



# 2022 ANNUAL REPORT FAR EASTERN NEW CENTURY

# 2022

Stock Code 1402 MAY 15, 2023



Corporate Governance  
TOP 6%



GCSA  
Best Practice Award  
World Class



ITMF  
Sustainability & Innovation



Property Development



Production Business



**迎戰 新變局  
打造 永續競爭力**  
Building sustainable competitiveness  
in a turbulent world



Telecommunications



Retail



Cement

Focusing on Sustainable Development Goals



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## I. Letter to Shareholders

Dear Shareholders,

The year 2022 closed with the world in a state of turmoil, pummeled by severe challenges including the looming threat of ever-rising inflation and interest rates, simmering geopolitical tensions, palpable climate change manifested in the increase of extreme weather conditions, an upward spiral in commodity prices and the lingering after-effects of COVID-19. 2023 will be an equally challenging year. In addition to the existing concerns about inflation, interest rates and their effects on growth, other prevailing worries include how to mitigate climate change, supply chain security, the pace of technological innovation, and the race to net zero emissions. Having weathered this volatile economic climate, Far Eastern New Century Corporation (FENC) has lived up to stakeholders' expectations with corporate resilience and the relentless impetus for innovation and transformation which helps in building sustainable competitiveness in a turbulent world.

The world's political and economic landscape is evolving more quickly than ever. Politically, the tension between the United States and China, the world's two biggest economies, has not yet abated. The results of the 2022 midterm elections in the U.S. have tipped the balance between Democrats and Republicans and the presidential election in 2024 is bound to attract the world's attention. With the conclusion of the 20<sup>th</sup> National Congress of the Communist Party of China, wherein national development strategies were publicized and the leadership for the next five years was chosen, China is expected to remain stable politically. The European Union, the world's third largest economy, has seen several of its member states usher in new leaders, whose leadership styles are anticipated to wield significant influence on international affairs. Olaf Scholz is Germany's chancellor of the new coalition government; Giorgia Meloni is the first woman to hold the office of Prime Minister of Italy; Rishi Sunak is the UK's youngest prime minister in more than two centuries and Emmanuel Macron is the first French president to be re-elected in 20 years. Japan, the pivotal nation in Asia, is stepping up its communication with its allies to safeguard national security. India, as it continues to reap the highest demographic dividend, overtook the United Kingdom for the first time to be the fifth largest economy and will, the UN predicts, dethrone China as the most populous country in the world. Taiwan held local elections in late 2022. Whilst it remains to be seen how the results might affect economic development, it is evident that Taiwan remains a focal point of the world economy because of its leading position in supplying chips to the semiconductor industry.

Economically, in the past year, commodity prices skyrocketed, throwing demand and supply off balance. Adding fuel to the fire was the ongoing war between Russia, a major energy supplier, and Ukraine, Europe's breadbasket, which steepened energy and food prices and pushed the cost of living to an all-time high. To curb inflation, following the lead of the US Federal Reserve, central banks worldwide have been raising interest rates, a double-edged sword that might leave major countries heavily indebted and on a downward spiral that ends in stagflation. Mindful of the gray rhino effect, governments have implemented various economic measures to counter potential crises. The Fed forges ahead with rate hikes and strives to shrink its balance sheet. China touts "Common Prosperity" and "State-owned Enterprise Dominance, Private Enterprise Retreat," when faced with excess capacity in the manufacturing sector and stagnancy in the property market. European leaders scramble to address energy shortages as Europe appears stuck in the bottleneck of energy transition. Businesses have had to put rigorous plans in place to ensure adequate cash flow and undertaken lean management initiatives to improve production and sales, keep inventory at reasonable levels and ultimately reduce operational risks.

## Letter to Shareholders

Environmentally, 137 countries around the world have pledged to achieve net-zero emissions, as set forth in the Paris Agreement, and 90% of them hope to attain carbon neutrality by 2050. Net zero emissions has become a global consensus. Governments, multinational enterprises, and environmental organizations are committed to promoting a comprehensive transformation across all industries toward net zero emissions. The EU Carbon Border Adjustment Mechanism is set to kick off this year. The United States has introduced the Inflation Reduction Act to combat the climate crisis. China will include energy-and-emissions-intensive sectors in its national emissions trading system (ETS) and start to levy a carbon tax by 2025. Japan is considering a carbon border tax for international polluters. Taiwan also announced its path to net-zero emissions by 2050 and supporting strategies. This wave of global resolve to tackle environmental challenges is unstoppable. In addition, the vigorous development of digital technology has changed the behavior of global consumers. During the height of the COVID-19 pandemic, concerns over supply chain disruption and the emergence of remote lifestyles accelerated digital transformation.

Despite these kinds of political, economic and environmental challenges, Far Eastern New Century has been conscientious, accelerating the deployment of eco-friendly products and intelligent transformation. As an agile organization, the Company is proactive in the face of uncertainties and risks and has clearly demonstrated its ambitions in sustainable development as befits a world-class corporation.

## Operating Results

Leveraging its solid foundation of 70 plus years of experience in the business world, FENC operates in a resourceful and strategic manner. The Company's production business expands in size and strength, investment business develops on a stable financial footing, and property business continues on a steadily profitable trajectory. It has truly brought the strengths of its diversified assets into full play. In the politically and economically tumultuous year of 2022, FENC still managed to deliver impressive earnings results: the consolidated revenue reached a record high of NT\$264 billion, an 11% growth from the previous year; the consolidated net income amounted to NT\$13.34 billion with the net income attributable to shareholders of the Company NT\$8.16 billion, an EPS of NT\$1.63. The 24<sup>th</sup> term Board of Directors in the 7<sup>th</sup> meeting proposed a cash dividend of NT\$1.35 per share. The Company's cash dividend yield is around 4%.

## **Production Business: Integrating Vertical Production Lines to Dominate the Industry**

### ***1. Ruling the Industry with the Synergy of a Streamlined Production Chain***

The Production Business has a broad scope of operations, expanding its presence overseas with the latest technologies and cutting-edge intelligent equipment. We have a streamlined system from feedstock production to sale, taking full advantage of the synergy of vertical integration. The upstream Petrochemical Business remains watchful of current trends in the global market and optimizes production in accordance with the company's production and sales plan to ensure a reliable supply of key feedstocks. Midstream, the Polyester Business leads the global pack with a thorough deployment strategy on all fronts, including business scale, eco-friendly performance and innovation ability. Downstream, the Textile Business enjoys technological advantages over competitors and has conquered the global market with smart, functional and sustainable products. FENC, as a leading supplier of virgin and recycled polyester, is a global benchmark in the polyester industry.

## **2. *Diversifying Geographic Locations of Production Sites to Maximize Logistic Flexibility and Minimize Risks in Regional Operations***

The Company has moved forward at a prudent and steady pace, diversifying risks by setting up production sites in pivotal locations around the world. The strategic deployment in multiple regions enhances its logistic flexibility for the supply chains in Asia and Americas. This two-pronged approach of localized production and supply chain shortening has been tailored to meet the challenges of supply chain management in the post-COVID era. Currently, its production sites are distributed in the United States, Japan, China, Taiwan, Vietnam, Malaysia, and the Philippines. The diversity in geographic locations enables the Company to make timely adjustments to production volume depending on market demand and supply. FENC has built one of its three major production sites in Vietnam to access markets where preferential tariff treatment applies, making full use of the country's involvement in the CPTPP, EVFTA, and RCEP. Our facilities in Vietnam are fully integrated and equipped with a complete range of product lines. In recent years, the Company has been expanding its presence in the Americas. The newest and largest PTA-PET integrated plant in the Americas - Corpus Christi Polymers - is under construction. APG Polytech produces PET, and Phoenix Technologies International produces recycled PET (rPET). Diversified geographic distribution of production sites can reduce the impact and disruptive economic events in a single market.

## **3. *Expanding the Recycling Business with the Focus on Innovative Green Materials***

### **Leader in the Green Supply Chain**

The Company has advanced steadily, setting itself up as a global leader in rPET, leaving competitors trailing in pursuit of green. Since the establishment of its first PET bottle recycling plant in Taiwan in 1988, it has been aggressively building its recycling business for the last 30-plus years and now ranks second in the world. With production sites spanning Taiwan, Japan, the United States, and China, it continues to expand global production capacity. In addition to the ongoing expansion of the facilities in the U.S. and Japan, new sites are also being developed simultaneously in the Philippines, Vietnam, and Malaysia. The goal is to become the world's largest rPET producer. The Company is also the only food-grade rPET supplier in Taiwan that has been certified by world-class beverage brands. In addition, it has also obtained third-party certification of recycled materials, such as Global Recycled Standard (GRS), and has been approved by US FDA, EU EFSA and regulators in Japan and Canada. Green products currently account for about 30% of the revenue of the Production Business.

### **Trailblazer in Sustainable Development**

The Company has applied the most advanced technologies in mechanical, chemical and biological recycling to the development of unrivaled and innovative materials for a wide array of purposes, ranging from environmentally-friendly packaging, epidemic control, functional clothing and footwear to high-end vehicle accessories. In the 2022 FIFA World Cup, 9 national teams wore jerseys made of FENC's exclusive eco-friendly recycled ocean polyester yarns with tear-resistant weaving technology. As the market for electric vehicles grows rapidly, high-end materials are widely used to reduce the overall weight of a vehicle for the sake of energy efficiency and carbon reduction. We supply Continental AG with tire cord fabric made of PET recycled from waste bottles. Our world's first-of-its-kind eco-fabric made from solution dyed nylon 6,6 filament in combination with recycled waste gases not only won the recognition of Best Product in the Accelerated Eco category by the ISPO Textrends Award, but also demonstrated Taiwan's strength in innovation to the world with ITMF's first "Sustainability and Innovation Award" for sustainable development. With its outstanding performance in the circular economy, FENC was placed first in the global plastic industry circularity rankings announced by Australia's Minderoo Foundation in

## Letter to Shareholders

2023. The Foundation's research team gave the highest score to the Company, observing that FENC has developed a comprehensive strategy for circular operations, and its executives attach great importance to sustainability and circular initiatives with aggressive targets, resulting in fast-growing production of recycled products, outperforming 400 other plastic companies worldwide.

### **4. Pledging Commitment to Net Zero Emissions with Relentless Effort to Decarbonize**

The Company has championed the global cause of carbon neutrality with concrete actions. Taking 2020 as the base year, it has set the target of reducing carbon emissions by 20% by 2025 and 40% by 2030, and aims to attain the goal of net zero emissions by 2050. An estimated NT\$20 billion will be invested from 2022 to 2030 in the implementation of five major strategies for reduction in carbon emissions, including improving energy efficiency, seeking fuel alternatives, developing CCUS technologies, raw material transition, and developing renewable energy. The intercompany and interdepartmental Energy Task Force conducts the greenhouse gas emissions inventory by collecting data from FENC's 21 production sites throughout the world and closely monitors international trends in carbon inventory, carbon pricing, and carbon border taxes, etc. The Task Force actualizes the vision of net zero from all angles, including feedstock, manufacturing process and product lines, and coordinates R&D efforts regarding sustainability issues, such as reductions in carbon emissions and waste minimization.

### **5. Perpetuating Sustainable Development with a Commitment to ESG**

The Company has long been committed to sustainable development in three aspects: environmental, social and governance, having a complete structure of sustainable governance and a high caliber management system, actively shouldering corporate social responsibilities. It has been recognized by multiple organizations at home and abroad for outstanding performances in innovation, corporate governance, sustainable development, investor relations, and operation and management. FENC has received numerous *Taiwan Corporate Sustainability Awards (TCSA)* from the *Taiwan Institute for Sustainable Energy*, including *Top 10 Taiwanese Companies Sustainability Model Award* for three consecutive years, *Corporate Sustainability Report Award—Platinum Award*, *Climate Leadership Award*, *Circular Economy Leadership Award*, *People Development Leadership Award*, and *Growth through Innovation Leadership Award*. Moreover, FENC was conferred the 11<sup>th</sup> *Asia Responsible Enterprise Awards (AREA)* in four categories—*Investment in People*, *Corporate Governance*, *Corporate Sustainability Reporting* and *Circular Economy Leadership*, earning the most honors among the Asian recipients. FENC is the only corporate issuer in Taiwan to issue four sustainability-related financial instruments, including green bonds, sustainability bonds, social bonds, and sustainability-linked bonds. It is also the first Taiwanese non-financial corporation that has registered in the Sustainable Bonds Database at the International Capital Market Association (ICMA). FENC has been acting as a pioneer and model enterprise in sustainable finance. It was recognized for its exceptional performance by *The Asset*, a well-known international financial magazine, and won four awards at the 2022 Triple A Country Awards for Sustainable Finance and Triple A Sustainable Capital Markets Awards including *Best Issuer for Sustainable Finance (Taiwan)*, *Best Blue Loan (Taiwan)*, *Best Issuer (North Asia)*, and *Best Sustainability-Linked Bond (Manufacturing)*. Additionally, it has been incorporated as a constituent of multiple sustainability indexes, including MSCI ESG Leaders Indexes and FTSE4Good Emerging Index. In the field of investor relations, FENC was given the *Most Honored Company award* in 2022 by Institutional Investor Magazine. In addition, it was also selected by FinanceAsia as *Asia's Best Managed Company*, and by Asiamoney as *Asia's Outstanding Company*. To top it off, FENC has been ranked in the *top 5% of the listed companies in the Corporate Governance Evaluation* conducted by *Taiwan Stock Exchange* for the fifth straight year.



## **Investment Business: Maximizing Investment Benefits to Raise Profits**

FENC's diversified investment portfolio ranges from cement production, construction, land and sea transport, textile and synthetic fibers, department store retail chains, telecommunications, to financial and banking services with each subsidiary an outstanding company in its own right. With forward-looking planning, the Company does its utmost to promote business exchange and integration among the subsidiaries in various industries to maximize potential benefits. Far EasTone Telecom (FET), which accounts for the largest proportion in the investment portfolio, ended 2022 with extraordinary operating performance thanks to robust penetration of 5G services and drive for growth from the new economy. Strong demand for corporate cloud services and the IoT and the call for digital transformation also added to FET's success. Its merger with Asia Pacific Telecom has expanded the economic scale of the telecommunications business and promises to increase growth in profit. Our cement business is one of the top ten largest on either side of the Taiwan Strait in terms of clinker capacity. In Taiwan, we are doing well not only in the cement sector, but also in reinvestments, including ready-mixed concrete, electric power, and stainless steel, etc. Asia Cement (China) has been making breakthroughs and rising above competition in the industry since it underwent an organizational restructuring. Our retail business has a total of 47 stores in Taiwan and China. Far Eastern Department Store (FEDS) continues to lead the market trend. FEDS Zhubei Store opened officially in 2022, its new model of operation succeeding in driving the growth of the local economy. Growth was seen in revenue from last year, which in turn led to an increase in profits. Far Eastern International Bank (FEIB) accelerated the transformation of digital financial business. The growth in interest and fee incomes drove up its revenue and led to an increase in net income. The Company will press ahead with plans to integrate the Group's resources, maximizing investment benefits and creating profit margins.

## **Property Business: Reviving Properties to Fortify Corporate Financial Strength**

The Company holds a total land area of 570,000 pings (1,884,306 m<sup>2</sup>) in Taiwan. To improve the efficiency of resource utilization and investment performance, Far Eastern Resources Development Corporation was set up and put in charge of real estate development, and the sale, rental and management of property. Its development projects include commercial and residential buildings, shopping malls, telecom parks, hypermarkets, resort hotels, etc. Assets of growing value are mostly concentrated near the metropolitan center and transportation hubs of the Greater Taipei area. Properties currently leased out include Taipei Far Eastern Plaza in Taipei City, Taipei Far Eastern Telecom Park (Tpark) and the Mega Tower—the tallest super highrise in New Taipei City. Among them, Tpark, covering an area of 24 hectares in Banqiao District, New Taipei City has three completed commercial buildings TPKA, TPKC, and TPKD, whose occupants include ICT companies home and abroad such as Google, Ericsson, and Far EasTone. TPKE is under construction and has been leased in its entirety by a well-known international company. It is scheduled to be completed and ready for occupation by 2023. Still, there are several buildings under development and planning. The newly completed residential building, Eco Park, was awarded *First Prize* and *Prize in the Category of Planning and Design for Residential Super Highrise of the Chinese Architectural Golden Stone Award*, adding a new page to the overall development of Tpark. The Company is also developing a spa resort located in Jiaoxi Township, Yilan County. This 10-acre project has obtained approval for land rezoning, and applications for building permits are being processed. The proposal for rezoning of the lot on Yuandong Rd., Zhongli District, Taoyuan City was approved by the Taoyuan City Government. It has been developed into a distinctive area for art and culture, residence, commerce, and healthcare. Included in this project is the FE International Conference Hall, whose functions will include commemoration, exhibition, and art performance. As various developments continue to progress, returns on these investments will increase the Company's profits.

## **Letter to Shareholders**

### **Business Goals and Prospects**

In response to opportunities and challenges in the post-pandemic world, the management team has formulated strategies for sustainable development, adopted novel technologies, facilitated development of industrial synergy and spared no effort in expanding the Company's presence in the global market. They will continue to innovate in pursuit of growth with sustainability in mind and exert themselves for FENC's dominance in the business world.

#### ***A. Creating Unlimited Business Opportunities with R&D/Innovative Investments***

To cement its leadership position in the industry, the Company has established the Far Eastern Group R&D Center, which specializes in three fields—New Green Materials & Application, Polyester Material and Fiber & Textile. New Green Materials & Application focuses on carbon reduction, high-strength fibers and high-end wound dressings. Polyester Material on cutting-edge polyester, rPET and new non-fiber polyester products with Fiber & Textile focusing on high-end, innovative textiles that are low-carbon and environment-friendly. Internally, the R&D Center works in tune with the Company's growth plan and dispatches experts to assist business units in market expansion. Externally, in strategic alliance with world-class brands, it has successfully developed a number of new products and technologies. It has been granted 332 patents, and in the last three years, the products of research innovation have brought in billions of dollars in average annual revenue. Research and development talents abound not only at the R&D Center but also in each business unit. Interdepartmental collaboration persists in the Company to maintain its leadership advantages in the industry.

#### ***B. Stewarding the Environment by Promoting the Circular Economy***

##### **Develop Circular Economy Strategies**

As a leader in production of eco-friendly polyester, the Company promotes circular economy initiatives across different areas, implementing the strategy of 5Rs (Refill, Reduce, Replace, Renew, Recycle). It has deployed all-encompassing circular technology to recycle waste from land, sea and air. This recycles second-hand clothes and waste PET bottles on land and in the ocean by both mechanical and chemical means, for use in multiple applications and manufactures new products from captured industrial waste gases. It is also innovative in creating business models. In Japan, we have launched the Bottle to Bottle project to form a 100% PET closed loop. In Taiwan, as a leading packaging manufacturer, we have partnered with convenience store chains in the promotion of the circular economy by setting up recycling kiosks on store premises, bringing the concept of a green and sustainable ecosystem closer to the general public. With the ambition to be the world champion in the circular economy, FENC has been making relentless efforts in recent years to expand production sites for recycled products and maximize business opportunities for sustainable development.

##### **Striving for Net Zero Carbon Emissions**

In response to the global call for carbon reduction, we will implement various pragmatic action plans to cut back on emissions in tangible ways on an advanced schedule. The Company supports energy transition, having in place plans to switch to renewable energy. It has installed equipment for renewable energy sources such as solar PV panels and improved the energy efficiency of manufacturing processes.

In addition, it has been using low-carbon alternatives to conventional feedstock, with recycled and biomass materials as the two staples. Capitalizing on its core competency in technological innovation, the Company forges ahead with development of environmentally friendly and low-carbon materials. In terms of fuel substitution, the short-term plan is to replace high-emitting coal or fossil fuel with lower-emitting natural gas; the medium and long-term plan is to replace natural gas with hydrogen to complete energy transition.

### ***C. Pushing Ahead with Digital Transformation with Emphasis on Information Security***

To accelerate digital transformation, intelligent management systems have been introduced and deployment of intelligent manufacturing strengthened. Specifically, smart factories are being established to bolster manufacturing, where robots and AI models are adopted. To realize intelligent management, a wide range of systems have been installed, including OMI Platform, intelligent recruitment system, WebHR integration system, customer contribution E- management system, and BI big data platform. While promoting digital transformation, the Company attaches even more importance to management and control of information security, putting in place a complete framework of unified defense for cybersecurity, designating a task force for this defense, and formulating information security policies. Information security is managed and monitored from different angles, ranging from technology, organization to physical environment. As security control measures are implemented, the Company is able to verify compliance with information security regulations and build a corporate-wide risk profile, which ensures continuous management of operation and resilience in information security and ultimately upholds the CIA triad of data protection, i.e., confidentiality, integrity, and availability.

### ***D. Achieving Growth with Excellence in Management***

The management team coordinates the management systems at home and abroad and brings out the synergy, backing up sales, production and investment and driving up growth across the board.

#### **(1) Risk Control Mechanism**

The Company operates three systems of risk control on a regular basis—the risk ranking project, regulatory compliance and risk alert system. Additionally, we simulate how the Company's operations might be impacted under various adverse conditions to enhance its ability to tackle crises and mitigate operational risks.

#### **(2) Governance for Sustainable Development**

The Company is focused on refining the implementation of ESG practices and committed to enhancing its performance of carbon governance. In alignment with the FSB TCFD recommendations of reporting, it fully discloses climate-related information in four categories: governance, strategy, risk management, metrics and targets, to inform all parties of how FENC addresses risks and opportunities regarding climate change. Such transparency attests to its commitment to strengthening corporate resilience and competitiveness in sustainable operations.

#### **(3) Innovative Financing**

The Company conducts financial planning in accordance with sustainable development policies and strives to become a benchmark enterprise in financial innovation.

#### **(4) Optimization of Information Integration**

The Company coordinates the smart management policies of various sites around the world, promotes informatization and accelerates resource consolidation. It has also established an information security department.

## Letter to Shareholders

### (5) Development of Executive Talent

The Company has built an international HR training system to meet the needs of its global expansion and cultivate outstanding executives for sustainable operations.

### *E. Improving Social Well-Being by Setting Good Examples*

To realize our conviction of giving back to society, the Company has committed itself to charity in four major areas—science and technology, arts and culture, medical care, and education. In science and technology, the Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation, with “Technology and Innovation” as its founding purpose, incentivizes and cultivates talents for research and development in science and technology. It hosts the Y. Z. Hsu Science Awards to encourage the commitment of Taiwanese intellectuals to technological R&D and innovation to advance the country’s overall economic development and improve people’s quality of life. In arts and culture, the Far Eastern Memorial Foundation has long supported the development of artistic and cultural production with the hope that it can contribute to social well-being or national development, sponsoring domestic and international art, cultural and architectural programs and hosting the Far Eastern International Forum for Architecture. At the forefront of healthcare, the Far Eastern Memorial Hospital (FEMH) provides medical services of highest quality with innovative medical technology. During the pandemic, it also demonstrated its professional capability and moral compass by undertaking various epidemic control tasks in COVID hot spots, doing its utmost to fulfill our social responsibility to protect public health. In the field of education, Yuan Ze University, known for innovative teaching and research excellence, has been included in the world’s top 500 schools of business management. As a university with international prestige, it has set up a graduate institute of medicine in partnership with FEMH to cultivate interdisciplinary talents for the healthcare industry. Furthermore, to recruit and educate the potential workforce, the Company has developed industrial internships and HR training programs that draw on the Group’s abundant resources and strong bonds between industry and academia.

