 Independent Directors shall be elected from the list of persons with legal capacity.
Directors shall be elected by adopting candidate nomination system in accordance with the Article 192-1 of Company Act. A shareholder shall elect from the nominees listed in the roster of candidates. The election of Independent and non-Independent Directors should be held together. Moreover, in order to ensure the election of at least two Independent Directors of each election, the Independent and non-Independent Directors elected should be calculated separately.
- Article 16-1 Pursuant to Article 14-4 of the Securities and Exchange Act, the Company will establish an Audit Committee. The Audit Committee shall make up of the entire number of Independent Directors, is responsible of executing powers relegated to supervisors by the Company Act, Securities and Exchange Act and other laws and regulations.
The organizing members, exercise of powers and other matters to be abided by the Audit Committee shall follow related laws, regulations or rules or regulation of the Company. The organization regulations of the Audit Committee shall be adopted by the Board of Director.
- Article 17 The respective appointments of Directors are for a period of 3 years. They may be reappointed following their re-election.

- Article 18 The Board of Directors of the Company shall comprise the Directors. A Chairman and a Vice Chairman shall be elected from among the Directors to represent the Company. Where the Chairman has taken leave or is unable to perform his duties for any reasons, the Vice Chairman shall act in his place. Where the Vice Chairman is also unavailable, the Chairman shall appoint a Director to act on his behalf, failing which the Board of Directors shall nominate from among them a person to act on behalf of the Chairman of the Company.
- Article 19 Meetings of the Board of Directors, which shall be held quarterly, shall be convened by the Chairman. Unless otherwise stipulated by the Company Act, a quorum shall be present at the Board of Directors if it is attended by more than half of the Directors, and a resolution passed if approved by a majority of the Directors in attendance. The Chairman may when urgent matters occur convene meetings of the Board at any time.
When a Director is unable to personally attend the meeting of the Board of Directors, he may entrust another Director to represent him in accordance with law.
A notice to convene a Board meeting shall be sent to all Directors via postal mail, email or fax.
- Article 20 (deleted)
- Article 21 (deleted)
- Article 22 The Company shall have a number of General Managers, Chief Operating Officers and Deputy General Managers, Executive Vice Presidents Managers and Factory Managers, a Chief Auditor and a Deputy Chief Auditor.
The appointment and dismissal of the above staff shall be by way of a majority at the meetings of the Board of Directors, subject to more than half of the Directors are in attendance of the said meetings.
- Article 23 The Chairman, the Vice Chairman and the General Manager shall handle the daily affairs of the Company in compliance with the resolution of the Board of the Directors.
- Article 23-1 The Company shall take out liability insurance for Directors and officers with respect to their liabilities resulting from exercising their duties during their terms of occupancy.

Chapter 5 Accounting

- Article 24 The Company's fiscal year shall commence on the First of January of each year, and ends on the Thirty-first of December of the same year. The final accounts are settled at the end of the Company's fiscal year.
- Article 25 The Board of Directors shall in accordance with law furnish various documents and statements and submit for approval at the General Shareholders' Meeting.
The appointment, dismissal and remuneration of the accountants auditing and reviewing the above documents and statements shall be resolved at the meeting of the Board of the Directors.
- Article 26 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.

- Article 27 Apart from paying all its income taxes in the case where there are profits for the current year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% of “net profit after tax for the current year” plus “gains other than net profit after tax for the current year, which must be added to the current year’s undistributed surplus” shall be set aside by the Company as legal reserve. Subject to certain business conditions under which the Company may retain a portion, the Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in proportion to the number of the shares held by each shareholder as shareholders’ dividend. However in the case of increase in the Company's share capital, the shareholders' dividend to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting.
- 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, the cash dividend is not less than 10% of the shareholders’ dividend distributed in the same year.
- Article 28 All matters not covered herein shall be undertaken in accordance with the Company Act of the Republic of China and the other relevant law and regulations.
- Article 29 These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.

First amendment on July 1, 1953;
Second amendment on January 22, 1954;
Third amendment on September 1, 1956;
Fourth amendment on January 15, 1957;
Fifth amendment on June 13, 1959;
Sixth amendment on August 25, 1959;
Seventh amendment on March 31, 1960;
Eighth amendment on October 26, 1960;
Ninth amendment on February 25, 1961;
Tenth amendment on May 25, 1961;
Eleventh amendment on May 2, 1962;
Twelfth amendment on August 7, 1964;
Thirteenth amendment on December 19, 1964;
Fourteenth amendment on January 20, 1966;
Fifteenth amendment on June 22, 1966;
Sixteenth amendment on June 24, 1967;
Seventeenth amendment on December 23, 1967;
Eighteenth amendment on June 8, 1968;
Nineteenth amendment on May 31, 1969;
Twentieth amendment on June 17, 1970;
Twenty-first amendment on January 25, 1972;
Twenty-second amendment on June 20, 1972;