Founded 74 years ago, FENC has gone through countless political and economic turmoils. At every critical moment in history, it has consistently remained calm and grasped the opportunities presented by change. With Sincerity, Diligence, Thrift, Prudence and Innovation as its overarching principles of business operation, it shoulders the responsibility of leading industrial transformation towards sustainability. It is poised to embrace a new world and deliver breakthroughs amid unprecedented challenges with innovation of business models, optimization of human resources, managerial excellence and proactive adaptation to climate change. As the Company continues to hone its competitive edge in sustainability, not only will it enhance the brand value of FENC, but will also maximize benefits for shareholders, employees, and society, and hence motivate industrial peers to follow its lead on the path to sustainable development.

Chairman  
Douglas Tong Hsu

徐旭東



## II. Company Profile

### 1. Date of Incorporation

January 13, 1954

### 2. Company History

- 1942** • Yu-Ziang Hsu founded Far Eastern Knitting Factory Co., Ltd. in Shanghai to produce "Skyscraper"-brand underwear for sale throughout China.
- 1949** • The company was relocated to Taiwan, and installed its knitting factory in Banqiao, the outskirt of the Taipei City, where it continued producing and marketing knitted fabrics.
- 1953** • The name of the Company was changed to Far Eastern Knitting Co., Ltd.; meanwhile, the Taiwan Far Eastern Textile Co., Ltd. was founded in Banqiao for the purpose of establishing a weaving mill.
- 1954** • Far Eastern Knitting and Taiwan Far Eastern Textile were merged to form Far Eastern Textile Ltd. (FETL), which was located on Yongsui Rd. in Taipei.
- 1955** • Shirt production equipment was added, and the Company was the first one in the Republic of China to receive an order for the cotton yarn export.
- 1960** • An advanced apparel plant was established.
- 1963** • Cotton and chemical fiber facilities were installed for the rising demand of the Taiwan society and the synthetic fiber industry.
- 1965** • The third synthetic fiber textile plant was established, completing the vertical integration of FETL's processes from spinning to weaving, dyeing and finishing, and apparel production.
- 1966** • The head office was moved to Paoching Rd. in Taipei in July.
- 1967** • Permission for FETL shares listed on the Taiwan Stock Exchange was received in April.
- 1969** • A new garment factory was constructed at Hsinpu.
- 1970** • A new spinning plant was built at Hsinpu to produce yarns from polyester and acrylic fibers.
- 1972** • The Banqiao textile factory of Taiwan Textile and the Neili textile plant of Yunghsing Industries were procured and converted to FETL's Banqiao and Neili textile plants.
- 1974** • The Yilan apparel plant was built.
- 1978** • The Chungchou Textile Plant at Kuanyin in Taoyuan County was purchased and renamed as Kuanyin Textile Factory.
- Permission was received to acquire and merge Orient Chemical Fiber and establish a chemical fiber plant.
- 1982** • Permission was received to merge Eastern Manmade Fiber into FETL and established the Eastman Division, which in July of the next year was merged into the Textile Division.
- 1987** • The Hukou production site was established, and later yarn and fabric plants were constructed there.
- Ground-breaking took place in August for the Taipei Metro Tower; a multiple-purpose twin towers with 41 stories above ground and five below, containing offices, a shopping center, and a tourist hotel.
- 1988** • To create new applications for polyester filament, a joint investment was made together with Hong Ho Precision Textile Co. in the establishment of Everest Textile Co. to produce fine woven fabrics as a means of adding value to FETL products.
- 1993** • The Hsinpu Synthetic Fiber Plant of the Fiber Division received ISO-9001 certification from the D.N.V. company, being the first chemical fiber plant in Taiwan to be accredited with such certification.
- Construction of the Taipei Metro Tower completed in October and the head offices of FETL as well as of Asia Cement and other affiliated companies moved into the complex on Oct. 16 and 17, making this the headquarters of the Far Eastern Group.
- 1994** • The Yilan and Banqiao plants of the Apparel Division, and the Neili and Hukou plants of the Textile Division, were accredited with ISO-9002 certification.
- 1995** • DuPont-Far Eastern Co., Ltd. (renamed as Far Eastern Fibertech Co., Ltd.) was established in cooperation with DuPont of the United States for the production of high-tech nylon 6,6.
- A contract was signed with ICI for the establishment of ICI Far Eastern Ltd. (renamed as Oriental Petrochemical Corporation now) to construct a PTA plant at Kuanyin in Taoyuan County.
- 1996** • Permission was received in July from the Investment Commission, Ministry of Economic Affairs for a joint investment by FETL and its wholly-owned subsidiary Yuan Ding Investment Corp. in the establishment of Far Eastern Industries (Shanghai) Ltd. for the production and sale of polyester staple, polyester filament, and other products.
- 1997** • In January, Far EasTone Telecommunications Co., Ltd. (Far EasTone), which is 62.4% owned by FETL's subsidiary Yuan Ding Investment Corp., obtained island-wide DCS and northern-region GSM mobile phone licenses from the Directorate General of Telecommunications.
- 1998** • The FETL-invested Far Eastern Textile Industrial (Shanghai) Co., Ltd. began trial production in September.

## Company Profile

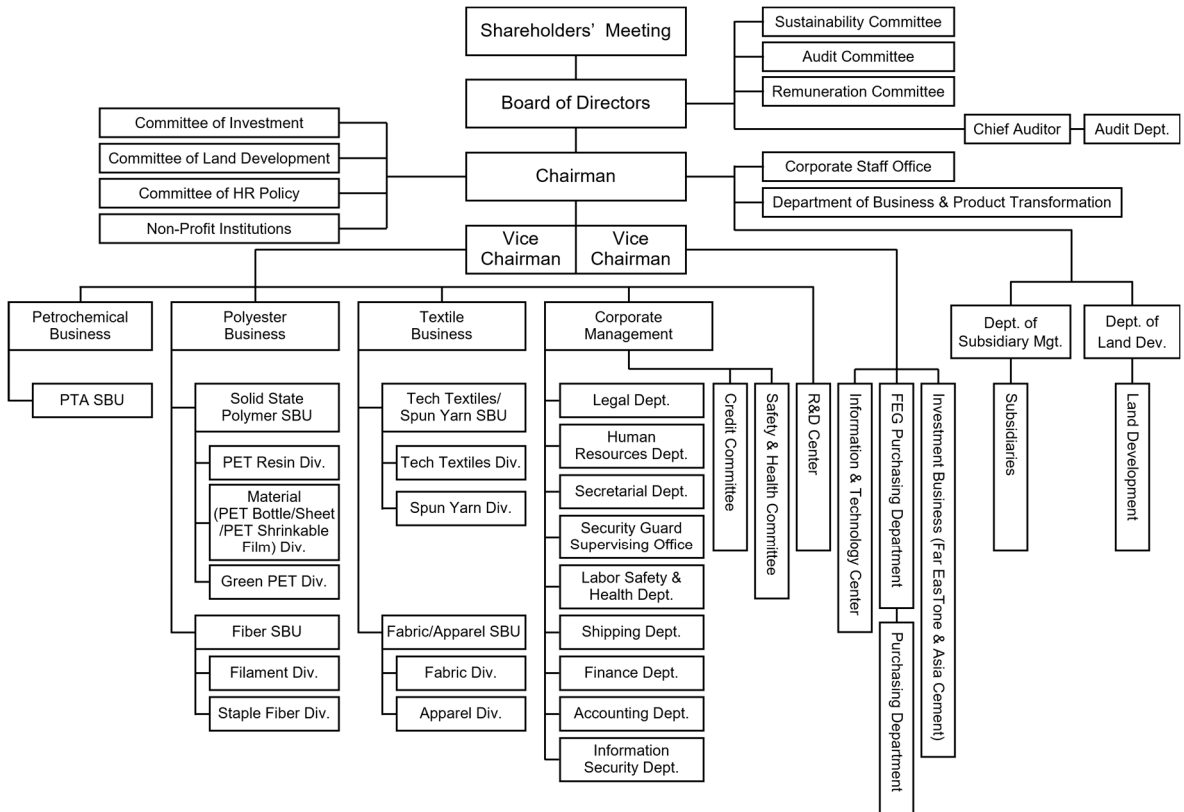
- 2000** • Mr. Y. Z. Hsu, Far Eastern Group founder, passed away at the age of 90 in December and left behind the most valuable and cherished founding spirit of "Sincerity, Diligence, Thrift, and Diligence" as the Company's motto.
- 2001** • In March, FETL-invested NCIC launched its voice and data services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

- 2016**
  - In February, DynaFeed, a FENC revolutionary smart garment system with bio-sensing technology and IoT platform, was awarded the ISPO Asian Gold Award at the globally prestigious ISPO Textrends Exhibition.
  - In May, FENC won the “Corporate Social Responsibility Award”, ranking first in the manufacturing industry category from Global View Magazine due to conserving energy and protecting the environment.
  - In June, FENC won Enterprise Asia’s “2016 Asia Responsible Entrepreneurship Award” in the category of green leadership for developing the world’s first Bio-PET bottle.
  - In December, FENC earned the 13<sup>th</sup> “National Innovation Award” in Taiwan in developing the 100% bio-PET polyester shirt. The 100% bio-PET polyester shirt made entirely from plant-based material, which reduces the carbon footprints by 30% compared to the petrochemical based one, was developed by FE Group R&D Center.
- 2017**
  - In April, FENC was in the top 5% of the listed companies in the third “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange for the first time.
  - In May, FENC won the “CSR Annual Survey – Excellence Award in the Category of Manufacturing Industry” of the 13<sup>th</sup> Annual Corporate Social Responsibility Award by Global Views Magazine.
  - In November, FENC was included as a constituent of the MSCI ESG Leaders Indexes and assessed of MSCI ESG Rating – Industrial Conglomerates: A.
- 2018**
  - In February, FENC, through its subsidiary “Far Eastern Investment (H) Ltd.” acquired Mossi & Ghisolfi’s (M&G) assets of a PET plant in West Virginia and a R&D center in Ohio, USA.
  - In May, FENC won the “CSR Annual Survey – Grand Prize in the Category of Manufacturing Industry” of the 14<sup>th</sup> Annual Corporate Social Responsibility Award by Global Views Magazine.
  - In December, FENC was selected as a constituent of the FTSE4Good TIP Taiwan ESG Index, conducted by Taiwan Index Plus Corporation and FTSE Russell.
  - In December, FENC, through its subsidiary “APG Polytech USA Holdings, Inc.” joint ventured with Indorama Ventures Corpus Christi Holding LLC and DAK Americas, LLC, with the FTC approval, to acquire M&G’s PTA/PET plant in Texas, USA.
- 2019**
  - In January, FENC was selected as a constituent of the Taiwan Sustainability Index, conducted by Taiwan Institute for Sustainable Energy and National Taipei University.
  - In April, FENC was in the top 5% of the listed companies in the fifth “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange again.
  - In April, FENC won the “CSR Annual Survey – Grand Prize in the Category of Manufacturing Industry” of the 15<sup>th</sup> Annual Corporate Social Responsibility Award by Global Views Magazine.
  - In June, FENC acquired Phoenix Technologies International, LLC, a recycled PET producer located in Ohio, USA.
  - In November, FENC stood out as GCSA’s only World Class winner for Outstanding Practices in the category of Best Practice Award.
- 2020**
  - In April, FENC was in the top 5% of the listed companies in the sixth “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange for the third time.
  - In April, FENC won the “CSR Annual Survey –Excellent Award in the Category of Manufacturing Industry” of the 16<sup>th</sup> Annual Corporate Social Responsibility Award by Global Views Magazine.
  - In November, the Company has established a sustainability committee.
  - In December, FENC issued the first non-financial & non-state-owned sustainability bond.
- 2021**
  - In April, FENC was in the top 5% of the listed companies in the 7<sup>th</sup> “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange for the fourth time.
  - In May, FENC won the “ESG Integrated Performance–Excellent Award in the Category of Manufacturing Industry” of the 17<sup>th</sup> Annual Corporate Social Responsibility Award by Global Views Magazine.
  - In May, FENC issued the first non-banking social bond.
  - In July, FENC has established the Department of Business & Product Transformation for the Company’s future development.
  - In November, FENC earned three titles in the Global Corporate Sustainability Awards (GCSA), including “Best Practice Award–World Class–Outstanding Practice”, “Special Award for Pandemic Response” & “Sustainability Reporting Award–Silver Award”.
- 2022**
  - In April, FENC was in the top 5% of the listed companies in the 8<sup>th</sup> “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange for the fifth time in the four consecutive years.
  - In May, FENC won the “First Prize at Circular Sustainability” & “Model Award at Manufacturing Industry” of the 18<sup>th</sup> Annual CSR & ESG Award by Global Views Magazine.
  - In September, FENC issued the first non-banking sustainability-linked bond.
- 2023**
  - In April, FENC was in the top 5% of the listed companies in the 9<sup>th</sup> “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange for the sixth time in the five consecutive years.
  - In May, FENC won the “First Prize for ESG Performance category in manufacturing industries” & “First Prize for Excellent Program in low carbon operation category” of the 19<sup>th</sup> Annual CSR & ESG Award by Global Views Magazine.

## III. Corporate Governance Report

### 1. Organization

#### 1.1 Organization Chart





## 1.2 Affairs in Charge for Each Major Department

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

## 2. Directors and Management Team

### 2.1 Directors

Book closure date: April 29, 2023

Title	Nationality or Record of Birth	Name	Gender & Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae Δ Other positions in FENC and/or other companies	Executives or Directors who are spouses or within two degrees of kinship		
							Share	%	Share	%	Share	%		Title	Name	Relation
Chairman	R.O.C	Douglas Tong Hsu	Male, Above 80 years old	Jul 29, 2021	3	Dec 23, 1967	91,748,698	1.71	91,748,698	1.71	-	-	National Chiao Tung University, Taiwan, Honor Ph.D in Management University of Notre Dame, USA, MA Columbia University, USA Δ Chairman of Asia Cement Corp.(ACC), Oriental Union Chemical Corp.(OUCC), U-Ming Marine Transport Corp.(U-Ming), Far Eastern Department Stores Ltd. (FEDS), Far Eastone(FET), and Vice Chairman of Far Eastern International Bank (FEIB)	Vice Chairman Vice Chairman Director Director Director	Johnny Hsi Peter Hsu Jeff Hsu Tonia Katherine Hsu Alice Hsu	Brother-in-law Brother Son Daughter Sister
Vice Chairman	R.O.C	Johnny Hsi Representative of Asia Cement Corporation	Male, 70~79 years old	Jul 29, 2021	3	Feb 9, 1979	1,272,277,085 *1,672,207	23.77 0.03	1,272,277,085 *1,483,207	23.77 0.03	16,833,122	0.31	Columbia University, USA, Master in Computer Science Δ Chairman of Everest Textile, Vice Chairman of OUCC, Director of ACC and CTCI Corporation	Chairman Vice Chairman Director	Douglas Tong Hsu Peter Hsu Alice Hsu	Brother-in-law Brother-in-law Sister-in-law
	R.O.C	Peter Hsu Representative of Asia Cement Corporation	Male, 70~79 years old	Jul 29, 2021	3	Apr 14, 1976	1,272,277,085 *48,269,210	23.77 0.90	1,272,277,085 *60,269,210	23.77 1.13	-	-	Stanford University, USA, Master in Operation Research Δ Vice Chairman of FET, Director of ACC and U-Ming	Chairman Vice Chairman Director	Douglas Tong Hsu Johnny Hsi Alice Hsu	Brother Brother-in-law Sister
Director	R.O.C	Shaw Y. Wang Representative of Asia Cement Corporation	Male, Above 80 years old	Jul 29, 2021	3	May 10, 1985	1,272,277,085 *395,366	23.77 0.01	1,272,277,085 *395,366	23.77 0.01	-	-	National Chung Hsing University, Taiwan, Business Administration Department National Taiwan University, Taiwan, the Executive Program in Business Administration Δ Executive Director of Group Foundation, Executive Director of FEIB	-	-	-
	U.S.A	Jeff Hsu Representative of Asia Cement Corporation	Male, 40~49 years old	Jul 29, 2021	3	Jul 29, 2021	1,272,277,085 *-	23.77 *-	1,272,277,085 *-	23.77 *-	-	-	Illinois Institute of Technology, USA Master in Design and Innovation, Institute of Design University of Notre Dame, USA, MBA Δ Chief Innovation Officer of Far Eastern Group, Director of FET, Director and Executive Vice President of U-Ming.	Chairman Director	Douglas Tong Hsu Tonia Katherine Hsu	Father Sister
	R.O.C	Richard Yang Representative of Far Eastern Department Stores Ltd.	Male, 50~59 years old	Jul 29, 2021	3	Jun 13, 2006	19,964,370 *1,379,348	0.37 0.03	19,964,370 *1,379,348	0.37 0.03	-	-	American Graduate School of International Management, USA Δ Managing Director of Surfview Capital Ltd.	-	-	-
	U.S.A	Tonia Katherine Hsu Representative of Far Eastern Department Stores Ltd.	Female, 50~59 years old	Jul 29, 2021	3	Jun 13, 2006	19,964,370 *-	0.37 -	19,964,370 *-	0.37 -	-	-	Sarah Lawrence College, USA Δ -	Chairman Director	Douglas Tong Hsu Jeff Hsu	Father Brother

Title	Nationality or Record of Birth	Name	Gender & Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae Δ Other positions in FENC and/or other companies	Executives or Directors who are spouses or within two degrees of kinship		
							Share	%	Share	%	Share	%		Title	Name	Relation
Director	R.O.C	Kwan-Tao Li Representative of U-Ming Marine Transport Corp.	Male, 70~79 years old	Jul 29, 2021	3	Jun 13, 2006	31,181,470 *	0.58 -	31,181,470 *	0.58 -	-	-	Kellogg-HKUST, MBA Δ Chief Senior Counselor, Lee and Li, Attorney-at-law, Director of ACC	-	-	-
	R.O.C	Alice Hsu Representative of U-Ming Marine Transport Corp.	Female, 70~79 years old	Jul 29, 2021	3	Apr 20, 1988	31,181,470 *22,322,710	0.58 0.42	31,181,470 *19,697,710	0.58 0.37	- 4,375,000	- 0.08	Sheridan College, Retail Management Δ -	Chairman Vice Chairman Vice Chairman	Douglas Tong Hsu Johnny Hsi Peter Hsu	Brother Brother-in-Law Brother
	R.O.C	Champion Lee Representative of Yue Ding Investment Co., Ltd.	Male, 70~79 years old	Jul 29, 2021	3	Apr 20, 1988	33,617,781 *618,060	0.63 0.01	33,617,781 *303,099	0.63 0.01	-	-	Texas A&I University, USA, Master in Business Administration Δ Director of ACC, FET and U-Ming.	-	-	-
Independent Director	R.O.C	Chen-En Ko	Male, 70~79 years old	Jul 29, 2021	3	Jul 29, 2021	-	-	-	-	-	-	University of Minnesota, USA, Ph.D. of Department of Accounting Δ Honorary Professor of Department of Accounting, National Taiwan University ; Independent Director, Everlight Electronics Co., Ltd. & Chang Type Industrial Co., Ltd.	-	-	-
	R.O.C	Johnsee Lee	Male, 70~79 years old	Jul 29, 2021	3	Jun 28, 2012	-	-	-	-	-	-	Illinois Institute of Technology, USA, Ph.D. in Chemical Engineering Δ Director of Taiwan HOPAX Chemical MFG. Co. Ltd. and Zhen Ding Technology Holding Limited, Independent Director of San Fu Chemical Co., Ltd., Everlight Electronics Co., Ltd. & Brim Biotechnology, Inc.	-	-	-
	R.O.C	Raymond R.M. Tai	Male Above 80 years old	Jul 29, 2021	3	Jun 28, 2019	-	-	-	-	-	-	Fu Jen Catholic University, Taiwan, Honor Ph.D. in School of Law University of Hawaii, USA, Master, Department of American Studies Ambassador Extraordinary and Plenipotentiary, Embassy of the R.O.C.(Taiwan) to the Holy See Δ -	-	-	-

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

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

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

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

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

Book closure date: April 29, 2023

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders (%)
Asia Cement Corporation	Far Eastern New Century Corp. (21.16); Far Eastern Medical Foundation (5.12); Yuanta Taiwan Dividend Plus ETF account in the custody of Cathay United Bank (3.07); China Life Insurance Co., Ltd. (2.38); Labor Pension Fund Committee of Far Eastern New Century Corp. (1.63); Yuan Ding Investment Co., Ltd. (1.53); Far Eastern Department Stores Ltd. (1.41); Yuan Ze University (1.34); Far Eastern Memorial Foundation (1.24); Yu Yuan Investment Co., Ltd. (2.06)
Far Eastern Department Stores Ltd.	Far Eastern New Century Corp. (17.06); Yuan Ding Investment Co., Ltd. (9.87); Asia Cement Corp. (5.65); Yuan Tong Investment Co., Ltd. (5.62); Yuan Ze University (4.75); PJ Asset Management Co., Ltd. (4.52); Jaryuan Investment Co., Ltd. (2.57); Labor Pension Fund Committee of Far Eastern Department Stores Ltd. (2.11); Yu Yuan Investment Co., Ltd. (2.06); Tranquil Enterprise Ltd. (2.04)
U-Ming Marine Transport Corp.	Asia Cement Corp. (39.25); Yuanta Taiwan Dividend Plus ETF account (4.36); Fubon Taiwan High Dividend 30 ETF account (1.13); Yuan Ding Investment Co., Ltd. (1.05); Yu Yuan Investment Co., Ltd. (0.94); Asia Investment Co., Ltd. (0.92); Ya Li Transportation Corporation (0.75); Vanguard Emerging Markets Stock Index Fund account in the custody of J.P. Morgan Taipei Branch (0.72); Japan Securities Finance Co., Ltd. Investment Account in the custody of J.P. Morgan Taipei Branch (0.71); Advanced Stars Advanced Aggregate International Equity Index in the custody of J.P. Morgan Taipei Branch (0.66)
Yue Ding Industries Co., Ltd.	Fu Da Transport Co., Ltd. (26.95); Yue Tung Investment Co., Ltd. (25.36); An Ho Garment Co., Ltd. (15.66); Ding Yuan International Investment Co., Ltd. (13.20); Ton Fu Investment Corp. (4.61); Ya Li Precast Pre-stressed Concrete Industries Corp. (3.89); Da Ju Fiber Co., Ltd. (3.89); Yuan-Ding Co., Ltd. (2.59); Bai Ding Investment Co., Ltd. (2.31); U-Ming Commerce Co., Ltd. (1.53)

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

Book closure date: April 29, 2023

Name of Juridical Persons	Major Shareholders of the Juridical Persons (%)
Far Eastern New Century Corp.	Please refer to page 77.
Far Eastern Medical Foundation	Y.Z. Hsu (76.90); Zong-Yan He (2.31); Shu-Peng Wang (2.31); Wei-Yuan Hsu (2.31); Ying-Chung Huang (2.31); Douglas Tong Hsu (2.31); Laurence M. Yang (2.31); John Hsu (2.31); Johnny Hsi (2.31); S.S. Hsu (2.31); Wei-San Yu (2.31)
China Life Insurance Co., Ltd.	China Development Financial Holding (100.00)
Yuan Ding Investment Co., Ltd.	Far Eastern New Century Corp. (99.40); An Ho Garment Co., Ltd. (0.30); Da Ju Fiber Co., Ltd. (0.30)
Yuan Ze University	U-Ming Marine Transport Corp. (55.21); Far Eastern Medical Foundation (26.05); Far Eastern New Century Corp. (5.52); Fu Ming Transportation Co., Ltd. (5.25); Far Eastern Memorial Foundation (4.91); Asia Cement Corp. (2.76); Connie Hsu (0.28); Y.Z. Hsu (0.01); Zhao-Zhong Yu (0.01)
Far Eastern Memorial Foundation	Y.Z. Hsu (50.00); Yi-Chu Hsu (50.00)
Yue Yuan Investment Co., Ltd.	Asia Cement Corp. (29.92); Yuan-Ding Co., Ltd. (25.02); Yuan Ding Investment Co., Ltd. (18.96); U-Ming Marine Transport Corp. (17.66); Ding Shen Investment Co., Ltd. (6.50); Yue Tung Investment Co., Ltd. (1.84); Yue Ding Industries Co., Ltd. (0.10)
Yuan Tong Investment Co., Ltd.	Far Eastern New Century Corp. (100.00)
PJ Asset Management Co., Ltd.	He Yang Management Consulting Co., Ltd. (100.00)
Jaryuan Investment Co., Ltd.	Information unavailable
Tranquil Enterprise Ltd.	Douglas Tong Hsu (87.40); Hui-Yi Xu (10.00); Peter Hsu (2.00); Shaw Y. Wang (0.20); Morton Mate Huang (0.20); Jia-Cong Wang (0.20)
Asia Investment Co., Ltd.	Asia Cement Corp. (100.00)
Ya Li Transportation Corporation	Asia Cement Corporation (51.61); Yue Yuan Investment Co., Ltd. (48.39)
Fu Da Transport Co., Ltd.	Fu Ming Transportation Co., Ltd. (99.97); Asia Investment Corp. (0.03)
Yue Tung Investment Co., Ltd.	U-Ming Marine Transport Corp. (73.54); U-Ming Marine Transport (Singapore) Private Ltd. (26.46)
An Ho Garment Co., Ltd.	Far Eastern New Century Corp. (100.00)
Ding Yuan International Investment Co., Ltd.	Far Eastern New Century Corp. (100.00)
Ton Fu Investment Corp.	Oriental Union Chemical Corp. (100.00)
Ya Li Precast Pre-stressed Concrete Industries Corp.	Asia Cement Corp. (83.94); Far Eastern General Contractor Inc. (16.03)
Da Ju Fiber Co., Ltd.	Yuan Ding Investment Co., Ltd. (41.86); Yue Ding Industries Co., Ltd. (38.76); Yue Lee Investment Co., Ltd. (19.38)
Yuan-Ding Co., Ltd.	Far Eastern New Century Corporation (37.13); Asia Cement Corporation (35.50); Der Ching Investment Co., Ltd. (14.50); Yuan Ding Investment Co., Ltd. (12.86)
Bai Ding Investment Co., Ltd.	Far Eastern Department Stores (66.66); Bai Yang Investment Co Ltd. (33.34)
U-Ming Commerce Co., Ltd.	Bai Ding Investment Co., Ltd. (47.00); Yuan Ding Investment Co., Ltd. (45.50); Yue Ding Industries Co., Ltd. (5.00); Ding & Ding Management Consultants Co., Ltd. (1.00); Yuan-Ding Co., Ltd. (1.00); Yuan Ding Leasing Co., Ltd. (0.50)

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

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

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

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

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

### 2.1.4.1 The diversity of the Board of Directors

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

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

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

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

The proportion of female Directors of the Company is 2/13. There are three Independent Directors of the Company. The tenure of one Independent Directors has been 10~12 years; another has been 4~6 years; the other has been 0~3 years.

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

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

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

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

Book closure date: April 29, 2023

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



Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%		Title	Name	Relation
Executive Vice President, Corporate Management	R.O.C	Emily Wu	Female	Jul 1, 12	0	0.00	0	0.00	University of Texas at Arlington, USA, Master in Accounting △ Director of Yuan Cheng Human Resource Consultant ; Supervisor of Yuan Faun Co., Ltd.	-	-	-
Executive Vice President, Chairman Office & R&D Center	R.O.C	Fanny Liao	Female	May 20, 19	0	0.00	0	0.00	The State University of New York, Stony Brook University, USA, PhD in Chemistry △ Director of Oriental Resources Development Ltd. & Martens Beer (Shanghai) Ltd. & APG Polytech USA Holdings, Inc.	-	-	-
Chief Corporate Governance Officer, Corporate Management	R.O.C	Li-Chi Chen	Male	May 10, 19	0	0.00	0	0.00	National Taiwan University, Taiwan, College of Law △ Director of Far Eastern Apparel & An Ho Garment Co., Ltd.	-	-	-
Chief Human Resources Officer, Corporate Management	R.O.C	C.Y. Lin	Male	Nov 1, 21	0	0.00	0	0.00	National Chengchi University, Taiwan, Master in Labor Research △ Chairman of Yuan Cheng Human Resource Consultant	-	-	-
Executive Vice President, Petrochemical Business	R.O.C	C.K. Tsai	Male	Dec 1, 22	0	0.00	0	0.00	National Central University, Taiwan, Department of Chemical and Material Engineering △ -	-	-	-
Executive Vice President, Polyester Business	R.O.C	C.T. Peng	Male	Nov 1, 21	0	0.00	0	0.00	National Tsing Hua University, Taiwan, Master in Chemical Engineering △ Director of Oriental Green Materials Ltd. & Wuhan Far Eastern New Material Ltd.	-	-	-
Executive Vice President, Polyester Business	R.O.C	M.L. Tsai	Male	Nov 1, 21	0	0.00	383	0.00	Feng Chia University, Taiwan, Master in Textile Engineering △ -	-	-	-
Assistant Vice President, Corporate Staff Office	R.O.C	Allen Sha	Male	Apr 1, 15	1,166	0.00	0	0.00	Tamkang University, Taiwan, Master in Department of Banking and Finance △ Director of Yuan Tong Investment & Kai Yuan International Investment	-	-	-
Assistant Vice President, Corporate Staff Office	R.O.C	Y.L. Chen	Male	Apr 1, 15	11,879	0.00	18,432	0.00	Tamkang University, Taiwan, Master in Business Administration △ -	-	-	-
Assistant Vice President, Corporate Staff Office	R.O.C	Y.S. Yang	Male	Apr 1, 15	0	0.00	0	0.00	National Chiao Tung University, Taiwan, PhD in Business & Management △ Chairman of YDT Technology International Co., Ltd. & Director of Yuan Hsin Digital Payment Co., Ltd.	-	-	-
Vice Chief Auditor, Internal Auditing Department	R.O.C	James Chan	Male	Sep 19, 22	0	0.00	0	0.00	Chinese Culture University, Taiwan, Department of Accounting △ -	-	-	-
Vice Chief Auditor, Group Auditing Department	R.O.C	Ju-Her Huang	Female	Sep 1, 20	10,000	0.00	0	0.00	Brock University, Canada, Department of Economics △ -	-	-	-
Vice Chief Auditor, Group Auditing Department	R.O.C	Ariel Hsu	Female	Feb 1, 21	0	0.00	0	0.00	Far Eastern Corporate University, Taiwan, Master in Management △ -	AVP	Rex Chang	Spouse
Vice Chief Auditor, Group Auditing Department	R.O.C	Sam Pu	Male	Jan 12, 23	0	0.00	0	0.00	National Tsing Hua University, Taiwan, Master in Technology Management △ -	-	-	-
Assistant Vice President, Accounting Department	R.O.C	Davis Dai	Male	Oct 1, 15	0	0.00	0	0.00	Fu Jen Catholic University, Taiwan, Master in Accounting △ Supervisor of Oriental Resources Development Co., Ltd. & Oriental Green Materials Ltd.	-	-	-
Assistant Vice President, Accounting Department	R.O.C	Liang-Wei Hsu	Male	Dec 1, 19	0	0.00	0	0.00	National Sun Yat-Sen University, Taiwan, EMBA △ -	-	-	-

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △ Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%		Title	Name	Relation
Assistant Vice President, Accounting Department	R.O.C	Alex Chen	Male	Jul 1, 21	164	0.00	0	0	Feng Chia University, Taiwan, Accounting Department △ -	-	-	-
Assistant Vice President, Finance Department	R.O.C	Jenny Ho	Female	Jul 1, 15	913	0.00	0	0.00	University of Reading, UK, Master in International Securities, Investment and Banking △ Director of Far Eastern Apparel & Fu Kwok Knitting & Garment Co., Ltd.	-	-	-
Assistant Vice President, Finance Department	R.O.C	Carol Wang	Female	May 1, 18	0	0.00	0	0.00	University of Illinois at Urbana Champaign, USA, Master in Finance △ Director of Far Eastern Apparel (Vietnam) Ltd.; Supervisor of An Ho Garment Co., Ltd.	-	-	-
Assistant Vice President, Finance Department	R.O.C	Yu-Sheng Lin	Male	May 21, 18	0	0.00	0	0.00	Iowa State University, USA, MBA △ Supervisor of Oriental Industries (Suzhou); Director of Far Eastern Apparel (Suzhou)	-	-	-
Assistant Vice President, Secretarial Department	R.O.C	Eric Wu	Male	May 5, 22	0	0.00	0	0.00	Soochow University, Taiwan, Department of Economics △ -	-	-	-
Assistant Vice President, Human Resource Department	R.O.C	Hung-Hui Lee	Male	Mar 14, 22	0	0.00	1,000	0.00	The Ohio State University, USA, Ph. D. in Public Policy and Management △ -	-	-	-
Assistant Vice President, Human Resource Department	R.O.C	Rex Chang	Male	Nov 1, 22	0	0.00	0	0.00	Tung Hai University, Taiwan, Bachelor of Business Administration △ -	VCA	Ariel Hsu	Spouse
Assistant Vice President, Learning & Development Center	R.O.C	William Hsu	Male	May 1, 19	0	0.00	0	0.00	University of Leicester, UK, MBA △ -	-	-	-
Assistant Vice President, Shipping Department	R.O.C	Ching-Shan Hsieh	Female	May 14, 18	113	0.00	0	0.00	Tunghai University, Taiwan, Department of Economics △ -	-	-	-
Assistant Vice President, R&D Center	R.O.C	Ken Chang	Male	Aug 1, 12	0	0.00	0	0.00	National Tsing Hua University, Taiwan, PhD in Chemical Engineering △ -	-	-	-
Assistant Vice President, R&D Center	R.O.C	David Liu	Male	Sep 9, 16	307	0.00	0	0.00	Yuan Tzu University, Taiwan, Master in Chemical Engineering △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Eric Huang	Male	Jul 1, 12	0	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, PhD in Chemical Engineering △ Director of FEFC	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Y.T. Chang	Male	Jul 1, 13	0	0.00	0	0.00	Yuan Tzu University, Taiwan, Master in Chemical Engineering △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Roder Chang	Male	Dec 1, 14	1,555	0.00	6,000	0.00	Feng Chia University, Taiwan, Master in Textile Engineering Department △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	K.B. Louy	Male	Mar 15, 16	35	0.00	0	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Nico Peng	Male	Nov 1, 17	0	0.00	0	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Huan Ta Tien	Male	Oct 6, 20	1,149	0.00	0	0.00	Tamkang University, Taiwan, Department of Management Administration △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Teddy Chang	Male	Oct 6, 20	454	0.00	11,224	0.00	National Cheng Kung University, Taiwan, Chemical Engineering Department △ -	-	-	-

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%		Title	Name	Relation
Assistant Vice President, Polyester Business	R.O.C	Robert Wang	Male	Oct 6, 20	0	0.00	0	0.00	National Taipei University of Technology, Taiwan, Associate Degree of Textile Engineering △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Norman Lin	Male	Jan 1, 21	0	0.00	1,000	0.00	National Central University, Taiwan, Department of Management Administration △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Daniel Tsai	Male	Jul 8, 21	5,865	0.00	0	0.00	National Taiwan Ocean University, Taiwan, Department of Shipping & Transportation Management △ Director of PET Far Eastern(M) Sdn Bhd	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Bruce Huang	Male	May 5, 22	27	0.00	1,092	0.00	Yuan Tzu University, Taiwan, Master in Chemical Engineering Administration △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Eva Luo	Female	Jun 1, 22	0	0.00	0	0.00	Soochow University, Taiwan, Department of International Business Administration △ -	-	-	-
Assistant Vice President, Textile Business	R.O.C	Nancy Chen	Female	May 24, 21	0	0.00	4,468	0.00	Purdue University, USA, Master in Hospitality Management △ -	-	-	-
Assistant Vice President, Textile Business	R.O.C	P.H. Chi	Male	Sep 14, 22	716	0.00	0	0.00	Yuan Ze University, Taiwan, Master in Management △ -	-	-	-
Assistant Vice President, Textile Business	R.O.C	Mark Wang	Male	Oct 18, 22	0	0.00	0	0.00	National Dong Hwa University, Taiwan, Department of business Administration △ -	-	-	-
Assistant Vice President, Purchasing Department	R.O.C	Ryan Wu	Male	May 1, 11	0	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, MBA △ -	-	-	-
Assistant Vice President, Purchasing Department	R.O.C	Hans Kuo	Male	Jul 1, 18	0	0.00	0	0.00	Chinese Culture University, Taiwan, Department of Law △ -	-	-	-
Assistant Vice President, Purchasing Department	R.O.C	Andy Lou	Male	Dec 16, 21	0	0.00	0	0.00	National Cheng Kung University, Taiwan, Department of Hydraulics and Ocean Engineering △ -	-	-	-

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

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

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

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

### 2.3.1 Remuneration Paid to Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of total remuneration (I+II+III+IV) over net income (%)		Relevant compensation received by directors who are also employees								Ratio of total remuneration (I+II+III+IV+V+VI+VII) to net income (%)		Remuneration paid to Directors and Independent Directors from an invested company or the parent company other than the Company's subsidiary (VIII)
		Base Remuneration (I)		Severance Pay and Pension (II)		Directors' remuneration from distribution of earnings (III)		Operating Allowances (IV)				Salary, Bonuses, and Allowances (V)		Severance Pay and Pension (VI)		Employees' compensation from distribution of earnings (VII)						
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	
Chairman	Douglas Tong Hsu																					
Director	Asia Cement Corporation	0	0	0	0	147,078	147,078	1,200	6,025	148,278 1.81%	153,103 1.87%	27,300	142,150	0	0	2,474	0	2,474	0	178,052 2.18%	297,727 3.65%	136,409
	Far Eastern Department Stores Ltd.																					
	U-Ming Marine Transport Corp.																					
	Yue Ding Industries Co., Ltd.																					
Independent Director	Chen-En Ko	0	0	0	0	6,800	6,800	360	360	7,160 0.09%	7,160 0.09%	0	0	0	0	0	0	0	0	7,160 0.09%	7,160 0.09%	0
	Johnsee Lee																					
	Raymond R.M. Tai																					

Note:

- Column A represents the Company; Column B represents all companies in the consolidated financial statement.
- The Company pays remuneration to Directors in accordance with the Articles of Incorporation. After being resolved by the Remuneration Committee and the Board of Directors, the remuneration shall be reported in the annual shareholder's meeting in accordance with the laws and regulations. The remuneration paid to Independent Directors is a fixed amount with consideration to their time spend and responsibilities assumed for the position. Additional remuneration of a fixed amount is provided if the Independent Director serves concurrently as a committee chairman, a Remuneration Committee member or a Sustainability Committee member. The operating allowances for Independent Directors are a fixed amount for traveling expenses.
- Operating allowances mentioned in the table above were the actual amount distributed in 2022. Directors' remuneration and Employees' compensation, approved by the Board Meeting on March 8, 2023, are the proposed figures to be resolved by the upcoming 2023 Annual General Shareholders' Meeting.
- A company car is assigned to Chairman Douglas Tong Hsu for business purpose. The acquisition cost of the said car is NT\$6.508 million.
- There is neither share bonus being issued nor share warrant and share option being issued by the Company or companies in the consolidated financial report to employees for purchasing shares.
- Representative of Asia Cement Corporation: Johnny Hsi, Peter Hsu, Shaw Y. Wang, Jeff Hsu; Representative of Far Eastern Department Stores Ltd.: Richard Yang, Tonia Katherine Hsu; Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li.; Representative of Yue Ding Industries Co., Ltd.: Champion Lee

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

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

Unit: NT\$ thousands

Title	Name	Salary (I)		Severance Pay and Pension (II)		Compensation and Allowances (III)		Employees' compensation from distribution of earnings (IV)				Ratio of total remuneration (I+II+III+IV) to net income (%)		Compensation paid to the President and Executive Vice President from an invested company or the parent company other than the Company's subsidiary
		A	B	A	B	A	B	A		B		A	B	
								Cash	Stock	Cash	Stock			
Chief Strategy Officer	Y.H. Tseng	59,209	82,159	1,224	1,332	65,805	72,214	5,935	0	6,264	0	132,173 1.62%	161,969 1.98%	7,882
President	K.S. Wu													
	Humphrey Cheng													
Chief Operating Officer	Donald Fan													
	Judy Lee													
	Eric Chueh													
	B.C. Chang													
	M.J. Wu													
Chief Auditor	Rebecca Huang													
	Y.C. Yuan													
Chief Financial Officer	David Wang													

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

Note:

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

Bracket	Name of Presidents and Executive Vice Presidents	
	The Company	Companies in the consolidated financial statement
Under NT\$1,000,000	-	-
NT\$1,000,000 ~ NT\$1,999,999	-	-
NT\$2,000,000 ~ NT\$3,499,999	-	-
NT\$3,500,000 ~ NT\$4,999,999	-	-
NT\$5,000,000 ~ NT\$9,999,999	Y.H. Tseng, K.S. Wu, Humphrey Cheng, Donald Fan, Judy Lee, Eric Chueh, B.C. Chang, M.J. Wu, Rebecca Huang, Y.C. Yuan, David Wang, Alan Tsai, Emily Wu, Fanny Liao, Li-Chi Chen, C. Y. Lin, C.K. Tsai, C.T. Peng, M.L. Tsai	Y.H. Tseng, K.S. Wu, Humphrey Cheng, Donald Fan, Judy Lee, Eric Chueh, B.C. Chang, M.J. Wu, Rebecca Huang, Y.C. Yuan, David Wang, Alan Tsai, Emily Wu, Fanny Liao, Li-Chi Chen, C. Y. Lin, C.K. Tsai, C.T. Peng, M.L. Tsai
NT\$10,000,000 ~ NT\$14,999,999	-	-
NT\$15,000,000 ~ NT\$29,999,999	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-
NT\$100,000,000 and over	-	-
Total	19	19

## 2.3.3 Compensation Paid to Managers

Unit:NT\$ thousands

Title	Name	Employee Compensation- in Cash	Ratio of Total Amount to Net Income (%)
Executive Assistant to the Chairman, and Chief Strategy Officer of Department of Business & Product Transformation	Y.H. Tseng	16,108	0.17%
President, Petrochemical Business	K.S. Wu		
President, Corporate Management	Humphrey Cheng		
Acting President and Chief Operating Officer, Polyester Business	Donald Fan		
Acting President and Chief Operating Officer, Textile Business	Judy Lee		
Chief Operating Officer, Petrochemical Business	Eric Chueh		
Chief Operating Officer, Polyester Business	B.C. Chang		
Chief Operating Officer, Textile Business	M.J. Wu		
Chief Auditor, Internal Auditing Department	Rebecca Huang		
Chief Auditor, Group Auditing Department	Y.C. Yuan		
Chief Financial Officer, Corporate Management	David Wang		
Executive Vice President, Corporate Management	Alan Tsai		
Executive Vice President, Corporate Management	Emily Wu		
Executive Vice President, Chairman Office & R&D Center	Fanny Liao		
Vice Corporate Governance Officer, Corporate Management	Li-Chi Chen		
Chief Human Resources Officer, Corporate Management	C.Y. Lin		
Executive Vice President, Petrochemical Business	C.K. Tsai		
Executive Vice President, Polyester Business	C.T. Peng		
Executive Vice President, Polyester Business	M.L. Tsai		
Assistant Vice President, Corporate Staff Office	Allen Sha		
Assistant Vice President, Corporate Staff Office	Y.L. Chen		
Assistant Vice President, Corporate Staff Office	Y.S. Yang		
Vice Chief Auditor, Internal Auditing Department	James Chan		
Vice Chief Auditor, Group Auditing Department	Ju-Her Huang		
Vice Chief Auditor, Group Auditing Department	Ariel Hsu		
Vice Chief Auditor, Group Auditing Department	Sam Pu		
Assistant Vice President, Accounting Department	Davis Dai		
Assistant Vice President, Accounting Department	Liang-Wei Hsu		
Assistant Vice President, Accounting Department	Alex Chen		
Assistant Vice President, Finance Department	Jenny Ho		
Assistant Vice President, Finance Department	Carol Wang		
Assistant Vice President, Finance Department	Yu-Sheng Lin		
Assistant Vice President, Secretarial Department	Eric Wu		
Assistant Vice President, Human Resource Department	Hung-Hui Lee		
Assistant Vice President, Human Resource Department	Rex Chang		
Assistant Vice President, Learning & Development Center	William Hsu		
Assistant Vice President, Shipping Department	Ching-Shan Hsieh		
Assistant Vice President, R&D Center	Ken Chang		
Assistant Vice President, R&D Center	David Liu		
Assistant Vice President, Polyester Business	Eric Huang		
Assistant Vice President, Polyester Business	Y.T. Chang		
Assistant Vice President, Polyester Business	Roder Chang		
Assistant Vice President, Polyester Business	K.B. Louy		
Assistant Vice President, Polyester Business	Nico Peng		
Assistant Vice President, Polyester Business	Huan Ta Tien		
Assistant Vice President, Polyester Business	Teddy Chang		
Assistant Vice President, Polyester Business	Robert Wang		
Assistant Vice President, Polyester Business	Norman Lin		
Assistant Vice President, Polyester Business	Daniel Tsai		
Assistant Vice President, Polyester Business	Bruce Huang		
Assistant Vice President, Polyester Business	Eva Luo		
Assistant Vice President, Textile Business	Nancy Chen		
Assistant Vice President, Textile Business	P.H. Chi		
Assistant Vice President, Textile Business	Mark Wang		
Assistant Vice President, Purchasing Department	Ryan Wu		
Assistant Vice President, Purchasing Department	Hans Kuo		
Assistant Vice President, Purchasing Department	Andy Lou		

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

## Corporate Governance Report

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

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

Year	The Ratio of Total Paid Remuneration over Net Income	
	The Company	Companies in the consolidated financial statement
2022	3.89%	5.72%
2021	4.16%	5.41%

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

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

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



### 3. Corporate Governance

#### 3.1 Board of Directors

Total four meetings were convened by the Board of Directors in 2022. Attendance of each Director is as follows:

Title	Name		Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Douglas Tong Hsu		4	0	100	-
Director	Asia Cement Corp.	Johnny Hsi	4	0	100	
		Peter Hsu	4	0	100	
		Shaw Y. Wang	4	0	100	
		Jeff Hsu	4	0	100	
	Far Eastern Department Stores Ltd.	Richard Yang	4	0	100	
		Tonia Katherine Hsu	4	0	100	
	U-Ming Marine Transport Corp.	Kwan-Tao Li	3	1	75	
		Alice Hsu	2	2	50	
	Yue Ding Industries Co., Ltd.	Champion Lee	4	0	100	
	Independent Directors	Chen-En Ko	4	0	100	
		Johnsee Lee	4	0	100	
		Raymond R.M. Tai	4	0	100	

Other required disclosure:

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

- Any circumstance described in Article 14-3 of the Securities and Exchange Act: Please refer to page 67 to 69 "Major resolutions by Board of Directors"
- Any resolution on which an independent director had a dissenting or qualified opinion occurred in board meetings: None

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

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

Assessment Frequency	Assessment Period	Assessment Scope	Assessment Method	Contents
Annually	Jan 1, 2022 ~ Dec 31, 2022	The Board of Directors	The Board's internal assessment: "Self-evaluation questionnaire for the Board's performance"	1. Involvement of the Company's operation 2. Improve the decision-making quality of the Board 3. Composition and structure of the Board 4. Election and continuing education for the Directors 5. Internal control
		The Board members	The Board members' internal assessment: "Self-evaluation questionnaire for the Board members' review"	1. Familiar with the goals and missions of the Company 2. Awareness of the Directors' duties 3. Involvement of the Company's operations 4. Management of the internal relationship and communication 5. Professionalism and continuing education of the Directors 6. Internal control
		Functional committees (Audit Committee, Remuneration Committee and Sustainability Committee)	The functional committees' internal assessment: "Self-evaluation questionnaire for the functional committee's performance"	1. Involvement of the Company's operations 2. Awareness of the functional committees' duties 3. Improve the decision-making quality of the functional committees 4. Composition of the functional committee and the election of the members 5. Internal control

## Corporate Governance Report

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

(5) The attendance status of Independent Directors from Jan 1, 2022 until May 15, 2023:

	2022/3/8	2022/5/10	2022/8/10	2022/11/9	2023/3/8	2023/5/11
Chen-En Ko	✓	✓	✓	✓	✓	✓
Johnsee Lee	✓	✓	✓	✓	✓	✓
Raymond R.M. Tai	✓	✓	✓	✓	✓	✓

Note: ✓: Attendance in person

### 3.2 Audit Committee:

Total four meetings were convened by the Audit Committee in 2022. Attendance of each Independent Director is as follows:

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

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

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

#### • Audit Committee's Review Report

We have examined the Business Report, Financial Statements, and the Resolution for Allocation of Surplus Profit submitted by the Board of Directors for the year ending 2022 which had been audited by Deloitte & Touche, and found them in order.