Twenty-third amendment on April 30, 1973;
Twenty-fourth amendment on October 17, 1973;
Twenty-fifth amendment on May 8, 1974;
Twenty-sixth amendment on May 19, 1975;
Twenty-seventh amendment on April 14, 1976;
Twenty-eighth amendment on September 15, 1976;
Twenty-ninth amendment on April 6, 1977;
Thirtieth amendment on April 18, 1978;
Thirty-first amendment on February 9, 1979;
Thirty-second amendment on April 14, 1979;
Thirty-third amendment on April 28, 1980;
Thirty-fourth amendment on April 15, 1981;
Thirty-fifth amendment on April 21, 1982;
Thirty-sixth amendment on April 21, 1982;
Thirty-seventh amendment on May 5, 1983;
Thirty-eighth amendment on May 2, 1984;
Thirty-ninth amendment on May 10, 1985;
Fortieth amendment on April 23, 1987;
Forty-first amendment on April 20, 1988;
Forty-second amendment on April 20, 1989;
Forty-third amendment on April 23, 1990;
Forty-fourth amendment on April 26, 1991;
Forty-fifth amendment on May 12, 1992;
Forty-sixth amendment on May 14, 1993;
Forty-seventh amendment on May 9, 1994;
Forty-eighth amendment on May 4, 1995;
Forty-ninth amendment on May 27, 1996;
Fiftieth amendment on May 23, 1997;
Fifty-first amendment on May 22, 1998;
Fifty-second amendment on May 21, 1999;
Fifty-third amendment on May 15, 2000;
Fifty-fourth amendment on May 18, 2001;
Fifty-fifth amendment on June 12, 2002;
Fifty-sixth amendment on June 9, 2003;
Fifty-seventh amendment on June 4, 2004;
Fifty-eighth amendment on June 14, 2005;
Fifty-ninth amendment on June 13, 2006;
Sixtieth amendment on October 13, 2009.
Sixty-first amendment on June 22, 2010
Sixty-second amendment on June 24, 2011
Sixty-third amendment on June 25, 2013
Sixty-fourth amendment on June 26, 2014
Sixty-fifth amendment on June 26, 2015
Sixty-sixth amendment on June 23, 2016
Sixty-seventh amendment on June 29, 2018
Sixty-eighth amendment on June 30, 2020

II. Meeting Rules of Stockholders for Far Eastern New Century Corporation

The latest amendment on June 30, 2020

Article 1 The stockholders' meeting of the Company shall be held according to the rules herein.

Article 2 The location for stockholders' meeting shall be the Company's place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.

The meeting notice of the shareholders' meeting shall state the registration time, location and other important information. The aforesaid registration time shall start at least thirty minutes before the beginning of the meeting. The registration desk shall be featured with clear instructions and competent staffs.

When convening stockholders' meeting, the Company shall incorporate electronic vote casting as one of the alternative ways to cast the vote, and the procedure of electronic casting shall be written in the notice of stockholders' meeting. Shareholders who vote via electronic casting is deemed as presented in person. With respect to extemporary motions, amendments of the original proposals, and substitute proposals raised in the stockholders' meeting, those who vote via electronic casting shall be considered as abstain.

Shareholders (or by proxies) attending the meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The proxy solicitor shall provide ID document for verification purpose. The stockholders (or by proxies) when attending the meeting shall hand in signed attendance form.

Number of stockholders in attendance shall be calculated based on the number of attending shares, which equals to the sum of number of shares shown on the signed attended forms and the number of voting shares via electronic casting.

The Company may appoint lawyers, accountants or related personnel to attend the stockholders' meeting.

The personnel in charge of handling the affairs of the meeting shall wear identification badge or armband.

For a stockholders' meeting convened by the Board of Directors, the chairman of the Board of Directors shall preside at the meeting. If the chairman of the Board of Directors is on leave or unable to exert the rights, the vice-chairman of the Board of Directors shall preside instead. If the position of vice-chairman is vacant or the vice-chairman is on leave or unable to exert the rights, the chairman of the Board of Directors shall designate a Director to preside at the meeting. If no Director is so designated, the chairman of the meeting shall be elected by the Board of Directors from among themselves. If a Director presides at the meeting including the representative of an institutional director, shall be appointed at least 6 months and familiar with the financial performance and operations of the Company. For a stockholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting; if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year. If a shareholder files lawsuit pursuant to Article 189 of the Company Act, the video and audio records shall be retained until the conclusion of the litigation.