#### • The hiring of CPA

The independence and eligibility of the certified accountants was assessed by the Audit Committee on March 3, 2023 and the Board of Directors on March 8, 2023. The certified accountants have no relationship or interest conflicts with the Company, and maintain impartiality in providing professional services. In addition, the Company obtained the independent statement and audit quality indicator report issued by the CPA firm, in accordance with the norms of independence and eligibility.

Other required disclosure:

(1)

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

Meeting Date (Term)	Resolutions	Circumstances described in Article 14-5 of the Securities and Exchange Act	The Company's response to Audit Committee's opinions
<b>2022.03.07</b> (2 <sup>nd</sup> Meeting of the 3 <sup>rd</sup> Term)	1. Circumstances for acquisition and disposition of assets during Oct 2021 to Jan 2022	√	All presented committee members have approved and submitted to the Board of Directors. All Directors present consented to the Declaration, and no dissenting opinion was expressed.
	2. Transactions for FX hedging until Feb 15, 2022	√	
	3. 2021 financial reports (including consolidated & stand-alone) and the hiring of CPA	√	
	4. The proposal for distribution of 2021 profits	√	
	5. Approved amending the Company bylaw of "Procedure for Acquisition and Disposition of Assets of Far Eastern New Century Corporation"	√	
	6. Approved amending the Company bylaw of "Procedures for Lending of Capital to Others of Far Eastern New Century Corporation" and "Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation"	√	
	7. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	√	
	8. Approved the acquisition of new common shares of Oriental Petrochemical (Taiwan) Co., Ltd.	√	
	9. Approved amending the internal audit implementation rules of Far Eastern New Century Corporation	√	
	10. 4Q2021 internal audit report	√	
	11. Internal control report	√	
<b>2022.05.06</b> (3 <sup>rd</sup> Meeting of the 3 <sup>rd</sup> Term)	1. Circumstances for acquisition and disposition of assets during Feb 2022 to Mar 2022	√	
	2. Transactions for FX hedging until Apr 15, 2022	√	
	3. Approved the change of auditing CPA (Certified Public Accountant) from Deloitte & Touche	√	
	4. 1Q2022 consolidated financial report		
	5. Approved 2021 business report	√	
	6. Approved the leasing agreement with the Company and Far Eastern Ai Mai Co., Ltd.	√	
	7. 1Q2022 internal audit report	√	
<b>2022.08.08</b> (4 <sup>th</sup> Meeting of the 3 <sup>rd</sup> Term)	1. Circumstances for acquisition and disposition of assets during Apr 2022 to Jun 2022	√	
	2. Transactions for FX hedging until Jul 21, 2022	√	
	3. 1H2022 consolidated financial report		
	4. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	√	
	5. Approved amending the Company bylaw of "Corporate Governance Principles" and "Procedures for Handling Material Inside Information of Far Eastern New Century Corporation"		
	6. 2Q2022 internal audit report	√	
<b>2022.11.2</b> (5 <sup>th</sup> Meeting of the 3 <sup>rd</sup> Term)	1. Circumstances for acquisition and disposition of assets from Jul 2022 to Sep 2022	√	
	2. Transactions for FX hedging until Oct 7, 2022	√	
	3. Circumstances for acquisition and disposition of equity from Jul 2022 to Oct 2022	√	
	4. 1-3Q 2022 consolidated financial report	√	
	5. Approved exchanging shares with Far Eastern Fibertech Co., Ltd. in accordance with Business Mergers and Acquisitions Act	√	
	6. Approved exchanging shares with Oriental Resources Development Co., Ltd. in accordance with Business Mergers and Acquisitions Act	√	
	7. Approved exchanging shares with Oriental Green Materials Ltd. in accordance with Business Mergers and Acquisitions Act	√	
	8. Approved exchanging shares with Far Eastern Apparel Co., Ltd. in accordance with Business Mergers and Acquisitions Act	√	
	9. Approved the investment of FE Green PET (M) Sdn Bhd via the Company's subsidiary, FE Oriental Investment Holding (Singapore) PTE LTD	√	

## Corporate Governance Report

Meeting Date (Term)	Resolutions	Circumstances described in Article 14-5 of the Securities and Exchange Act	The Company's response to Audit Committee's opinions
	10. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	√	
	11. Approved the Company bylaw of "Operational Procedure for Preparation and Validation of Sustainability Report"		
	12. Approved amending the Company bylaw of "Procedures for Handling Material Inside Information of Far Eastern New Century Corporation"		
	13. Approved amending the Company bylaw of "Internal Control System" and "Internal Audit Implementation Rules"	√	
	14. 3Q2022 internal audit report	√	
	15. Approved the 2022 Audit Plan review and the 2023 Audit Plan	√	

2. Any resolution on which the Audit Committee had a dissenting or qualified opinion occur with the approval of two thirds or more of the entire Board of Directors: None
- (2) Should there be any independent director neither joining discussion nor exercising the voting rights in board meetings for the resolution which he/she has personal interests, the name of such independent director, the contents of the said resolution, the reasons such independent director has personal interests, and the voting results shall be specified: None
- (3) Communications between Independent Directors and the chief internal auditor and CPA of the Company (including the ways and topics that the aforesaid parties discuss on the financial and business situations of the Company, and the conclusions of their discussions):
- Audit Committee meetings are held by Independent Directors quarterly. Meeting minutes will be recorded and submitted to notify the President and top management of the Company of important discussions and resolutions. (Including 1. Effectiveness and efficiency of business operations, 2. Reliability, timeliness, transparency, and regulatory compliance of reporting; 3. Compliance with applicable laws, regulations, and bylaws) In the meetings, the internal audit officer reports the execution of internal audit work, significant internal audit findings, and provides the status of the follow-up matters instructed by Independent Director from previous meeting. The Independent Directors represented no counter advices or qualified opinions in each meeting.
  - The CPA of the Company attends the Audit Committee meetings and communicates the audited (or reviewed) financial reports and any important matters required by law to Independent Directors in the quarterly Audit Committee meetings. The Independent Directors represented no counter advices or qualified opinions in each meeting.

Meeting Date	Communications with the internal audit officer	Communications with the CPA of the Company
<b>2022.03.07</b> (Individual communication)	<ul style="list-style-type: none"> <li>Risk classification in annual audit plan</li> <li>Promotion in the digital transformation of internal audit work</li> <li>Communication form with Independent Directors</li> </ul>	-
<b>2022.03.08</b>	<ul style="list-style-type: none"> <li>4Q2021 internal audit report</li> <li>The results of the voluntary reviews of the internal control systems in 2021, which was presented by supervisory committee including the list of executive team members</li> </ul>	<ul style="list-style-type: none"> <li>2021 financial reports (including key audit matters)</li> <li>2021 internal control review reports</li> </ul>
<b>2022.05.10</b>	<ul style="list-style-type: none"> <li>1Q2022 internal audit report</li> </ul>	<ul style="list-style-type: none"> <li>1Q2022 consolidated financial report</li> </ul>
<b>2022.08.10</b>	<ul style="list-style-type: none"> <li>2Q2022 internal audit report</li> </ul>	<ul style="list-style-type: none"> <li>1H2022 consolidated financial report</li> </ul>
<b>2022.11.09</b>	<ul style="list-style-type: none"> <li>3Q2022 internal audit report</li> <li>Reviewed 2022 audit result and proposed 2023 audit plan</li> </ul>	<ul style="list-style-type: none"> <li>1-3Q2022 consolidated financial report</li> <li>Communicating key audit matters in the 2022 independent auditors' report</li> </ul>
<b>2022.12.27</b> (Individual communication)	-	<ul style="list-style-type: none"> <li>2022 annual audit plan and the deadline for the announcement of financial results</li> <li>The IFRS standards as endorsed by the Financial Supervisory Commission (FSC) which will be applied from 2023</li> <li>Audit quality indicators</li> </ul>

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

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

## Corporate Governance Report

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

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
			D. “Safety and Health Committee”: Implements occupational safety and health control matters.	
c. Has the Company established a Board performance assessment method, and have performance evaluations been conducted annually with results reported to the Board and used as reference material for individual Directors' remuneration and reelection nomination?	V		The Company has set up the “Board Performance Evaluation Rule”, which was resolved by Board on August 11, 2016 in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. Every year, the Board members and the divisions in charge of arranging meetings conducted a self-evaluation of the Board's performance on five areas, including involvement in the Company's operations, improvement in the Board's decision making, the Board's composition and structure, the selection and further training of the Board members as well as internal control. The Board meeting on May 10, 2019 resolved the Performance Evaluation Rule of Functional Committee. In 2022, the performance of the Board, the Audit Committee, the Remuneration Committee and the Sustainability Committee was evaluated as “excellent”, which indicates the improvement in the Board's effectiveness. The performance assessment result was reported in Remuneration Committee on February 17, 2023. In addition, the Board meeting in Nov. 2018 resolved that the “Board Performance Evaluation Rule” shall be assessed once by external institutes & professionals every three years. In 2020, EY was entrusted as the external institute to assess the Board performance, and the above results are used as a reference for remuneration payment and reelection nomination	None
d. Has the Company evaluated the independence of CPAs on a regular basis?	V		At FENC and its subsidiary FarEasTone, an annual assessment is conducted on the independence of CPAs and the results are reported to the Board. On March 8, 2022, in accordance with the Audit Quality Indicators(AQIs), the Board made a final review on the CPAs' independence and competence over 2022 and confirmed that they were free of conflicts of interest relationships and maintained objectivity and impartiality when discharging their professional responsibilities. The Company also received the “letter of independence from auditors of Deloitte and Touche” in accordance with the regulations of independence and competence. The assessment results can be referred to Note 3.	

## Corporate Governance Report

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
<b>(4) Does the Company deploy competent and adequate number of corporate governance personnel and appoint a corporate governance officer in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors &amp; supervisors, assist directors &amp; supervisors in legal compliance, handle matters relating to board meetings and shareholders’ meetings according to laws, record minutes of board meetings and shareholders meetings, etc.)?</b>	V		<p>The Board meeting of May 10, 2019 resolved to appoint a Chief Corporate Governance Officer. Mr. Li-Chi Chen from Corporate Management was assigned and granted authorities, assisted by several corporate governance personnel, to deals with corporate governance related matters, including handling matters relating to board meetings and shareholders’ meetings, recording minutes of board meetings and shareholders’ meetings, conducting Directors’ training, assisting relevant data for Directors’ practices, assisting Directors in legal compliance etc. 2022 Corporate Governance related routines:</p> <p>A. Conducted meetings of BOD and Audit Committee: four &amp; four times respectively, totaling eight times</p> <p>B. Conducted Annual General Meeting and prepared AGM meeting minutes: one time</p> <p>C. Conducted Directors’ training: 13 participants, totaling 88 hours</p> <p>D. Assisted relevant data for Directors’ practices, including meeting materials provided to the Board and the Audit Committee 7 days ahead</p> <p>E. Assisted Directors in compliance with applicable laws and regulations</p> <p>The Chief Corporate Governance Officer took training for at least 18 hours within one year and at least 12 hours per year from the date of the appointment. (Please refer to page 65 for details)</p>	None
<b>(5) Has the company established a stakeholder (including, but not limited to, shareholders, employees, clients and suppliers, etc.) communication channel, a company website dedicated to stakeholders, and appropriately responded to the main social responsibility issues which are critical to stakeholders?</b>	V		<p>The Company has established Investor Relations Team and a “Stakeholder’s Contact Information” list as well as a communication channel for shareholders, stakeholders, and the relevant company units on its company website. The aforementioned communication with the stakeholders was regularly reported to the Board meetings and the regular meetings.</p>	
<b>(6) Has the Company commissioned professional stock services agents to handle shareholder affairs?</b>	V		<p>The Company and its subsidiary, Far EasTone have commissioned Oriental Securities Corporation to be the professional stock services agent in assisting and handling shareholder-related matters.</p>	



Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" & reasons
	Yes	No	Summary	
<b>(7) Information Disclosure</b>				
a. Has the Company set up a corporate website to disclose information on financial, business and its corporate governance?	V		The Company and its subsidiary Far EasTone have set up multiple-language (traditional Chinese/simplified Chinese/English) websites: <a href="http://www.fenc.com">www.fenc.com</a> & <a href="http://www.fareastone.com.tw">www.fareastone.com.tw</a> , respectively. Both corporate websites disclose the most updated information on financial, business and corporate governance.	None
b. Has the Company adopted other information disclosure channels (i.e. English website; designated appropriate personnel to be in charge of Company information collection and disclosure, implemented the spokesperson system, uploaded the investor conference presentations on the Company's website, etc.)?	V		The Company and its subsidiary Far EasTone have established a spokesperson system, including a spokesperson and a deputy spokesperson. Both managers undertake their deeds precisely based on the Company's requirements. The Company's website is set up in multiple-language (traditional Chinese/simplified Chinese/English), and has designated appropriate persons to collect the Company's information. Investor conferences are held as needed, and the relevant information is disclosed on the Company's website and the M.O.P.S. website operated by the Taiwan Stock Exchange.	
c. Has the Company announced and filed the annual financial report within two months after the end of the fiscal year, and of financial reports for the first three quarters as well as the monthly revenue before the deadline?		V	In accordance with Article 36 of the Securities and Exchange Act, the Company shall publish and report its financial reports within 75 days after the end of the fiscal year and within 45 days after the end of the first, second and third quarters, and shall publish and report its monthly revenue of the previous month before the 10 <sup>th</sup> day of each month.	The Company's financial report consolidated nearly hundreds of stand-alone companies; therefore, it was practically difficult to advance the announcement and filing of the financial report.
<b>(8) Does the Company have other critical information which can help others to understand the implementation of corporate governance (including, but not limited to, employee welfare, staff care, investor relations, supplier relations, stakeholder rights, Director and Supervisor training status, risk management policies and risk measurement standard implementation progress, customer policy implementation progress, and the Company's purchase of liability insurance for Directors and Supervisors?</b>	V		Please refer to page 62 to 65 Section Eight: "Others" in regard to critical information that can help others to understand the implementation of corporate governance from the Company and its subsidiaries.	None

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Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
(9) Base on the result of “Corporate Governance Evaluation” announced by TWSE (Taiwan Stock Exchange Corporation) in a recent year to illustrate the status of matters have been already improved and priority measures to reinforce matters haven’t been improved.	V		<p>The Company ranked among the top 5% in the “Corporate Governance Evaluation” of 2022. The areas that have been improved and the priority measures to enforce are described below:</p> <ul style="list-style-type: none"> <li>① The shareholders’ general meeting will be convened with visual communication assisted.</li> <li>② Issued sustainability-linked bond and green bond.</li> <li>③ The annual report should be uploaded 18 days prior to the shareholders’ general meeting.</li> <li>④ The interim financial report is resolved and approved by the Audit Committee and the Board of Directors.</li> <li>⑤ Appoint Chief of Information Security Officer and enforce information security framework.</li> <li>⑥ Upload the information on changes in shareholdings of insiders for the previous month to the MOPS by the 10<sup>th</sup> of each month.</li> <li>⑦ With the revised bylaws of the Articles of Incorporation of FENC, the proportion of Independent Directors is planned to be more than one third of the Board of Directors in 2024 in accordance with the “Corporate Governance 3.0”.</li> </ul>	

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

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

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

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

humanitarianism, innovation, customer relation, and operational excellence to achieve long-lasting prosperity in the industry and ensure sustainable development of the Company.

Note 2 : The Sustainability Committee held two meetings in 2022. The 2<sup>nd</sup> Meeting of the 2<sup>nd</sup> Term took place on April 21, and the 3<sup>rd</sup> Meeting of the 2<sup>nd</sup> Term was held on October 14. During these meetings, Mr. Humphrey Cheng, the President of Corporate Management and convener of the Corporate Sustainability Implementation Committee, reported the Company's progress in sustainable development and the execution of sustainability projects and performance. This included activities such as publishing the 2021 Sustainability Report (in both Chinese and English), enhancing climate-related financial disclosures (TCFD), strengthening human rights risk management, developing sustainable financial products, developing clear procedures for creating and verifying sustainability reports and integrating into the Company's internal control system, establishing a digital platform for ESG information collection, promoting circular economy, advancing low-carbon processes and green production towards net zero emissions, developing climate change mitigation and eco-friendly products, conducting comprehensive greenhouse gas inventory and verification, participating in the 2022 ESG Summit, planning social engagement projects, promoting sustainable supply chain sessions, enhancing employee sustainability awareness, and creating a secure workplace during the pandemic. All meeting resolutions were approved by the attending committee members, and the convener of the Corporate Sustainability Committee, Mr. Johnsee Lee, an independent director, reported the key matters to the entire board of directors on May 10 and November 9, respectively.

As of the printing date of the annual report, the Sustainability Committee held the 4<sup>th</sup> Meeting of the 2<sup>nd</sup> Term on April 25. During this meeting, Mr. Humphrey Cheng, the President of Corporate Management and convener of the Corporate Sustainability Implementation Committee, reported the Company's progress in sustainable development and the execution of various sustainability projects and initiatives. These included activities such as publishing the 2022 Sustainability Report in both Chinese and English, releasing the Company's first climate-related financial disclosures (TCFD) report, conducting stakeholder engagement and identifying significant topics, implementing greenhouse gas inventory and verification, formulating greenhouse gas reduction targets and plans, expanding the application of green products, promoting sustainable financial products, strengthening human rights policies and conducting human rights due diligence, enhancing information security management mechanisms, participating in the Ministry of Labor's Occupational Safety and Health Administration's program for promoting sustainable workplace health and safety, driving environmental education curriculum projects, and facilitating stakeholder communication through diverse channels. All meeting resolutions were approved by the attending committee members, and the convener of the Corporate Sustainability Committee, Mr. Johnsee Lee, an independent director, reported the key matters to the entire board of directors on May 11.

Title	Name	Times of Attendance	Times of Attendance by Proxy	Percentage of Attendance (%)	Remark
Convener	Johnsee Lee	3	0	100%	-
Committee member	Raymond R.M. Tai	3	0	100%	-
	Kwan-Tao Li	3	0	100%	-

Note 3 : Assessment table of independence of Certified Public Accountant

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

Assessment table of competence of Certified Public Accountant (evaluated based on the Audit Quality Indicators Report).

Assessment table	Key matters	Competence? Y/N
1. Professionalism: Audit experience, training hours, turnover rate, professional support.	The audit team possesses superior experience and training compared to the industry average.	Y

## Corporate Governance Report

Assessment table	Key matters	Competence? Y/N
2. Quality control: Auditor workload, audit input, case quality control review, quality control support capability.	The audit team dedicates a comparable amount of time and resources to assurance and regulatory compliance as our peers in the industry.	Y
3. Independence: Non-assurance services, familiarity with clients.	The audit team has a high level of familiarity with services, and the proportion of non-assurance services is relatively low.	Y
4. Supervision: Lack of external inspections and disciplinary actions, regulatory authorities' letters for improvement.	No material irregularities were identified in the most recent fiscal year.	Y
5. Innovation capability: Innovative planning or initiatives.	The audit team has implemented innovative tools and cloud-based platforms to enhance efficiency.	Y

### 3.4 The Composition of the Remuneration Committee

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

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

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

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officers in the preceding three subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Paragraph 1 or 2, Article 27 of the Company Act. (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the

same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)

- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent). (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company. (This requirement does not apply where the specific company or institution owns twenty percent or more but less than fifty percent of the company's outstanding shares, and the independent director serving concurrently in the Company and its' parent company or subsidiaries, or subsidiaries of the same parent company, is set up in accordance with "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local laws)
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation with the recent two years exceeds NT\$500,000. However, this restriction does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who exercise powers to laws and regulations in association with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
- (10) Not been a person of any conditions defined in Article 30 of the Company Act.

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

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

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

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

Title	Name	Times of Attendance	Times of Attendance by Proxy	Percentage of Attendance (%)	Remark
Convener	Raymond R.M. Tai	3	0	100%	-
Committee member	Johnsee Lee	3	0	100%	-
	J. W. Huang	3	0	100%	-

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

Meeting Date (Term)	Mater to be discussed	Resolution	The response to members' opinion
Feb 18, 2022 The 2 <sup>nd</sup> meeting of the 5 <sup>th</sup> term	1. The 2021 Directors' remuneration and employees' compensation of the Company	Approved by all attending members without objection.	The proposal is submitted to Board of Directors and approved by all attending Directors.
	2. The 2021 performance evaluation items and forms		To execute in accordance with the Remuneration Committee's resolution
Apr 21, 2022 The 3 <sup>rd</sup> meeting of the 5 <sup>th</sup> term	1. The 2021 Directors' remuneration and employees' compensation of the Company		To execute in accordance with the Remuneration Committee's resolution
Feb 17, 2023 The 4 <sup>th</sup> meeting of the 5 <sup>th</sup> term	1. The 2022 Directors' remuneration and employees' compensation of the Company		The proposal is submitted to Board of Directors and approved by all attending Directors.
	2. The 2022 performance evaluation items and forms		To execute in accordance with the Remuneration Committee's resolution

Other required disclosure:

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

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

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
a. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with authorization from the Board of Directors for senior management, which is reviewed by the Board of Directors?	V		<p>The Company's Board of Directors is its highest governing authority for sustainable management. In 2020, the board-level Sustainability Committee, which comprises two of the Company's independent directors and one external director, was established. The Sustainability Committee has the independent directors serving as convener, who oversees the implementation of sustainable development policies, institutions or management guidelines and briefs the Board regularly on the implementation. The Sustainability Committee met twice in 2022.</p> <p>It is the Sustainability Implementation Committee that the Company puts in charge of drafting and reviewing the Sustainable Development Principles, systems and management guidelines. They implement sustainability projects and communicate with stakeholders. The Sustainability Implementation Committee has 194 members, including three dedicated personnel from the Corporate Staff Office. In addition, there is a cross-unit Energy Task Force. The Company reports the implementation of sustainability within the organization and results to the Board of Directors and the Sustainability Committee. It reported four times in 2022, which enables the Board and the Committee to conduct an adequate oversight of its sustainability performance. FENC's subsidiary Far EasTone Telecommunications has established FET CSR Committee.</p>	None
b. Does the Company conduct risk assessment of its operations regarding environmental, social and corporate governance issues based on the materiality principle and formulate risk-management policies or strategies?	V		<ol style="list-style-type: none"> <li>1. The Company's scope of risk assessment encompasses three key businesses – production, property development and investment businesses.</li> <li>2. The Company follows global vital issues regularly and based on the principle of materiality analyzes their impacts on the stakeholders in three aspects: environmental, social and corporate governance. Based on the</li> </ol>	

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			results of the analysis, risk management measures are developed. Risk management policies have been formulated to ensure the Company operate sustainably on safe and sound risk management practices. They are also presented at regular meetings for discussion with the highest relevant authority. In 2022, in line with GRI Sustainability Reporting Standards (2021 version), the Company conducted questionnaire surveys on external and internal stakeholders and completed the materiality analysis, which identified 18 material topics and 3 topics of concern. The process and results of the analysis have been approved by senior ranking executives and submitted to the Sustainability Committee.	
<b>c. Environmental Issues</b> (a) Has the Company established an appropriate environmental management system according to its industry characteristics?	V		1. In 2010, the Company set up a cross-subsidiary and inter-departmental “Energy Task Force.” As the Company’s presence expands around the world, the list of production facilities under the oversight of the Task Force also grows longer, including the ones in Taiwan, China, Vietnam, Japan, the United States and Malaysia. As issues of environmental sustainability continue to gain traction, the number of issues addressed by the Task Force is also increasing year after year. Subordinate to the Task Force in each business unit are Energy Efficiency & Emission Reduction Team (in charge of GHG emissions and management of renewable energy and new carbon reduction technologies), Water Management Team, Air Pollution Control Team, and Waste Management Team. In 2022, the Task Force set new goals of environmental management for the Company’s production business, started to implement energy conservation projects and monitor the progress toward the goals. All these efforts are geared toward complying with government policies, mitigating the effects of global climate change, curtailing the consumption of energy/resources and reducing greenhouse gas emissions to ensure a sustainable Earth. 2. By 2022, up to 68% of the Company’s production facilities are ISO 14001 certified.	None

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Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
(b) Is the Company committed to enhancing the efficiency of energy use and consuming recycled materials as feedstock to minimize the adverse impact on the environment?	V		<p>1. FENC has been engaged in the recycling industry for more than 30 years and is a global leader in the industry of recycled polyester. Its signature products include applications of recycled polyester, recycled nylon 6,6 filament and recycled polyester made from textile waste, which was developed in recent years. The Company utilizes not only the above-mentioned mechanical recycling method but also the more difficult chemical recycling technology to produce new polyester, treating waste polyester products mixed with other components chemically prior to resynthesizing.</p> <p>2. To increase the efficiency of energy use, the production business in 2022 set a new set of short, medium and long-term goals for the reduction of energy consumption per unit of production output. With the year 2020 as the base year, the Company expects to cut back 4% by 2022, 10% by 2025 and 20% by 2030. In 2022, there was a 0.3% reduction compared to the base year, primarily due to decreased production output, resulting in a lower amount of recoverable thermal energy from the processes. We will continue to plan and implement various energy-saving projects to maximize energy utilization efficiency. A total of 67 energy efficiency projects, with the primary focus on improvement of manufacturing processes and equipment, were implemented in 2022, saving up to 1,188 TJ.</p> <p>3. The Company actualizes its vision of environmental sustainability through implementation of energy efficiency projects. In 2010, a special budget of NT\$2 billion was approved for energy efficiency. An additional NT\$2 billion was provided to motivate production facilities to put forward novel ideas for energy efficiency. Other than the special budget, each production site prepares an annual budget for spendings related to energy conservation. From 2010 to 2022, a total of NT\$53.8 billion was allocated.</p>	None



Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			4. The Company manages the energy use of its production business in compliance with ISO 50001 Energy Management Standards. By 2022, 41% of its production facilities have been certified by reputable certification bodies, including SGS, DNV, TUV and BSI.	
(c) Has the Company assessed present and future risks and opportunities which climate change brings about and undertaken any response measures?	V		<p>1. The Company responds proactively to the risks and opportunities brought about by climate change, identifying climate-related risks of materiality and opportunities for its production business in accordance with the framework of TCFD issued by FSB. Not only does it assess the impact of climate events, but also conducts financial impact analysis and formulates response measures, such as comprehensively reducing greenhouse gas emissions through five major low-carbon transition strategies, including improving energy efficiency, substituting low-carbon fuels, developing renewable energy, utilizing carbon capture, utilization and storage (CCUS) technologies and transformation of raw material usage.</p> <p>2. Through regular reporting procedures, the Board of Directors and the Sustainability Committee oversee strategies, budgets and important plans for climate-related issues.</p>	None
(d) Does the Company keep track of its greenhouse gas emissions, water use, and waste quantity in the past two years? Does it have any policy in place that aims to reduce greenhouse gas emissions, water use and waste production?	V		<p>1. The Company's production business and its subsidiary, FET, have developed their inventories of GHG emissions and had them verified since 2016. The development and verification of GHG inventory was planned to be implemented throughout the Company's subsidiaries starting from 2022. The individual company completed the GHG inventory of and verification all its production and business sites in 2023, and the consolidated subsidiaries are expected to complete it by 2025.</p> <p>2. The combined emissions of Scope 1 and Scope 2 of FENC as an individual company in 2022 were 717 ktCO<sub>2</sub>e, which was 100% verified according to ISO 14064-3 by external third-party verification agencies including DNV, SGS, and TUV. The combined emissions of Scope 1 and Scope 2 of the four production sites of the individual company in 2021 were 794</p>	

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Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<p>ktCO<sub>2</sub>e, which was 100% verified pursuant to ISO 14064-3 by external third-party verification agencies including DNV and SGS.</p> <p>3. A total of the Company's 68 consolidated subsidiaries completed GHG inventory in 2022. Their combined emissions of Scope 1 and Scope 2 were 1,679 ktCO<sub>2</sub>e. Among them, 58 were externally verified under ISO 14064-3 by BSI, BVC, SGS and TUV. In 2021, a total of 17 consolidated subsidiaries completed GHG inventory and were externally verified under ISO 14064-3 by BSI, BV, DNV, SGS and TUV. Their combined emissions of Scope 1 and Scope 2 were 1,845 ktCO<sub>2</sub>e.</p> <p>4. In 2022, The Company and its subsidiaries reported an intensity of greenhouse gas (GHG) emissions for Scope 1 of 3.71 tCO<sub>2</sub>e per million dollars of revenue. For Scope 2 emissions, the intensity was 3.54 tCO<sub>2</sub>e per million dollars of revenue. The combined intensity for both Scope 1 and 2 emissions was 7.25 tCO<sub>2</sub>e per million dollars of revenue.</p> <p>5. In 2021 and 2022, the Company's production business operated at 21 production sites reported the following greenhouse gas (GHG) emissions: Scope 1 and 2 emissions: 2,355 ktCO<sub>2</sub>e and 2,101 ktCO<sub>2</sub>e, respectively &amp; Scope 3 emissions: 8,994 ktCO<sub>2</sub>e and 8,592 ktCO<sub>2</sub>e, respectively. In 2021, 100% of the emissions data for Scope 1 to 3 underwent the third-party verification in accordance with the ISO 14064-3 standard. The verification was conducted by organizations such as BSI, BV, DNV, and SGS. In 2022, 71% of the Scope 1 and 2 emissions data achieved the third-party verification under the ISO 14064-3 standard. As for Scope 3 emissions, 69% of the data successfully underwent the same third-party verification. The verification was conducted by organizations such as BSI, BV, DNV, and SGS.</p> <p>6. The Company's production business reduces the GHG emissions of its production business with five strategies: enhancing energy efficiency, seeking low-carbon fuels as alternatives, developing renewable energy, utilizing carbon capture,</p>	None

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<p>utilization and storage (CCUS) technology and transforming raw material use. The Company's use of renewable energy in 21 production sites of its production business in 2022 accounted for 3.4% of its total energy consumption and 6.5% of its electricity use.</p> <p>7. The water withdrawal by the Company's production business of 21 production sites around the world totaled 23.286 million m<sup>3</sup> and 20.915 million m<sup>3</sup> in 2021 and 2022 respectively; the water consumption amounted to 10.708 million m<sup>3</sup> in 2021 and 9.432 million m<sup>3</sup> in 2022. Water consumption is the difference between water withdrawal and water discharge, consisting of mainly the amount which evaporates in the cooling tower and a small quantity lost in the course of production.</p> <p>8. The Company's production business of 21 production sites of water withdrawal per unit of output was 3.02 m<sup>3</sup>/ton of product in 2021 and 3.00 m<sup>3</sup>/ton of product in 2022.</p> <p>9. The production business adopted a new set of short, medium and long-term goals for reduction in water withdrawal per unit of output in 2022. With 2020 as the base year, it strives to reduce by 4% in 2022, by 10% in 2025, and by 20% in 2030. The short-term goal was achieved in 2022, as water withdrawal per unit of output was 5% less than the base year.</p> <p>10. Oriental Petrochemical (Taiwan) established a water efficiency management system in accordance with ISO 46001 and obtained a third party certificated issued by SGS in March 2022.</p> <p>11. The general waste produced by 21 production sites of the Company's production business totaled 191,108 tons in 2021 and 178,072 tons in 2022. The hazardous waste totaled 17,480 tons in 2021 and 12,138 tons in 2022. The total amount of waste reduced by 9% from the year before. Reusable and recyclable waste constituted 92% of the total, up by 1 percentage point from the previous year.</p> <p>12. The waste per unit of output by the Company was 27.05 kg/ton of product in 2021 and 27.22 kg/ton of product in 2022.</p>	None

## Corporate Governance Report

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<p>13. The Company manages the waste produced by its production business in compliance with ISO 14001 Environmental Management System. Up to 68% of its production sites have passed the audit by reputable certification bodies, including SGS, DNV, TUV and BSI.</p> <p>14. The production business adopted in 2022 a new set of short, medium and long-term goals for reduction in (non-reusable and non-recyclable) waste; with 2020 as the base year, it aims to reduce 4% in 2022, 10% in 2025, and 20% in 2030. The short-term goal was achieved in 2022 with a 32% reduction from the base year</p>	
<p><b>d. Social Issues</b></p> <p>(a) Has the Company set up management policies and procedures according to related laws and regulations as well as the International Bill of Human Rights?</p>	V		<p>The Company established Far Eastern New Century Human Rights Policy in 2018 in compliance with the UN Universal Declaration of Human Rights and the ILO norms. It was signed by chief managers at FENC production sites around the world and introduced to employees to inform them of their own rights. In 2020, the Company conducted human rights due diligence (HRDD) with focuses on “the likelihood of risks” and “the degree of impact on the Company,” covering 100% of its employees at all production and business sites. The Company launched a human rights management project in 2022. In addition to expanding the scope of human rights policies, it also established a complaint mechanism and adopted policies for communication with local communities, hoping to increase the depth and breadth of issue management with stakeholders’ feedback. In May 2022, the Company conducted an annual due diligence investigation on human rights risks, entrusting external consultants to search in public channels for relevant information and compile it, and distributing risk survey questionnaires to three types of stakeholders: employees, suppliers, and community residents. After combing through information of various sources, we identified 7 important issues and conducted future impact assessments of each issue. We developed corresponding measures to mitigate risks and remedy impacts and at the same time set multiple quantitative management objectives to put in practice respect for human rights in the workplace.</p>	None

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons										
	Yes	No	Summary											
			<p>In terms of management practice, we provide thorough education and training on human rights management to the management, procurement personnel, public relations departments, etc. 83% of suppliers have completed the signing of supplier social responsibility commitments, indicating that FENC attaches much importance to human rights protection. In the future, we will continue to work with both internal and external stakeholders to perfect human rights practices in the workplace.</p> <p>In 2022, there were no complaints filed against human rights violations or breaches of commitments to the human rights of employees or other stakeholders. All production sites have passed customers' review of compliance with standards of human rights practices and working conditions.</p> <p>The Company's human rights policies and their practical details are presented in the table below.</p> <table><tr><th>Human Right Policy</th><th>Practical Details</th></tr><tr><td><b>No Forced Labor</b>—eradicates all forms of forced labor, corporal punishment or punishment</td><td>The Company complies with labor laws and international standards, does not force or coerce any unwilling employees to conduct labor services, nor does it restrict any person's freedom of movement, including withholding personal IDs from employees.</td></tr><tr><td><b>Bans Child Labor</b>—forbids employment of children</td><td>The Company prohibits the employment of children under age 16 in any production site or its supply chain.</td></tr><tr><td><b>Work Hours, Wage and Benefits</b>—complies with international standards and local regulations on the number of work and overtime hours, remuneration, benefits and living conditions</td><td><ol style="list-style-type: none"><li>1. The number of work hours does not exceed the upper limit of local regulations.</li><li>2. The Company promises to provide a living wage that meets minimum needs as legally required.</li><li>3. The Company pays no less than legally required for overtime.</li><li>4. The Company provides a transparent salary and does not use salary deduction as a punishment.</li><li>5. The Company guarantees paid vacations, special care leave and other mandatory rest days and all statutory labor benefits.</li><li>6. The Company ensures that the living conditions provided meet the basic living needs of all personnel.</li></ol></td></tr><tr><td><b>Freedoms of Assembly and Association and Right to Collective Bargaining</b>—protects employees' freedoms of speech, assembly and their right to collective bargaining</td><td>The Company respects and supports the employees' rights to choose, form, join or refuse to join a labor union or any other forms of employee organization.</td></tr></table>	Human Right Policy	Practical Details	<b>No Forced Labor</b> —eradicates all forms of forced labor, corporal punishment or punishment	The Company complies with labor laws and international standards, does not force or coerce any unwilling employees to conduct labor services, nor does it restrict any person's freedom of movement, including withholding personal IDs from employees.	<b>Bans Child Labor</b> —forbids employment of children	The Company prohibits the employment of children under age 16 in any production site or its supply chain.	<b>Work Hours, Wage and Benefits</b> —complies with international standards and local regulations on the number of work and overtime hours, remuneration, benefits and living conditions	<ol style="list-style-type: none"><li>1. The number of work hours does not exceed the upper limit of local regulations.</li><li>2. The Company promises to provide a living wage that meets minimum needs as legally required.</li><li>3. The Company pays no less than legally required for overtime.</li><li>4. The Company provides a transparent salary and does not use salary deduction as a punishment.</li><li>5. The Company guarantees paid vacations, special care leave and other mandatory rest days and all statutory labor benefits.</li><li>6. The Company ensures that the living conditions provided meet the basic living needs of all personnel.</li></ol>	<b>Freedoms of Assembly and Association and Right to Collective Bargaining</b> —protects employees' freedoms of speech, assembly and their right to collective bargaining	The Company respects and supports the employees' rights to choose, form, join or refuse to join a labor union or any other forms of employee organization.	None
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## Corporate Governance Report

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	Yes	No	Summary											
			<table><tr><td>Human Right Policy</td><td>Practical Details</td></tr><tr><td><b>Respect for Diversity, Equality and Antidiscrimination</b>—eliminates discrimination in recruitment and employment, and ensures equal pay for equal work, equality, diversity and a safe working environment</td><td>The Company upholds diversity and equality in its policies and treats employees equally regardless of race, class, language, ideology, religion, party affiliation, place of origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical/mental disabilities, zodiac sign, blood type or former membership of a trade union. The Company ensures that there be no sexual/mental/physical/verbal harassment, abuse or intimidation in the workplace, strives to create a dignified, safe and equal working environment and opposes any form of discrimination, bullying or differential treatment.</td></tr><tr><td><b>Maternity Protection</b>—protects female employees</td><td>The Company commits to protection of maternity and establishment of a working system and environment that is friendly to all employees regardless of gender.</td></tr><tr><td><b>Privacy Protection</b>—maintains the personal data and privacy of all personnel</td><td>The Company complies with local laws and regulations to ensure security of personal data.</td></tr><tr><td><b>Job Security</b>—protects employees' right to work</td><td>The Company protects employees from the threat of forced layoffs and provides assistance to employees subject to forced layoffs.</td></tr></table> <p>As public awareness of corporate human rights and anti-corruption issues grows internationally, the Company has established the grievance policy in accordance with international ESG standards that are applicable to domestic and overseas production sites. The grievance procedure policy has been published in multiple languages, including Chinese, English, Japanese, Vietnamese, Malay, etc. A complaint channel has been set up for employees and is open 24 hours a day. Complaints can be lodged anonymously. A complaint's identity will remain confidential. We also make sure that there will be no negative consequences for speaking up. The oversight of internal and external audits is certain to keep our employees and their rights well protected. The Company has set goals and made action plans, hoping to effectively implement the human rights policies through a series of tangible actions.</p>	Human Right Policy	Practical Details	<b>Respect for Diversity, Equality and Antidiscrimination</b> —eliminates discrimination in recruitment and employment, and ensures equal pay for equal work, equality, diversity and a safe working environment	The Company upholds diversity and equality in its policies and treats employees equally regardless of race, class, language, ideology, religion, party affiliation, place of origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical/mental disabilities, zodiac sign, blood type or former membership of a trade union. The Company ensures that there be no sexual/mental/physical/verbal harassment, abuse or intimidation in the workplace, strives to create a dignified, safe and equal working environment and opposes any form of discrimination, bullying or differential treatment.	<b>Maternity Protection</b> —protects female employees	The Company commits to protection of maternity and establishment of a working system and environment that is friendly to all employees regardless of gender.	<b>Privacy Protection</b> —maintains the personal data and privacy of all personnel	The Company complies with local laws and regulations to ensure security of personal data.	<b>Job Security</b> —protects employees' right to work	The Company protects employees from the threat of forced layoffs and provides assistance to employees subject to forced layoffs.	None
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			In 2022, the Company administered to all managers the training on the awareness of illegal violations and the prevention of violence in the workplace and education on prevention of sexual harassment. In addition, based on the Company's human rights policies and external cases, managers, employees responsible for procurement, and plant supervisors who deal with local communities were also educated on human rights policies, management of human rights and risk mitigation and remedy. The training programs to raise awareness of human rights enrolled a total of 42,214 participants in 2022.	
(b) Has the Company established and adopted reasonable employee welfare measures (e.g. bonuses and salaries, leaves, and other benefits), and had employee bonuses and salaries adequately reflect its operational performance or results?	V		<p><b>Employee compensation</b> The Company implements a variable compensation system based on individual and organizational performance. The Company's Articles of Incorporation require that 2~3.5% of the Company's net profits be distributed to employees.</p> <p><b>Performance Review</b> The Company has established explicit rules for performance evaluation to help employees improve their working abilities and performance and provide them with opportunities for career growth and potential development. The Company has incorporated the ESG concept into its performance review system. For example, an individual's performance can be assessed in various dimensions depending on his/her position, including energy conservation, promotion of green sales, R&amp;D of green products, implementation of corporate governance, optimization of human resources, etc. Performance review is conducted at least once a year to assess an employee's fitness for the role and job performance. Based on the results of the review, decisions will be made about their salaries, bonuses, promotions or dismissal.</p> <p><b>Insurance</b> The Company ensures that employees are covered with labor insurance and National Health Insurance. For new recruits and the established employees who chose the New Labor Pension Scheme, the Company contributes at least 6% of an employee's monthly wage into an individual pension account overseen by the Bureau of Labor Insurance. We also offer special rates for cancer and illness insurances which are optional for all employees.</p>	None

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			<p><b><u>Employee welfare programs</u></b></p> <p>The Company has an employee welfare committee that, in compliance with laws and regulations, appropriates welfare funds and holds a variety of events for employees, including employee outings and hiking trips. The Company also has many clubs, including a volunteer club, a dance club, a yoga club, a badminton club, an aerobic dance club, a table tennis club, a basketball club, all of which meet regularly. Additionally, the Company provides free health checkups, scholarships for employees' children, allowance for birthdays, weddings, funerals, child births, and festivities. The Company established regulations on regular leaves, rest days, annual paid leaves, and overtime payment standards in accordance with the Labor Standards Act. Our Legal Department, Human Resources Department, Auditing Department and the management of all businesses convene joint meetings quarterly to ensure legal compliance of each unit. Employees may also apply for unpaid leave if they need a longer period away from their positions to care for young children, convalesce or in case of major problems so that they can take care of family and personal matters.</p> <p><b><u>Equality and respect for diversity</u></b></p> <p>FENC upholds gender quality and commits to establishing systems and a working environment that are friendly to all genders. The Company's production business spans a variety of industries. The up- and midstream industries rely more on chemical related expertise where a higher proportion of the workforce is male. The downstream, which consists mainly of the textile industry, is composed of a higher percentage of female employees. In 2022, on average females account for 36% of all employees, and 30% of leadership positions.</p> <p>FENC has established measures to prevent, control and reprimand sexual harassment and provides channels for filing grievances. Employees may file such grievance claims through departmental supervisors or Human Resources Department. The unit receiving the claim shall establish a team within 5 days of receiving the claim with over 50% female members to initiate the investigation. The investigation shall conclude within 2 months and all</p>	None



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			<p>information shall be kept confidential. The individual against which the claim is filed shall have the opportunity for rebuttal. We also conduct regular training for the entire staff to prevent any occurrence of sexual harassment.</p> <p><b><u>Employee compensation linked to operational achievements</u></b></p> <p>Article 26 in FENC's <i>Articles of Incorporation</i>: The Company should distribute 2% to 3.5% of profit of the current year as employees' compensation and no more than 2.5% as Directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall have been covered.</p> <p><i>Employee bonuses and salaries reflective of the Company's operational performance or results:</i> The Company also considers its overall operational performance or that of each business unit and determines accordingly monthly performance bonuses and year-end bonuses for employees.</p> <p><i>Compensation policy:</i> The payroll is reviewed regularly to retain talent. Business sites in Taiwan participate in the salary survey conducted by Towers Watson annually to stay up to date on the market rate and make proper adjustments. In 2022, the Company offered employees in both leadership and non-leadership roles in Taiwan an average pay raise of 3% over the year.</p>	None
(c) Has the Company offered a safe and healthy work environment and routinely implements safety and health education for its employees?	V		<p>For the Company's employee safety and health work environment practices, employee education policy and its implementation, please refer to page 105 to 106.</p> <p>For the Company's relevant certifications acquired and its certified scope, please refer to page 105 to 106.</p> <p>For the cases of occupational injuries, the number of employees injured and the ratio to the total number of employees, and related improvement, please refer to page 105 to 106.</p>	
(d) Has the Company established an effective career developmental plan for its employees?	V		For the orientation, scope and implementation of the employee training program, please refer to page 103.	
(e) Has the Company protected the customers of its products or services in terms of their health, safety and privacy and conduct marketing and labeling in compliance with relevant	V		The Company and its subsidiaries ensure that products and service quality are in compliance with government regulations and industry standards. The Company has implemented “Customer Quality Complaint Handling Standards,” and	

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regulations, laws and international standards? Has it had in place consumer protection policies and a customer complaint process?			handles written complaints from clients or via electronic means. The corporate website also offers a newsletter, and an email facility is in place to receive feedback. These measures allow customers to quickly grasp significant information on the Company and to immediately provide feedback should there be problems.	None
(f) Has the Company had a supplier management policy and required all its suppliers be compliant with laws and regulations on environmental protection, occupational safety & health, and labor rights and verified their compliance?	V		The Company and its subsidiaries have in place Code of Ethics, Supplier Code of Conduct and Supplier CSR Commitment Statement, which specifically sets forth principles and expectations regarding ethics, compliance, health, environmental protection, human rights, safety and security. Suppliers' evaluation records are used as a reference in supplier selection process. The procurement department of the Company conducts a document review or on-site evaluation of new suppliers and classifies suppliers into different classes for subsequent selection. In addition, together with the production department, it evaluates major suppliers every year, and the evaluation results will determine whether to continue with the deal in the following year. In 2022, the Company launched a training course titled "Integrating with the World and Building a Sustainable Value Chain" for the procurement staff at home and abroad, which covered the trend and international standards of a sustainable supply chain, its structure of management and execution, and its prospects and challenges. The course was intended to further enhance the Company's performance in management of sustainable supply chains.	
<b>e. Does the Company compile a CSR report in accordance with international reporting standards for disclosure of non-financial information? Is the report externally accredited or assured by an independent third party?</b>	V		The 2022 Sustainability Report published by the Company was written in accordance with GRI Standards 2021 and assured to Type 1 Moderate Level of the AA1000 Assurance Standard (AA1000 AS v3) by the third party SGS Taiwan. The Sustainability Report was also prepared with reference to TCFD recommendations, Sustainability Accounting Standards Board standards for the chemical industry, Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, ISO 26000 Guidance on Social Responsibility, and drafts of IFRS S1—General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2—Climate-related Disclosures.	