Article 3 The chairperson shall announce starting of the meeting when the attending stockholders (or proxies) represent more than half of the total shares issued in public. The chairperson may announce postponement of meeting if the legal quorum is not present after the designated meeting time. Such postponement is limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after two postponements but the attending stockholders (or proxies) represent more than one third of the total shares issued in public, tentative resolution/s may be passed with respect to ordinary resolution/s by a majority of those present.

After proceeding with the aforesaid tentative resolutions, the chairperson may put the tentative resolutions for re-voting over the meeting if and when the shares represented by the attending stockholders (or proxies) reached the legal quorum.

- Article 4 If the stockholders' meeting is convened by the Board of Directors, the agenda shall be designated by the Board of Directors. The meeting shall proceed in accordance with the designated agenda and shall not be amended without resolutions.

If the meeting is convened by person, other than the Board of Directors, having the convening right, the provision set out in the preceding paragraph shall apply *mutatis mutandis*.

Except with stockholders' resolution, the chairperson shall not declare adjournment of the meeting before the first two matters set out in the agendas (including extemporary motions) are concluded. During the meeting, if the chairperson declares adjournment of the meeting in violation of the preceding rule, a new chairperson may be elected by a resolution passed by majority of the attending stockholders to continue the meeting.

When the meeting is adjourned by resolution, the stockholders shall not elect another chairperson to continue the meeting at the same location or another venue.

- Article 5 The stockholders (or proxies) shall complete statement slip setting out the number of his/her attendance card, name and statement brief before speaking, and the chairperson will designate the order in which each person is to speak during the session.

No statement will be considered to have been made if the stockholder (or proxies) merely completes the statement slip without speaking at the meeting. If there are any discrepancies between the content of the statement slip and the speech made, the statement to be adopted shall be the statement confirmed.

- Article 6 Any proposal for the agendas shall be submitted in written form. Except for the proposals set out in the agenda, any proposal by the stockholders (or proxies) to amend, substitute or to initiate extemporary motions with respect to the original proposal shall be seconded by other stockholders (or proxies). The same rule shall apply to any proposal to amend the agenda and motion to adjourn the meeting. The shares represented by the proponents and the seconders shall reach 100,000.

- Article 7 The explanation of proposal shall be limited to 5 minutes. The statement of inquiry and reply shall be limited to 3 minutes per person. The time may be extended for 3 minutes with the chairperson's permission.

The chairperson may restrain stockholders (or proxies) from speaking if that stockholders (or proxies) speak overtime, speak beyond the allowed frequency or content of the speech is beyond the scope of the proposal. When a stockholder (or proxy) is speaking, other stockholder (or proxy) shall not interrupt without consent of the chairperson and the speaking stockholder (or proxy). Any disobedient of the preceding rule shall be prohibited by the chairperson. Article 15 of this meeting rule shall apply if the disobedient do not follow the chairperson's instructions.

- Article 8 For the same proposal, each person shall not speak more than 2 times.

When a juristic person is a stockholder, only one representative shall be appointed to attend the meeting.

If more than two representatives were appointed to attend the meeting, only one representative is allowed to speak.

- Article 9 After speaking by the attending stockholder (or proxy), the chairperson may reply in person or assign relevant officer to reply.

Over the proposal discussion, the chairperson may conclude the discussion in a timely manner and where necessary announce discussion is closed.

Article 10 For proposal in which discussion has been concluded or closed, the chairperson shall submit it for voting.

No discussion or voting shall proceed for matters unrelated to the proposal.

The personnel responsible for overseeing and counting of the votes for resolutions shall be appointed by the chairperson. The person responsible for vote overseeing shall be of the stockholder status.

Article 11 In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's articles of incorporation, resolution shall be passed by a majority of the voting rights represented by the stockholders (or proxies) attending the meeting.

All proposals shall be put to vote and may be put to vote one after the other by its sequence, or may be put to vote together and numbers of votes for each proposal are counted separately. Whichever way of the voting procedures shall be decided by the chairperson.

If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote.

The results of voting and election shall be announced after the vote calculation on the spot and kept for records.

Article 12 During the meeting, the chairperson may at his/her discretion declare time for break.

Article 13 If encountering force majeure during the meeting, the chairperson may suspend the meeting and will announce the time to resume the meeting.

Article 14 The chairperson may maintain the meeting order by instructing the security guards. The security guards shall wear the armband for identification when helping maintaining the venue order.

Article 15 The stockholders (or proxies) shall obey the instructions of the chairperson and security guards in terms of maintaining the order. The chairperson or security guards may exclude the persons disturbing the stockholders' meeting from the meeting.

Article 16 For matters not governed by the rules specified herein, shall be governed according to Company Act, Stock Exchange Law and the other related laws and regulations.

Article 17 The rules herein take effect after approval at the stockholders' meeting, the same apply for any amendments.



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