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f. If the company has set up the principles based on "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies", please illustrate the implementation progress and any difference:																			
To develop the economy, society and environment in a balanced and sustainable development manner, the Company and its subsidiary, Far EasTone, have established the Sustainable Development Principles with the Board's approval. The Company endeavors to fulfill its social responsibilities through research and development in eco-friendly products, participating in philanthropic activities and pursuing environmental certification. In addition, the Company mobilizes its resources to strengthen corporate governance, promote environmental protection and give back to society. Information about the efforts is available on the Company's website and the M.O.P.S website operated by the Taiwan Stock Exchange.																			
g. Please state any other important information that would facilitate better understanding of the Company's status in fulfilling corporate social responsibilities:																			
(a) Talent recruitment and retention: compensation and benefits																			
(b) Management of occupational safety and health: protective measures for employee safety (For details of the above two items, please refer to 5. Employees in V. Operational Highlights, page 102-106.)																			
(c) Regulations and measures for environmental protection and compliance																			
(1) Environmental sustainability policy																			
i. Complying with related laws and regulations																			
ii. Introducing innovative manufacturing processes and equipment for effective prevention and control of pollution and low-carbon production																			
iii. Reducing industrial waste; increasing efficiency in use of energy and resources; substituting alternative fuels for fossil fuels; developing renewable energy; switching feedstock.																			
iv. Assessing financial impacts of climate change regularly																			
v. Setting goals for reduction of greenhouse gas emissions, formulating goal-achieving strategies and tracking the effectiveness of action plans																			
vi. Expanding continuously the scope of greenhouse gas inventory																			
vii. Administering trainings to raise employees' environmental awareness and help them improve skills to protect the environment																			
viii. Continuing recycling for circular economy and raising the public's environmental awareness																			
ix. Communicating our environmental achievements to stakeholders via multiple channels																			
(2) Strategies and tactics for environmental sustainability																			
<table><tr><th>Strategies</th><th>Tactics</th><th>Approaches</th></tr><tr><td rowspan="3">Source reduction</td><td rowspan="3">1. System establishment and management</td><td>Setting goals and tracking achievements</td></tr><tr><td>Optimizing the management system continuously</td></tr><tr><td>Education and training</td></tr><tr><td rowspan="3">Circular recycling</td><td rowspan="2">2. Incorporation of innovative technology and facilities</td><td>Applying AI to production management</td></tr><tr><td>Optimizing the manufacturing process and improving equipment</td></tr><tr><td>3. Value chain collaboration</td><td>Engaging suppliers, transport suppliers and clients in environmental protection efforts</td></tr><tr><td>4. Avid support for governmental policies</td><td>Joining the government in the implementation of management projects</td></tr></table>				Strategies	Tactics	Approaches	Source reduction	1. System establishment and management	Setting goals and tracking achievements	Optimizing the management system continuously	Education and training	Circular recycling	2. Incorporation of innovative technology and facilities	Applying AI to production management	Optimizing the manufacturing process and improving equipment	3. Value chain collaboration	Engaging suppliers, transport suppliers and clients in environmental protection efforts	4. Avid support for governmental policies	Joining the government in the implementation of management projects
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4. Avid support for governmental policies	Joining the government in the implementation of management projects																		
(3) Developing green products																			
To address the risks and opportunities brought by global climate change and help brand customers deliver on their green commitment, the Company applies its core competence to green product innovation, pushes forward the green transformation of products on all fronts, builds low-carbon competitiveness with the 3R strategies, and develops environmentally friendly and toxin-free green products to ensure sustainable development.																			
i. <u>Replace</u> : To reduce the impact of the petroleum industry on the earth's resources, FENC has long invested in the research and development of bio-based raw materials to replace petroleum. The most representative products are bio-polyester developed from agro-waste, and low-carbon polyester fiber produced with recycled industrial gases.																			
ii. <u>Recycle</u> : The Company is a global leader in recycled polyester (rPET). It has developed environmentally friendly rPET resin made from recycled PET bottles, which not only reduces greenhouse gas emissions by 63% compared with conventional PET derived from petroleum, but also enhances product value. Its applications range from food packaging, non-food packaging, functional clothing, footwear, auto materials, household products, etc. In recent years, textile recycling and chemical recycling technologies for polyester have been developed to expand the scope of recycling.																			

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	Yes	No	Summary	
<p>iii. <u>Reduce</u>: The Company actively improves the efficiency of energy/resource use in its value chain and reduces the energy consumption in the production, processing, distribution and use of feedstock to reduce the greenhouse gas emissions of products, including high heat-absorbing and energy-saving resin, lightweight preforms, refillable PET resin, solution-dyed fibers, etc.</p> <p>As the leader in green polyester in the industry, FENC has continued to invest in development of forward-looking and sustainable green products, provide green solutions that emphasize recycling and reduction of resource consumption. In 2022, green products brought in a revenue of NT\$46 billion, up 20% from the previous year.</p>				
(4) Striving for net zero emissions				
<p>i. Setting short, medium and long-term goals for greenhouse gas reduction</p> <p>With 2020 as the base year, the Company expects to reduce GHG emissions by 20% in 2025, by 40% in 2030, and achieve net-zero emissions in 2050. It has formulated the following five strategies for low-carbon transition to mitigate the environmental impact of greenhouse gas emissions and maintain the sustainable development of the global ecological environment: 1) energy efficiency, 2) low-carbon fuel substitution, 3) development of renewable energy, 4) use of CCUS technology, and 5) transformation of raw material use. The goals and strategies were submitted to the Board of Directors in 2022.</p>				
<p>ii. Supporting climate change mitigation initiatives</p> <p>FENC signed TCFD on August 21, 2021. The Company is the first in the traditional manufacturing industry in Taiwan to sign and issue a statement of support. Since 2019, each issue of the Company's <i>Sustainability Report</i> has included disclose the TCFD assessment results. FENC published its first <i>TCFD Report</i> in March 2023. Also in March 2023, the Company formally submitted a letter of commitment to the Science Based Targets Initiative (SBTi), declaring that it will achieve the near-term targets and the net-zero commitment. With its letter of commitment approved by SBTi, the Company is now ready for submission of its reduction targets and in line with other global corporates' ambition to achieve net zero emissions.</p>				
(5) Material results				
<p>i. FENC contributes to circular economy by recycling waste from land, sea and air with a suite of advanced technologies.</p> <ul style="list-style-type: none"> <li>• Land: The Company was the first enterprise in Taiwan to be approved by TFDA (Food and Drug Administration under the Ministry of Health and Welfare) to supply rPET resin for production of food containers. FENC was approved by TFDA in December 2022, becoming the first enterprise in Taiwan to produce recycled PET resin for food containers and packaging. In March 2023, Coca-Cola's "bonaqua" became the first batch of rPET water bottles made from the raw material we supplied. We have made green products widely accessible for Taiwanese consumers in convenience stores, integrating the circular economy into the daily life of the public.</li> <li>• Sea: FENC's eco-friendly tear-resistant fabric was used for 2022 Football World Cup champion team's uniforms. FENC is the world's largest producer of marine recycled polyester filament, and by the end of 2022, it had successfully intercepted more than 14,000 metric tons of marine waste plastic and converted it into 78 million pairs of high-end sports shoes and 42 million pieces of functional clothing. In 2022, for the first time in the world, marine recycled yarns were used to make jerseys for the World Cup national teams. A unique weaving technology was employed to strengthen the ductility of the fabric. To make a premium jersey, the fabric withstood multi-directional compound stress tests and rigorous tear tests. The uniform's weight was reduced by 12% from the previous World Cup, and the strength was increased by 4 times. A total of 9 national teams wore this jersey in the 2022 FIFA World Cup, among which the champion—Argentina's national team wore the Company's "eco-friendly and tear-resistant jerseys" to compete on the field.</li> <li>• Air: FENC's source reduction technologies won international awards. In cooperation with an American biotech company, FENC recovers the exhaust gas emitted by steel mills and further applies low-carbon polyester to textile fibers, which reduces not only the use of petrochemical feedstock, but also greenhouse gas emissions by 30%. This technology has been designated by multiple internationally renowned brands and applied to production of industrial textiles and polyester packaging materials. In 2022, the Company further reaped the benefits of the waste gas reuse technology by combining it with N66 solution dye to create environmentally friendly hi-tech fabrics with the concept of sustainability behind the raw material and the manufacturing processes. FENC won three international awards in the same year, including Best Environmental Protection Product Award—the highest honor of the ISPO Textrends Award, the Sustainability &amp; Innovation Award from ITMF (as the only corporate recipient from Taiwan), and International Innovation Awards for product innovation. These honors have testified to the merits of the Company's sustainability products.</li> </ul>				
<p>ii. The world's first PET bottle recycling plant to achieve net-zero emissions</p> <p>Japan's Far East Ishizuka (FIGP) led the industry in achieving net-zero emissions in September 2022, becoming the world's first net-zero recycled polyester plant. The Kansai plant, which is under construction, will also install renewable energy systems such as solar PV and undertake renewable procurement to become FENC's second net-zero recycled polyester plant.</p>				

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
<p>iii. The Company actively seeks high-standard green product certification and has obtained a number of green product certifications from home and abroad, such as: Global Recycled Standard (GRS) Version 4.0, SCS Recycled Content Certification Version 7.0 and Recycled Claim Standard (RCS) Version 2.0, etc. Certifications are regularly updated to ensure that products do indeed meet the standards.</p> <p>iv. Tpark, the Taipei Far Eastern Telecom Park, was designed to be a hub for five major industries, including ICT, digital content, cloud, green energy research and development and smart technology. The park utilizes water resources through recycling to maintain its ecological environment, and has green leisure spaces, which makes Tpark not only a high-tech industrial park but also a green park. In 2022, Tpark held an event titled “Explore the Beauty of Tpark,” inviting employees working in Tpark to learn about the natural environment outside their office buildings. In addition, it also partners with the New Taipei City Library and invites local residents to learn about Tpark’s outdoor ecological park, which is the best demonstration field for Tpark to provide environmental protection education.</p> <p>(d) The Company contributes to society through participation in Environmental Protection, Art &amp; Culture, Technology, Education, and Athletics. They are described as follows:</p> <p>(1) <b><u>Environmental Protection:</u></b></p> <p>i. FENC has designed a curriculum of environmental education focused on circular economy for grades five and six of primary school, and has provided free instructions at schools adjacent to its production sites in Taiwan since 2023.</p> <p>ii. Far Eastern Polytex (Vietnam) and AEON Vietnam signed an agreement to cooperate in recycling PET bottles, converting PET bottles collected by AEON into high-quality recycled polyester that goes into the manufacture of new products. Far Eastern Polytex (Vietnam) was invited by AEON to participate in the events in commemoration of the World Environment Day in May 2022. Through talks, games and exhibition booths, we were able to interact with visitors, passing on knowledge about the recycling process of PET bottles and FENC’s recycling and circular technologies. The events attracted thousands of people and recycled a total of 21,380 PET bottles. This was environmental education in action, disseminating the concepts of recycling and circular economy through engagement of the public.</p> <p>(2) <b><u>Art &amp; Culture:</u></b></p> <p>i. We have organized the Far Eastern Architectural Design Awards, including the Outstanding Architectural Design Award, Special Award for Heritage Reborn, and Far Eastern Architectural Young Talent Award, as well as Month of Heritage Visit and Far Eastern International Forum for Architecture.</p> <p>ii. FENC supports the development of local culture. Hsinpu Chemical Fiber Plant participated in the Hakka celebration of Tianchuan Day, sponsoring the display of the main lantern for the lunar new year of rabbit and calling on 55 employees and their families to form the Far Eastern flag and lantern parade to actively fit in the local community and promote Hakka culture.</p> <p>(3) <b><u>Technology:</u></b></p> <p>We organize the Y.Z. Hsu Science Awards to acknowledge brilliant minds for their technological innovation and sponsor various technology-related research projects and events. To celebrate its 20th anniversary, Y.Z. Hsu Foundation held a series of events in 2022, including a technology forum attended by heads of important scientific research institutes and 20 previous winners of Y.Z. Hsu Science Awards, compiled a commemorative book and produced a commemorative video to showcase the long-term contributions of the Y.Z. Hsu Science Awards by reviewing the career achievements of the awardees over the years, so as to inspire more resources to be made available for technological innovation in Taiwan.</p> <p>(4) <b><u>Education:</u></b></p> <p>We organize Y. Z. Hsu Competition – Taiwan Young Student Physicists’ Tournament annually. The winners of this competition will participate in the International Young Physicists’ Tournament on behalf of Taiwan. The “Y.Z. Hsu Innovation Forum” is held wherein winners of “Y.Z. Hsu Science Award” in the roles of speakers and discussants share research results and experiences to inspire brilliant young minds to fulfill their ambitions in the tech industry.</p> <p>(5) <b><u>Athletics:</u></b></p> <p>Hsinpu Chemical Fiber Plant holds the annual FENC Classic Marathon, which incorporates a lot of local cultural elements and invites local people from Hsinchu to participate in the event. Every year, thousands of runners sign up for this marathon, which has become one of the most important events to runners in the country. The Company is dedicated to health and fitness promotion among employees and in local communities. By taking part in this annual event and the Company’s marathon club, many employees have become outstanding marathon runners that achieved impressive results in national competition, boosting employees’ confidence and spirits.</p>				

## Corporate Governance Report

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

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

Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons
	Yes	No	Summary	
<b>b. Implementation of the Code of Business Conduct</b> (a) Does the Company evaluate the ethical conduct records of its counterparties and specify "Ethical clauses" in business contracts?	V		1. The Company and its subsidiaries require that suppliers provide the assurance to comply with its rules regarding social activities, such as entertainment and the offering of gifts. If such rules are violated, all rights and cooperation with the supplier will be terminated. 2. The Company's subsidiary, Far EasTone, also requires suppliers to sign "Code of Conduct for Far EasTone Supplier Chain Social Responsibility" within the commercial document data sheet provided to suppliers as a way of encouraging all stakeholders to comply and respect with Far EasTone's "Ethical Corporate Management Best Practice Principles".	None
(b) Has the Company established dedicated units under the supervision of the Board of Directors to promote corporate ethical management and which regularly (at least once a year) report to the Board on their implementation status?	V		The Company has set up "Code of Ethics" & "Best Practice Principles of Ethical Corporate Management" and incorporated them into employment guidelines. Regarding the Legal Department, the "Legal Compliance Team" is established to promote and conduct corporate ethical management, including "Business Corruption Self-Assessments" during the Company's quarterly compliance reviews, and the implementation status is reported to the Board of Directors. The latest is reported to the Board of Directors on Nov 9, 2022.	
(c) Does the Company promulgate policies to prevent conflicts of interests and offer appropriate channels for reporting conflicts of benefits?	V		1. The Company abides by the principle of zero-tolerance for malpractices. If an employee of the Company takes advantage of his/her position in the Company to advance his/her or a third party's interests, and such actions lead the Company to incur losses by any means, the employee not only will be discharged from the Company, but also will be required to unconditionally compensate the Company for any losses caused. 2. Any of the Company employees found to be in violation of the ethical management rules shall be disciplined in accordance with the reward and disciplinary rules of the Company, subject to the severity of the case. Once discharged from the Company, such a person is not allowed to ever be re-employed by the Company or by any of its affiliates.	

## Corporate Governance Report

Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons
	Yes	No	Summary	
			3. The Company has an appeal system in place to provide those who violate the rules with a channel to appeal for remedy, subject to the related rules.	None
(d) Does the Company establish an effective operation of the accounting and internal control systems to thoroughly implement ethical corporate management, and have the internal audit unit formulating audit plans based on the assessment of unethical conduct risk to audit the compliance status of the preventive measures accordingly? Or does the Company appoint CPAs to perform the audits?	V		The Company has set up rigorous accounting systems and dedicated Accounting department. Financial statements are audited (or reviewed) by CPA and announced in compliance with legal requirement to ensure the accuracy and transparency of the financial information. At the Company, apart from establishing the Audit Department and related internal audit systems, we review and revise these systems periodically to ensure their effectiveness, so as to enforce the “Regulations Governing Establishment of Internal Control Systems by Public Companies” and “Best Practice Principles of Ethical Corporate Management”. Internal auditors of the Company shall also periodically examine the results of compliance with the foregoing, and quarterly prepare audit reports submitted to the Board of Directors and the Audit Committee.	
(e) Does the Company periodically conduct internal and external training on ethical management?	V		1. To instill an ethical corporate culture and prevent misconduct behaviors (including prohibition of insider trading), the Company undertakes educational trainings for the employees in 2022. To our stakeholders, we put in effort to promote compliance with ethical and integrity standards. The relevant regulations, guidelines and operational procedures are publicly-disclosed on the Company's website (www.fenc.com). 2. Our subsidiary, Far EasTone, makes use of e-Paper to conduct educational training on “The Code of Ethics” & “The Code of Business Conduct”.	
<b>c. Establishment of Reporting Channels for Violations of the Code Of Business Conduct.</b> (a) Has the Company established a specific complaints and rewards system through convenient channels for lodging complaints? And does the Company assign dedicated personnel to attend to the matter?	V		1. FENC has multiple communication channels for stakeholders to report instances of misconduct, such as bribery and corruption. There are measures in place to conduct independent investigation into the alleged misconduct and escalate the matter to higher levels of authority. The company's suppliers, clients and stakeholders can file a complaint via email to the Supplier Team of the FEG Purchasing Department, the contact of each division or the Audit Committee and Audit Department. More contact information is provided in the stakeholders' section on the Company's website (www.fenc.com).	



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

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

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

## Corporate Governance Report

### 3.8 Others

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

3.8.2 Employee Rights and Interests, Employee Care: (Please refer to page 103)

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

3.8.4 Risk Management Policies and Risk Measurement Standard Implementation Progress: (Please refer to page 145-146)

a. Company's risk management organization:

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

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

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

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

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

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

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

3.8.5 Customer Policy Implementation Progress: (Please refer to page 53-54)

3.8.6 The Company's purchase of liability insurance for Directors: the Company purchases liability insurance for the Company's directors, in order to reduce their risk of legal and financial liabilities that may arise during day to day operations. (The related report has been submitted to the Board meeting on Mar 8, 2023)

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

Category	Licenses	Department	The Company	Subsidiaries
Accounting / Taxation	CPA ROC		16	9
	CPA China		1	1
	CPA USA		3	3
	CIA		5	2
	CPB		13	4
Finance	CFA		3	-
	Certified Financial Planner		1	-
	Securities Investment Analyst		2	-
	Senior Securities Specialist		20	3
	Futures Specialist		4	4
	Foreign Exchange Trading Personnel		1	1
	Trust Specialist		16	3
	Financial Planning Personnel		8	1
Real Estate	Realtor		-	2
	Land Administration Agent		-	2
	Non-Life Insurance Salesman		7	1
Labor Safety	CISA		1	3

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

Title	Name	Study Date		Organizer	Name of the Course	Study hours
		From	To			
Chairman	Douglas Tong Hsu	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
Directors	Johnny Hsi	Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
		Aug 3, 22	Aug 3, 22	Taiwan Corporate Governance Association	Investigation Bureau - Corporate Anti-Corruption Mindset, Investigative Experience, and Case Studies	3
	Peter Hsu	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
	Shaw Y. Wang	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
	Jeff Hsu	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Sep 23, 22	Sep 23, 22	Taiwan Corporate Governance Association	Corporate Governance-Insider Trading & 3.0 Sustainable Development Roadmap	3
	Richard Yang	Apr 20, 22	Apr 20, 22	Securities & Futures Institute	Advanced Seminar for Directors, Supervisors (including Independent) and Chief Corporate Governance Officer	3
		Jan 5, 22	Jan 5, 22	Securities & Futures Institute	Advanced Seminar for Directors, Supervisors (including Independent) and Chief Corporate Governance Officer	3

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Title	Name	Study Date		Organizer	Name of the Course	Study hours
		From	To			
Directors	Tonia Katherine Hsu	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Nov 18, 22	Nov 18, 22	Taiwan Corporate Governance Association	Risks and Opportunities of Sustainability	3
		Sep 23, 22	Sep 23, 22	Taiwan Corporate Governance Association	Corporate Governance-Insider Trading & 3.0 Sustainable Development Roadmap	3
	Kwan-Tao Li	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
	Alice Hsu	Jul 22, 22	Jul 22, 22	Taiwan Corporate Governance Association	Advanced Practices Sharing of Audit Committee - The Role of Independent Directors in Corporate Management and Governance	3
		Mar 15, 22	Mar 15, 22	Taiwan Corporate Governance Association	Legal Responsibilities of Corporate Fraud and Understanding of Criminal Case Proceedings in Court	3
	Champion Lee	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
Independent Directors	Chen-En Ko	Oct 19, 22	Oct 19, 22	Taiwan Corporate Governance Association	18 <sup>th</sup> Corporate Governance Summit (2022) - Enhancing Director Competence for Implementing Sustainable Corporate Governance	6
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
		Feb 25, 22	Feb 25, 22	Taiwan Corporate Governance Association	2022 Global and Taiwan Economic Outlook	1
	Johnsee Lee	Nov 4, 22	Nov 4, 22	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations-Executives of the listed companies with the understanding of supervision from governmental authority	3
		Nov 4, 22	Nov 4, 22	Corporate Operating and Sustainable Development Association	Discussion of Taiwanese Firms' operating risk and M&A strategy from the perspective of global political and economic situation	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
	Raymond R.M. Tai	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
President	K.S. Wu	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
	Humphrey Cheng	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
		Feb 10, 22	Feb 10, 22	Taiwan Institute for Sustainable Energy	27 <sup>th</sup> CEO Lecture and Keynote Speech	3

Title	Name	Study Date		Organizer	Name of the Course	Study hours
		From	To			
Acting President and Chief Operating Officer	Donald Fan	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
	Judy Lee	Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
Chief Operating Officer	Eric Chueh	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
	B.C. Chang	Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
Chief Auditor	Rebecca Huang	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
	Y.C. Yuan	Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
Chief Financial Officer	David Wang	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
Executive Vice President	Alan Tsai	Sep 13, 22	Sep 13, 22	Accounting Research and Development Foundation	Analyzing the TCFD Report: Grasping Key Information Highlights	3
		Aug 12, 22	Aug 12, 22	Accounting Research and Development Foundation	Decrypting Corporate "Financial Statements" Issues and "Corporate Diagnosis" Practices	3
		Aug 11, 22	Aug 11, 22	Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis of "Corporate Ownership Disputes"	3
		Jul 26, 22	Jul 26, 22	Accounting Research and Development Foundation	Analyzing "Corporate Control" Disputes through the Lens of Corporate Governance and Shareholder Structure	3
	Emily Wu	Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
	Fanny Liao	Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
	C.T. Peng	Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
					Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3
Chief Corporate Governance Officer	Li-Chi Chen	Dec 22, 22	Dec 22, 22	Taiwan Corporate Governance Association	Legal Strategies and Corporate Officer Responsibilities in Unsolicited Mergers and Acquisitions	3
		Dec 21, 22	Dec 21, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - Insights on Future Talent Deployment from Global Trends	3
		Dec 16, 22	Dec 16, 22	Taiwan Corporate Governance Association	Analyzing Related Party Transactions and Unconventional Transactions through Case Studies from a Legal Perspective	3
		Aug 17, 22	Aug 17, 22	Taiwan Academy of Banking and Finance	Corporate Governance Series Forum - The Implications of the Russia-Ukraine War for Taiwan	3

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

## Corporate Governance Report

### 3.10 Internal Control System Execution Status

#### 3.10.1 Internal Control Report

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

Date: March 8, 2023

Far Eastern New Century Corporation (the Company) states the following with regard to its internal control system during 2022, based on the findings of a self-evaluation:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws, and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies promulgated by the Securities and Futures Commission, Ministry of Finance (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that as at December 31, 2022 its internal control system (including its supervision of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws, and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of Far Eastern New Century Corporation's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on March 8, 2023, where none of the 13 attending directors expressed dissenting opinions, all affirmed the content of this Statement.

Far Eastern New Century Corporation

Chairman: Douglas Tong Hsu

Corporate Management President: Humphrey Cheng



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

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

#### 3.11.1 Shareholders' Meeting

	Date	Resolutions of Shareholders' Meeting	Execution
2022 Annual General Shareholders' Meeting	Jun 30, 2022	Reporting items: 2021 business operations 2021 financial statements The Audit Committee's review report of 2021 business operations and financial statements 2021 employees' compensation and Directors' remuneration Information of the corporate bonds issued in 2021 Amendments to "Sustainable Development Principles of Far Eastern New Century Corporation"	Not applicable
		<u>Approval items:</u> To accept 2021 business report and financial statements To approve the proposal for distribution of 2021 profits	Aug 3, 2022 was settled as the ex-dividend date, and cash dividend was distributed on Aug 24, 2022.
		<u>Proposed items &amp; elections of Directors:</u> To approve the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation" To approve amending the company bylaw of "Meeting Rules of Stockholders for Far Eastern New Century Corporation" To approve amending the company bylaw of "Election Procedures of Director for Far Eastern New Century Corporation" 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" To approve amending the company bylaw of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation"	Approved by the Department of Commerce, MOEA on Aug 9, 2022, renewed on the Company's website and processed accordingly.

#### 3.11.2 Board Meetings

Term	Date	Important Resolutions	Items under Article 14-3 of Securities and Exchange Act	Independent Directors' Opinions and the Company's reaction
3 <sup>rd</sup> Board Meeting of the 24 <sup>th</sup> term	Mar 8, 2022	1. Approved 2021 employees' compensation and Directors' remuneration.	V	All presented Independent Directors approved
		2. Approved 2021 financial statements (including consolidated & stand-alone) and the hiring of CPA	V	
		3. Approved the proposal for distribution of 2021 profits.	V	
		4. Approved the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation"	V	
		5. Approved amending the Company bylaw of "Procedure for Acquisition and Disposition of Assets of Far Eastern New Century Corporation"	V	
		6. Approved amending the Company bylaw of "Procedures for Lending of Capital to Others of Far Eastern New Century Corporation" and "Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation"	V	
		7. Approved amending the Company bylaw of "Election Procedures of Director"		
		8. Approved amending the Company bylaw of "Sustainability Committee Charter" and "Sustainable Development Principles"	V	
		9. Approved the proposal of convening 2022 Annual General Shareholders' Meeting		
		10. Approved the proposal for 2022 operating budget and capital expenditure budget		

## Corporate Governance Report

Term	Date	Important Resolutions	Items under Article 14-3 of Securities and Exchange Act	Independent Directors' Opinions and the Company's reaction
		11. Approved the issuance of corporate bonds 12. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary 13. Approved the acquisition of new common shares of Oriental Petrochemical (Taiwan) Co., Ltd. 14. Approved amending the internal audit implementation rules of Far Eastern New Century Corporation 15. Approved the declaration of internal control system of Far Eastern New Century Corporation	V V V V	
4 <sup>th</sup> Board Meeting of the 24 <sup>th</sup> term	May 10, 2022	1. Approved the change of auditing CPA (Certified Public Accountant) from Deloitte & Touche 2. Approved the consolidated financial statements for the first quarter of 2022 3. Approved amending the company bylaw of "Meeting Rules of Stockholders for Far Eastern New Century Corporation" 4. Approved 2021 business operation report 5. Approved revising the proposal of convening 2022 Annual General Shareholders' Meeting and the proposed resolutions 6. Approved the leasing agreement with the Company and Far Eastern Ai Mai Co., Ltd.	V V V V	
5 <sup>th</sup> Board Meeting of the 24 <sup>th</sup> term	Aug 10, 2022	1. Approved accepting the consolidated financial statements for the first half of 2022 2. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary 3. Approved amending the Company bylaw of "Corporate Governance Principles" and "Procedures for Handling Material Inside Information of Far Eastern New Century Corporation"	V V	
6 <sup>th</sup> Board Meeting of the 24 <sup>th</sup> term	Nov 9, 2022	1. Approved accepting the consolidated financial statements for the nine months ended Sep. 30, 2022 2. Approved exchanging shares with Far Eastern Fibertech Co., Ltd. in accordance with Business Mergers and Acquisitions Act 3. Approved exchanging shares with Oriental Resources Development Co., Ltd. in accordance with Business Mergers and Acquisitions Act 4. Approved exchanging shares with Oriental Green Materials Ltd. in accordance with Business Mergers and Acquisitions Act 5. Approved exchanging shares with Far Eastern Apparel Co., Ltd. in accordance with Business Mergers and Acquisitions Act 6. Approved the investment of FE Green PET (M) Sdn Bhd via the Company's subsidiary, FE Oriental Investment Holding (Singapore) PTE LTD 7. Approved the issuance of corporate bonds 8. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary 9. Approved the establishment of the "Information Security Department" and the appointment of "Chief Information Security Officer" 10. Approved the Company bylaw of "Operational Procedure for Preparation and Validation of Sustainability Report" 11. Approved amending the Company bylaw of "Meeting Rules of Board of Directors for Far Eastern New Century Corporation" 12. Approved amending the Company bylaw of "Procedures for Handling Material Inside Information of Far Eastern New Century Corporation"	V V V V V V V V V	



Term	Date	Important Resolutions	Items under Article 14-3 of Securities and Exchange Act	Independent Directors' Opinions and the Company's reaction
		13. Approved amending the Company bylaw of "Internal Control System" and "Internal Audit Implementation Rules"	✓	
		14. Approved the 2022 Audit Plan review and the 2023 Audit Plan	✓	
7 <sup>th</sup> Board Meeting of the 24 <sup>th</sup> term	Mar 8, 2023	1. Approved 2022 employees' compensation and Directors' remuneration.	✓	All presented Independent Directors approved
		2. Approved 2022 financial statements (including consolidated & stand-alone) and the hiring of CPA	✓	
		3. Approved the proposal for distribution of 2022 profits.	✓	
		4. Approved the proposal of convening 2023 Annual General Shareholders' Meeting		
		5. Approved the proposal for 2023 operating budget and capital expenditure budget		
		6. Approved the indirect investment of Far Eastern Union Petrochemical (Yangzhou) Ltd. via the Company's subsidiary, PET Far Eastern (Holding) Limited	✓	
		7. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	✓	
		8. Approved the declaration of internal control system of Far Eastern New Century Corporation	✓	
8 <sup>th</sup> Board Meeting of the 24 <sup>th</sup> term	May 11, 2023	1. Approved the consolidated financial statements for the first quarter of 2023		
		2. Approved the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation"	✓	
		3. Approved 2022 business operation report		
		4. Approved revising the proposal of convening 2023 Annual General Shareholders' Meeting and the proposed resolutions	✓	

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

**3.13 Resignation or Dismissal of Personnel Involved in Preparation of Financial Reports: None**

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

### 4.1 Information of CPA Audit Fees

Unit: NT\$ thousands

Accounting Firm	Name of CPA	CPA Audit period	Audit Fee	Non-audit Fee	Total	Remark
Deloitte & Touche	Chih-Ming Shao	Jan 1, 2022 – Dec 31, 2022	8,880	955 (Note)	9,835	NIL
	Jr-Shian Ke					

Note: Service fees for corporate bonds issuance, business tax of dual-status business entities applying the direct deduction method, training sessions, taxation consultancy and disbursement fee, etc.

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

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

## Corporate Governance Report

### 5. Information for Change of CPA

#### 5.1 Regarding the Former CPA:

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

#### 5.2 Regarding the Succeeding CPA:

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

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

Not applicable

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

None

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

### 7.1 Shareholding Variation

Unit: Shares

Title	Name	2022		From Jan 1 2023 to Apr 29 2023	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Chairman	Douglas Tong Hsu	-	-	-	-
Vice Chairman	Johnny Hsi	(189,000)	-	-	-
Vice Chairman	Peter Hsu	12,000,000	-	-	-
Director	Asia Cement Corporation	-	-	-	-
	Shaw Y. Wang	-	-	-	-
	Jeff Hsu	-	-	-	-
	Far Eastern Department Stores Ltd.	-	-	-	-
	Richard Yang	-	-	-	-
	Tonia Katherine Hsu	-	-	-	-
	U-Ming Marine Transport Corporation	-	-	-	-
	Kwan-Tao Li	-	-	-	-
	Alice Hsu	(1,750,000)	-	(875,000)	-
	Yue Ding Industries Co., Ltd.	8,854,000	-	-	-
	Champion Lee	(314,961)	-	-	-
	Chen-En Ko	-	-	-	-
	Johnsee Lee	-	-	-	-
	Raymond R.M. Tai	-	-	-	-
Manager	Y.H. Tseng	(192,177)	-	-	-
	K.S. Wu	-	-	-	-
	Humphrey Cheng	-	-	-	-
	Donald Fan	-	-	-	-
	Judy Lee	-	-	-	-
	Eric Chueh	-	-	-	-
	B.C. Chang	-	-	-	-
	M.J. Wu	-	-	-	-
	Rebecca Huang	-	-	-	-
	Y.C. Yuan	-	-	-	-
	David Wang	-	-	-	-
	Alan Tsai	-	-	-	-
	Emily Wu	(309,057)	-	-	-
	Fanny Liao	-	-	-	-
	Li Chi Chen	-	-	-	-
	C.Y. Lin	-	-	-	-
	C.K. Tsai	-	-	-	-
	C.T. Peng	-	-	-	-
	M.L. Tsai	-	-	-	-
	Allen Sha	-	-	-	-
	Y.L. Chen	-	-	-	-

## Corporate Governance Report

Title	Name	2022		From Jan 1 2023 to Apr 29 2023	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Manager	Y.S. Yang	-	-	-	-
	James Chan				
	Ju-Her Huang	-	-	-	-
	Ariel Hsu	-	-	-	-
	Sam Pu				
	Davis Dai	-	-	-	-
	Liang-Wei Hsu	-	-	-	-
	Alex Chen	14,000	-	(14,000)	-
	Jenny Ho	-	-	-	-
	Carol Wang	-	-	-	-
	Yu-Sheng Lin	-	-	-	-
	Eric Wu	-	-	-	-
	Hung-Hui Lee	-	-	-	-
	Rex Chang	-	-	-	-
	William Hsu	-	-	-	-
	Ching-Shan Hsieh	-	-	-	-
	Ken Chang	-	-	-	-
	David Liu	-	-	-	-
	Eric Huang	-	-	-	-
	Y.T. Chang	-	-	-	-
	Roder Chang	-	-	-	-
	K.B. Louy	-	-	-	-
	Nico Peng	-	-	-	-
	Huan Ta Tien	-	-	-	-
	Teddy Chang	-	-	-	-
	Robert Wang	-	-	-	-
	Norman Lin	-	-	-	-
	Daniel Tsai	-	-	-	-
	Bruce Huang	-	-	-	-
	Eva Luo	-	-	-	-
	Nancy Chen	-	-	-	-
	P.H. Chi	-	-	-	-
	Mark Wang	-	-	-	-
	Ryan Wu	-	-	-	-
	Hans Kuo	-	-	-	-
	Andy Lou	-	-	-	-

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

7.3 Shareholding Pledged: Not applicable

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

Book closure date: April 29, 2023

Name	Current shareholding		Spouse & minor children's shareholding		Shareholding in name of others		Name, relationship of top ten shareholders are spouses of within 2 degrees of consanguinity to each other		Major institutional shareholders
	shares	%	shares	%	shares	%	Name	Relationship	
Asia Cement Corporation	1,272,277,085	23.77%	0	0.00	0	0.00	Asia Eastern University of Science and Technology	The same Chairman	-
Representative: Douglas Tong Hsu							Far Eastern Medical Foundation		
							Yuan Ze University		
	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
Douglas Tong Hsu							The Chairman		
Asia Eastern University of Science and Technology	257,651,603	4.81%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	-
Representative: Douglas Tong Hsu							Far Eastern Medical Foundation		
							Yuan Ze University		
	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
Douglas Tong Hsu							The Chairman		
Far Eastern Medical Foundation	193,310,445	3.61%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	-
Representative: Douglas Tong Hsu							Asia Eastern University of Science and Technology		
							Yuan Ze University		
	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
Douglas Tong Hsu							The Chairman		
Far Eastern Memorial Foundation	183,141,383	3.42%	0	0.00	0	0.00	Asia Cement Corp.	Director of the Foundation is the Chairman of the aforesaid organizations.	-
Representative: Kwan-Tao Li							Asia Eastern University of Science and Technology		
							Yuan Ze University		
	0	0.00%	0	0.00	0	0.00	Far Eastern Medical Foundation	The Director	
Douglas Tong Hsu									

## Corporate Governance Report

Name	Current shareholding		Spouse & minor children's shareholding		Shareholding in name of others		Name, relationship of top ten shareholders are spouses of within 2 degrees of consanguinity to each other		Major institutional shareholders
	shares	%	shares	%	shares	%	Name	Relationship	
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF account in the custody of Taishin International Bank Co., Ltd.	167,162,000	3.12%	0	0.00	0	0.00	None	None	-
Yuan Ze University  Representative: Douglas Tong Hsu	146,570,213	2.74%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	-
							Asia Eastern University of Science and Technology		
							Far Eastern Medical Foundation		
	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
							Douglas Tong Hsu	The Chairman	
Yuanta/P-shares Taiwan Dividend Plus ETF account	128,903,222	2.41%	0	0.00	0	0.00	None	None	-
Douglas Tong Hsu	91,748,698	1.71%	0	0.00	0	0.00	Asia Cement Corp.	The Chairman	-
							Asia Eastern University of Science and Technology		
							Far Eastern Medical Foundation		
							Yuan Ze University		
							Far Eastern Memorial Foundation	The Director	
Chunghwa Post Co., Ltd. Representative: Hong-Mo Wu	86,391,000	1.61%	0	0.00	0	0.00	None	None	-
	0	0.00%	0	0.00	0	0.00			
Der Ching Investment Co., Ltd. Representative: Peter Hsu	82,820,887	1.55%	0	0.00	0	0.00	Asia Cement Corp.	ACC's investee by equity method	-
	60,269,210	1.13%	0	0.00	0	0.00			

## 9. Shareholding Proportion of FENC to Investees

Book closure date: April 29, 2023

Investees by equity method	The Company's Holdings		Investment of Direct or Indirect Ownership by Directors /Managerial Officers and Directly or Indirectly Controlled Companies		Total Holdings	
	Shares (Thousand)	%	Shares (Thousand)	%	Shares (Thousand)	%
Asia Cement Corp.	750,511	21.17	251,861	7.10	1,002,372	28.27
Far Eastern Department Stores Ltd.	241,770	17.06	337,901	23.85	579,671	40.91
Oriental Union Chemical Corp.	81,216	9.17	258,052	29.14	339,268	38.31
Far Eastern International Bank	103,816	2.55	752,149	18.48	855,965	21.03
Everest Textile Co., Ltd.	108	0.02	187,134	26.94	187,242	26.96
Yuan Ding Investment Co., Ltd.	1,822,822	99.40	5,502	0.30	1,828,324	99.70
Far Eastern Resources Development Co., Ltd.	775,836	100.00	-	0.00	775,836	100.00
Yuan Tong Investment Co., Ltd.	744,410	100.00	-	0.00	744,410	100.00
Far Eastern Investment (Holding) Ltd.	7,170	100.00	-	0.00	7,170	100.00
Far Eastern Polychem Industries Ltd.	830,815	73.04	306,644	26.96	1,137,459	100.00
Kai Yuan International Investment Co., Ltd.	371,671	100.00	-	0.00	371,671	100.00
Oriental Petrochemical (Taiwan) Co., Ltd.	1,938,893	75.56	165,098	6.43	2,103,991	81.99
Far Eastern Polytex (Holding) Ltd.	173	100.00	-	0.00	173	100.00
Yuan-Ding Co., Ltd.	186,929	37.13	243,474	48.37	430,403	85.50
Far Eastern Construction Co., Ltd.	270,412	65.11	3,766	0.91	274,178	66.02
Ding Yuan International Investment Co., Ltd.	258,756	100.00	-	0.00	258,756	100.00
Oriental Securities Co., Ltd.	141,961	19.65	476,260	65.94	618,221	85.59
PET Far Eastern (H) Ltd.	397	91.95	35	8.05	432	100.00
An Ho Garment Co., Ltd.	76,629	100.00	-	0.00	76,629	100.00
Pacific Liu Tung Investment Co., Ltd.	135,000	16.83	465,068	57.99	600,068	74.82
Fu Kwok Knitting & Garment Co., Ltd.	4,000	100.00	-	0.00	4,000	100.00
FEDP (H) Ltd.	244	50.43	240	49.57	484	100.00
Far Eastern Textile Limited	1,300	100.00	-	0.00	1,300	100.00
Ding Ding Hotel Co., Ltd.	769	0.74	103,065	99.06	103,834	99.80
FE Oriental Investment Holding (Singapore) Pte. Ltd.	50	100.00	-	0.00	50	100.00
Far Eastern Apparel Co., Ltd.	44,772	100.00	-	0.00	44,772	100.00
Far Eastern Fibertech Co., Ltd.	91,000	100.00	-	0.00	91,000	100.00
Oriental Resources Development Co., Ltd.	5,739	100.00	-	0.00	5,739	100.00
Oriental Green Materials Ltd.	66,116	100.00	-	0.00	66,116	100.00

## Capital Overview

# IV. Capital Overview

## 1. Capital and Shares

### 1.1 Issued Shares

Unit: NT\$ thousands, thousand shares

Month/ Year	Par value (NT\$/ Share)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Capital increased by assets other than cash	Other
Sep 18	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-
Sep 19	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-
Sep 20	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-
Sep 21	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-
Sep 22	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-

Note: No capitalization of share dividends in 5 years.

Unit: thousand shares

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

### 1.2 Shelf Registration: None

### 1.3 Composition of Shareholders

Book closure date: April 29, 2023

Types Amounts	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Citizens	Security Trust Funds	Foreign Institutions & Foreign Persons	Total
Number	19	55	325	95,443	23	750	96,615
Number of shares owned	88,108,995	531,056,371	2,719,881,014	737,516,628	355,987,405	920,324,814	5,352,875,227
% holdings	1.65%	9.92%	50.81%	13.78%	6.65%	17.19%	100%



## 1.4 Distribution Profile of Share Ownership

Book closure date: April 29, 2023

Shareholder Ownership	Number of shareholders	Number of shares owned	%
1 ~ 999	43,333	9,770,267	0.18%
1,000 ~ 5,000	37,562	80,729,293	1.51%
5,001 ~ 10,000	7,338	54,491,205	1.02%
10,001 ~ 15,000	2,721	33,360,747	0.62%
15,001 ~ 20,000	1,332	24,018,745	0.45%
20,001 ~ 30,000	1,371	34,173,495	0.64%
30,001 ~ 40,000	653	22,738,841	0.42%
40,001 ~ 50,000	442	20,316,923	0.38%
50,001 ~ 100,000	780	56,526,842	1.06%
100,001 ~ 200,000	416	59,053,358	1.10%
200,001 ~ 400,000	228	64,808,418	1.21%
400,001 ~ 600,000	103	50,449,816	0.94%
600,001 ~ 800,000	39	26,832,267	0.50%
800,001 ~ 1,000,000	35	31,463,789	0.59%
Over 1,000,001	262	4,784,141,221	89.38%
<b>Total</b>	<b>96,615</b>	<b>5,352,875,227</b>	<b>100.00%</b>

## 1.5 Preferred Shares: None

## 1.6 Major Shareholders

Book closure date: April 29, 2023

Shareholders	Total shares owned	Ownership %
Asia Cement Corporation	1,272,277,085	23.77%
Asia Eastern University of Science and Technology	257,651,603	4.81%
Far Eastern Medical Foundation	193,310,445	3.61%
Far Eastern Memorial Foundation	183,141,383	3.42%
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF account in the custody of Taishin International Bank Co., Ltd.	167,162,000	3.12%
Yuan Ze University	146,570,213	2.74%
Yuanta/P-shares Taiwan Dividend Plus ETF account	128,903,222	2.41%
Douglas Tong Hsu	91,748,698	1.71%
Chunghwa Post Co., Ltd.	86,391,000	1.61%
Der Ching Investment Co., Ltd.	82,820,887	1.55%

## Capital Overview

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

Items		Year	2022	2021	From Jan 1 2023 to Mar 31 2023
Market price per share	Highest		33.40	35.55	33.30
	Lowest		28.20	26.00	30.65
	Average		31.05	29.92	31.94
Net worth per share	Before distribution		39.05	38.50	39.46
	After distribution		(Note 3)	37.00	(Note 3)
Earnings per share	Weighted average shares (thousand shares)		5,352,875	5,352,875	5,352,875
	Adjusted earnings per share (Note 1)		1.63	1.94	0.29
Dividends per share (Note 2)	Cash dividend		1.35	1.5	Not applicable
	Stock dividend	From retained earnings	-	-	
		From capital surplus	-	-	
	Accumulated undistributed dividend		-	-	
Return on Investment	Price / Earnings ratio (Note 4)		19.05	15.42	27.54
	Price / Dividend ratio (Note 5)		23.00	19.95	Not applicable
	Cash Dividend yield (Note 6)		4.35	5.01	

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

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

Note 3 : To be resolved by Year 2023 Shareholders' Meeting.

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

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

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

### 1.8 Dividend Policy and its Execution Results

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

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

Unit: NT\$/share

Year	EPS after Income Tax	Cash Dividend from Retained Earnings(A)	Stock Dividend from Capital Surplus (B)	Total Dividend (A+B=C)
2020	1.62	1.35	-	1.35
2021	1.94	1.50	-	1.50
2022	1.63	1.35	-	1.35

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

- 1.8.2 Proposed distribution of 2022 profits to be approved at the Shareholders' Meeting: Cash dividend of NT\$ 1.35 per share is proposed to be distributed.

## **1.9 Effects on Business Performance and EPS Resulting from Stock Dividend Distribution Proposed by 2023 Annual General Shareholders' Meeting: Not applicable.**

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

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

- 1.10.2 The discrepancy, if there is any, between the total amount of estimated employees' compensation, Directors' remuneration, stock dividends and total amount actually being paid: Treated as the changes at the accounting estimate, and such changes will be recorded in the following fiscal year.

- 1.10.3 Proposed employees' compensation and Directors' remuneration:

The 2022 employees' compensation and Directors' remuneration was resolved in the 7<sup>th</sup> meeting on March 8, 2023 by the 24<sup>th</sup> term Board of Directors, and will be submitted to the 2023 shareholders' meeting. The amounts and forms are listed below:

- a. Employees' compensation: NT\$ 285,617,109 in cash
  - b. Directors' remuneration: NT\$ 153,878,309 in cash
  - c. Regarding the amount of employees' compensation and Directors' remuneration in cash or in shares, the discrepancy, if there is any, between the estimated amount and the amount being actually paid, and the reason for such discrepancy: None
  - d. Proposed employees' compensation in shares as percentage of net income and total employees' compensation: Not applicable
- 1.10.4 The discrepancy, if there is any, between the total amount being actually paid as employees' compensation, remuneration for Directors and Supervisors for 2021 (including number of shares, dollar amount, and share price) and the amount of such compensation and remuneration being recognized should be stated, and the reason for such discrepancy:
- a. Employees' compensation: Resolved amount is NT\$ 345,346,800. The dollar amount actually being paid is NT\$ 345,346,800.
  - b. Remuneration for Directors: Resolved amount is NT\$ 180,847,070. The dollar amount actually being paid is NT\$ 108,050,000.

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

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

The Company did not buy back share from Jan 1, 2022 until April 29, 2023

## Capital Overview

### 2. Corporate Bonds

Book closure date: April 29, 2023

Corporate Bond Type		1 <sup>st</sup> Unsecured Bond 2018	2 <sup>nd</sup> Unsecured Bond 2018	1 <sup>st</sup> Unsecured Bond 2019	2 <sup>nd</sup> Unsecured Bond 2019
Issue Date		May 18, 2018	Jul 18, 2018	Apr 29, 2019	Aug 8, 2019
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		OTC	OTC	OTC	OTC
Offering rate		Par	Par	Par	Par
Total amount		NT\$ 6,000,000,000	NT\$ 8,000,000,000	NT\$ 8,000,000,000	NT\$ 6,000,000,000
Coupon rate		0.92%	0.90%	0.93%	0.79%
Maturity		5 years Maturity date: May 18, 2023	5 years Maturity date: Jul 18, 2023	5 years Maturity date: Apr 29, 2024	5 years Maturity date: Aug 8, 2024
Guarantor		-	-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Yuanta Securities Co., Ltd.	Yuanta Securities Co., Ltd.	Masterlink Securities Corporation	Taishin International Bank Co., Ltd.
Legal counsel		N.C. Liao	N.C. Liao	N.C. Liao	N.C. Liao
CPA		Deloitte & Touche	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment		50% of the face value of the bond is repayable at the end of the 4 <sup>th</sup> and 5 <sup>th</sup> years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4 <sup>th</sup> and 5 <sup>th</sup> years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT\$ 3,000,000,000	NT\$ 4,000,000,000	NT\$ 8,000,000,000	NT\$ 6,000,000,000
Redemption or early repayment clause		None	None	None	None
Covenant applicable		None	None	None	None
Credit rating		None	None	None	None
Other rights of bond holders	None	None	None	None	None
	None	None	None	None	None
Dilution and other effects on existing shareholders		None	None	None	None
Custodian		None	None	None	None

Note: CPA refers to the name of the accounting firm where the CPA is affiliated.

Corporate Bond Type	1 <sup>st</sup> Unsecured Bond 2020	2 <sup>nd</sup> Unsecured Bond 2020 (Tranche A)	2 <sup>nd</sup> Unsecured Bond 2020 (Tranche B)	3 <sup>rd</sup> Unsecured Bond 2020
Issue Date	Apr 22, 2020	Jun 10, 2020	Jun 10, 2020	Sep 17, 2020
Face value	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing	OTC	OTC	OTC	OTC
Offering rate	Par	Par	Par	Par
Total amount	NT\$ 6,000,000,000	NT\$ 2,200,000,000	NT\$ 3,000,000,000	NT\$ 5,500,000,000
Coupon rate	0.66%	0.77%	0.85%	0.83%
Maturity	5 years Maturity date: Apr 22, 2025	5 years Maturity date: Jun 10, 2025	7 years Maturity date: Jun 10, 2027	7 years Maturity date: Sep 17, 2027
Guarantor	-	-	-	-
Trustee	Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter	Masterlink Securities Corporation	Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.
Legal counsel	N.C. Liao	N.C. Liao	N.C. Liao	N.C. Liao
CPA	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount	NT\$ 6,000,000,000	NT\$ 2,200,000,000	NT\$ 3,000,000,000	NT\$ 5,500,000,000
Redemption or early repayment clause	None	None	None	None
Covenant applicable	None	None	None	None
Credit rating	None	None	None	None
Other rights of bond holders	None	None	None	None
	None	None	None	None
Dilution and other effects on existing shareholders	None	None	None	None
Custodian	None	None	None	None

## Capital Overview

Corporate Bond Type		4 <sup>th</sup> Unsecured Bond 2020	1 <sup>st</sup> Unsecured Bond 2021	2 <sup>nd</sup> Unsecured Bond 2021	3 <sup>rd</sup> Unsecured Bond 2021
Issue Date		Dec 21, 2020	Apr 28, 2021	May 24, 2021	Sep 27, 2021
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		OTC	OTC	OTC	OTC
Offering rate		Par	Par	Par	Par
Total amount		NT\$ 3,800,000,000	NT\$ 9,500,000,000	NT\$ 1,200,000,000	NT\$ 6,500,000,000
Coupon rate		0.54 %	0.67%	0.52%	0.63%
Maturity		5 years Maturity date: Dec 21, 2025	5 years Maturity date: Apr 28, 2026	5 years Maturity date: May 24, 2026	5 years Maturity date: Sep 27, 2026
Guarantor		-	-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		CTBC Bank Co., Ltd.	Masterlink Securities Corporation	KGI Securities Co. LTD.	Masterlink Securities Corporation
Legal counsel		N.C. Liao	N.C. Liao	N.C. Liao	N.C. Liao
CPA		Deloitte & Touche	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment		These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT\$ 3,800,000,000	NT\$ 9,500,000,000	NT\$ 1,200,000,000	NT\$ 6,500,000,000
Redemption or early repayment clause		None	None	None	None
Covenant applicable		None	None	None	None
Credit rating		None	None	None	None
Other rights of bond holders	None	None	None	None	None
	None	None	None	None	None
Dilution and other effects on existing shareholders		None	None	None	None
Custodian		None	None	None	None

Corporate Bond Type		1 <sup>st</sup> Unsecured Bond 2022	2 <sup>nd</sup> Unsecured Bond 2022 (Tranche A)	2 <sup>nd</sup> Unsecured Bond 2022 (Tranche B)
Issue Date		Sep 14, 2022	Oct 26, 2022	Oct 26, 2022
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		OTC	OTC	OTC
Offering rate		Par	Par	Par
Total amount		NT\$ 2,500,000,000	NT\$ 1,600,000,000	NT\$ 900,000,000
Coupon rate		1.75%	1.70%	1.80%
Maturity		5 years Maturity date: Sep 14, 2027	3 years Maturity date: Oct 26, 2025	5 years Maturity date: Oct 26, 2027
Guarantor		-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd
Legal counsel		N.C. Liao	N.C. Liao	N.C. Liao
CPA		Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment		50% of the face value of the bond is repayable at the end of the 4 <sup>th</sup> and 5 <sup>th</sup> years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT\$ 2,500,000,000	NT\$ 1,600,000,000	NT\$ 900,000,000
Redemption or early repayment clause		None	None	None
Covenant applicable		None	None	None
Credit rating		None	None	None
Other rights of bond holders	None	None	None	None
	None	None	None	None
Dilution and other effects on existing shareholders		None	None	None
Custodian		None	None	None

## Capital Overview

Corporate Bond Type		1 <sup>st</sup> Unsecured Bond 2023 (Tranche A)	1 <sup>st</sup> Unsecured Bond 2023 (Tranche B)	2 <sup>nd</sup> Unsecured Bond 2023
Issue Date		Jan 6, 2023	Jan 6, 2023	Mar 30, 2023
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		OTC	OTC	OTC
Offering rate		Par	Par	Par
Total amount		NT\$ 700,000,000	NT\$ 2,300,000,000	NT\$ 2,500,000,000
Coupon rate		1.70%	1.80%	1.50%
Maturity		3 years Maturity date: Jan 6, 2026	5 years Maturity date: Jan 6, 2028	5 years Maturity date: Mar 30, 2028
Guarantor		-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd
Legal counsel		N.C. Liao	N.C. Liao	N.C. Liao
CPA		Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment		These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4 <sup>th</sup> and 5 <sup>th</sup> years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT\$ 700,000,000	NT\$ 2,300,000,000	NT\$ 2,500,000,000
Redemption or early repayment clause		None	None	None
Covenant applicable		None	None	None
Credit rating		None	None	None
Other rights of bond holders	None	None	None	None
	None	None	None	None
Dilution and other effects on existing shareholders		None	None	None
Custodian		None	None	None



**3. Preferred Shares**

None

**4. Issuance of Overseas Depository Receipts**

None

**5. Employee Stock Options**

None

**6. Employee Restricted Stock Options**

None

**7. Share Issued for Merger or Acquisition**

None

**8. Fund Utilization Plans and Status**

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

## Operational Highlights

# V. Operational Highlights

## 1. Business Activities

### 1.1 Business Scope

Far Eastern New Century and its subsidiaries have diversified businesses ranging from production, telecommunication, property development, investments, & others. Please refer to “Letter to Shareholders” for more business information.

#### 1.1.1 Sales Breakdown of Main Business Segments

Unit: NT\$ thousands

Business Segment	Year	2022		2021	
		Amount	% of sales	Amount	% of sales
Production		163,179,571	62	140,772,337	59
Property Development		6,386,816	2	8,870,152	4
Investment & Others		94,378,138	36	89,163,728	37
Consolidated revenue		263,944,525	100	238,806,217	100

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

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

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

- EBM Grade PET, Anti-aging PET sheet, Oxygen absorbing PET sheet, Ultra Low Density White Polyester Shrink Film, Environment-friendly chemically foamed polyester elastomer for shoe midsole, Low-carbon emission and cotton-like polyester spun yarn/fabric, Eco-artificial leather (recycled/bio-based), Super high tenacity PET tire cord, Super high tenacity Nylon66 tire cord(1890D), CO2-based Surfactant, Waterborne PU film, CO2-based NIPU New Polymer, and artificial bone substitute.
- Smart street lights/poles, smart charging, energy management, and smart application service.
- Construct high quality official building for lease and residential products for sale, mass rapid transit (MRT), and expressways.

## 1.2 Business Environment

### 1.2.1 Current Industry Situation and Prospects

#### 1.2.1.1 Production Business

##### 1.2.1.1.1 Pure Terephthalic Acid (PTA)

In 2022, the global PTA production grew at a faster rate than the previous year by 2% to 75.43 million tons (Source: Wood Mackenzie). The global PTA capacity increased 3% to 101.51 million tons. Due to the continuous release of capacities, the utilization rate has dropped to 74%, the lowest since 2015.

In 2022, Russia's invasion of Ukraine caused the prices of crude oil to rise, but as end-use demand weakened, oil prices started to fall after reaching the peak in June. The PTA market as a whole saw an oversupply, exerting immense pressure on business operation.

The world's top five PTA producing countries in 2022 were China, India, South Korea, Taiwan and the United States, whose combined outputs accounted for more than 80% of the global market. China takes up more than 60% of global production, producing 48.2 million tons at a growth rate of 4%. Taiwan's PTA production was 3.39 million tons, down 1% from the year before.

Two major applications, polyester fibers and PET, respectively took up 60% and 30% of the PTA consumptions in 2022, leaving the remaining 10% for others.

#### 1.2.1.1.2 PET

In 2022, while the global PET production grew 3% to 27.39 million tons (Source: Wood Mackenzie), global utilization rate remained the same as the previous year at 81% due to simultaneous growth in capacity. PET prices were up in the first half of 2022 but went down in the second half-year.

The top five PET producing countries, in order of output, were China, the United States, India, Taiwan and Mexico, in combination making up 63% of the global production. China's contribution of 10.06 million tons, a 6% increase from the previous year, accounted for 37% of the world's total. With an increase of 0.7 million tons in capacity from the year before, China's utilization rate was above 80%. The U.S. PET production amounted to 2.88 million tons in 2022, the same as the previous year, with the capacity utilization rate of more than 90%. Taiwan's output was up 4% at 1.28 million tons, with the capacity utilization rate rising above 85%.

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

#### 1.2.1.1.3 Polyester fibers

The global production of polyester fibers fell 3% to 59.06 million tons in 2022 (Source: Wood Mackenzie), among which, filaments made up around 70% and staple fibers around 30%.

In 2022, global polyester filament production decreased by 1% to 41.46 million tons. The top five producing countries were China, India, the United States, Taiwan, and Indonesia. China's output declined by 3% to 31.96 million tons, accounting for 77% of global production, a 1 percentage point decrease from the previous year. Conversely, India's production increased by 4% to 3.7 million tons, raising its global share to 9%. The United States, Taiwan, and Indonesia each accounted for approximately 2% of the global production. While the U.S. and Indonesia observed an increase, Taiwan experienced a 2% reduction. The global capacity for polyester filaments grew by 4% throughout the year, increasing 2.37 million tons in 2022. Additionally, as the demand for apparel decreased in the latter half of the year, brand customers' inventory levels rose. Consequently, the polyester filament market slowed down, leading to a 4-percentage-point decrease in the capacity utilization rate compared to the previous year.

In 2022, global production of staple fibers fell 5% to 17.6 million tons. China, which accounted for 55% of the total, produced 9.57 million tons, down 11% from 2021. India was the second-largest producer, with a 10% share, followed by Indonesia, Turkey, South Korea, and the United States, each with a 4-5% share. Global capacity for polyester staple fibers increased 8% in 2022, but the capacity utilization rate fell 9 percentage points.

#### 1.2.1.1.4 Spun yarn

During the 2021/2022 crop year, global cotton production saw a 4% increase, equivalent to 0.96 million tons, reaching a total of 25.26 million tons. However, global cotton consumption experienced a 6% decrease from the previous year, standing at 25.32 million tons. China maintained its position as the largest producer and consumer of cotton worldwide, accounting for 23% and 29% respectively (Source: the U.S. Department of Agriculture).

According to the China Cotton Textile Association (CCTA), major Chinese cotton textile enterprises, including 260 companies and 15 clusters, had an average capacity utilization rate of around 80%, down 1 percentage point from the previous year. Production and sale of spun yarn both declined by 5% due to sporadic pandemic outbreaks and COVID-19 infections among factory workers. The Chinese government's zero-COVID policy and lockdowns significantly impacted production. Additionally, major cotton textile companies experienced substantial losses in export values (7%) and profits (35%) compared to the previous year, as Europe and the U.S. witnessed a slowdown in economic growth.

#### 1.2.1.1.5 Industrial yarn

In 2022, the global capacity for polyester industrial yarn reached 3.93 million tons, marking a 2% increase from the previous year (source: Wood Mackenzie and market survey). China, as the leading global producer, accounted for over 80% of the total. Furthermore, global demand for polyester industrial yarn grew by 4% in 2022, reaching 2 million tons. However, the market remained oversupplied, putting significant pressure on manufacturers of standard products.

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

## Operational Highlights

### 1.2.1.1.6 Knitted fabrics and apparel

China holds the position of the world's largest exporter of textiles and apparel, accounting for nearly 40% of global exports (Source: WTO). In 2022, its exports of textiles and apparel reached a value of US\$323.3 billion (Source: China's customs authority). With the restoration of global supply chains, China's export values reached an all-time high. However, in the latter half of 2022, due to decrease in market demand, China experienced a decline in its exports of textiles and apparel after reaching a peak. The overall annual growth rate was 0.5%, with textiles seeing an increase of 1.6% while apparel witnessed a decline of 0.4%, primarily due to a decrease in demand. In 2022, apparel accounted for 54%, while textiles made up 46%. Examining the trend over a longer period, we observe that in 2010, textiles accounted for only 37%, but this figure has increased by 9 percentage points over the years. This indicates a structural change in the exports of China's textile industry. Vietnam claims the title of the world's second-largest exporter of textile and apparel products, with exports amounting to US\$42.3 billion in 2022, showcasing a growth rate of 10%. However, this growth rate was 4 percentage points lower than the previous year, primarily due to a lukewarm consumer market and accumulation of inventories by garment brands, resulting in a slowdown in Vietnam's export of textiles and apparel.

### 1.2.1.2 Telecommunication Business

#### 1.2.1.2.1 Consumer business

According to the report issued by NCC (National Communications Commission), more than 50% of people only use mobile phones in their residences, and the most common way of residential Internet access is mobile broadband, accounting for 46% of total. In recent years, the proportion of mobile broadband access is higher than fixed broadband, which indicates that mobile broadband has become the primary means of communication for the public. Furthermore, according to NCC's statistics in November 2022, mobile broadband data usage continued to grow, represents a YoY growth rate of 13.5%. As people rely on mobile broadband increasingly and 5G penetration is accelerating, the vigorous development of telecom industry is highly expected.

#### 1.2.1.2.2 Enterprise business

Last year, the world was subjected to the Russia-Ukraine war, inflationary pressure, and coupled with the tightening monetary policies of major economies, economic growth fell quarter by quarter. According to international forecasting agency, S&P Global, on January 17, the global economic growth rate last year was estimated to be 3.0%. Prospects for this year could see positive signs emerge for the global economy due to the progressive slowdown of inflation. While the pace of growth dampened recently, it is expected to recover momentum quarter by quarter. Growth rate for the 2023 is anticipated to be 1.9%.

Looking forward to the future, the application of emerging technologies such as 5G, high-performance computing, and automotive electronics and the demand for digital transformation would be on the upward trend, and is expected to bolster Taiwan's manufacturing production. That said, given the global economy and trade remain affected by uncertainties such as inflation, interest rate hikes, the Russia-Ukraine war, and the US-Sino technology rivalry, coupled with the fewer working days in January this year due to the Lunar New Year, might stifle Taiwan's production performance for manufacturing industry. Subsequent developments ought to be closely monitored and managed carefully. Turnovers for retail and catering industries are expected to continue to grow due to the seasonal buying peak during Lunar New Year and the longer annual holiday which led to spikes in visitors and diners. (Data Source: Statistics Department of the Ministry of economic affairs)

### 1.2.1.3 Property Development Business

Global GDP growth dropped from 6% in 2021 to 3.2% in 2022 (IMF, 2022) due to several factors, including rising costs of living (shortages in food and energy supply), Russia's invasion of Ukraine, the lingering Covid-19 pandemic and China's zero-Covid policies. Despite struggles of varying degrees to recover from the pandemic in countries around the world, global FDI (Foreign Direct Investment)—an indicator of cross-border capital flows has rebounded. According to the statistics of OECD, global FDI in the first three quarters of 2022 reached US\$1.346 trillion with a YoY growth rate of 12% and amounted to 86% of the total in 2021 (OECD, Foreign Direct Investment Statistics, 2023, January). Real estate, ranking 6<sup>th</sup> in the share of global FDI, saw a bounce of investment with 66.13 billion in 2022, due to a push to develop new sustainable cities in emerging markets (fDi Markets, The 2022 investment matrix, 2023, February 3).

Nevertheless, the outlook for global FDI in 2023 appears weak, with a significant number of economies around the world expected to enter a recession (UNCTAD, Global Investment Trends Monitor, 44, 2023, January).

Affected by the global economy and inflation, the supply and demand in international markets of raw materials and energy are gradually changing. In 2022, Taiwan's total exports were valued at US\$479.52 billion (an increase of 7.4%). While this was relatively good in comparison with other economies, a downward trend was observed in MoM growth, which fell into the negative territory as of Q3. Taiwan recorded a trade surplus of US\$51.92 billion in 2022, down by US\$12.49 billion from the year before. Hamstrung by high inventory alert, inflation, and steep rate hikes, Taiwan's GDP growth slid from 6.53% in 2021 to 2.45% in 2022, according to statistics from the National Development Council and the Directorate General of Budget, Accounting and Statistics. The overall monitoring indicator, according to NDC Taiwan Business Indicators, has turned from yellow-red to blue, signaling an unfolding economic downturn. Meanwhile, the rise in prices has extended to all levels, and relevant price indexes have all risen. For example, the YoY CPI growth was up 2.95%, the YoY WPI growth up 7.36%, and the CCI (Construction Cost Index) growth up 7.1%. Multiple unfavorable factors have also caused the domestic real estate market to cool down in the second half of 2022, including the policy rate rise of 0.675% implemented in stages by Taiwan's Central Bank, tighter financing and credit control in the construction industry, the passing of the amendments to the Equalization of Land Rights Act, and a fall in the grab for land among tech companies and returning Taiwanese businesses for plant construction and investment projects throughout the country. Real estate prices remain relatively high and transactions were active in the first half of the year, so the revenue of the house and land transactions income tax for the whole year of 2022 hit a record high of NT\$36.51 billion, but investors have become watchful of the real estate market. In 2022, land transaction area decreased by 24,051 hectares (-14.42%), and the area of housing sales by 33.05 million square meters (-12.13%), equivalent to a reduction of 318,000 housing units (-8.64%). Although the volume of real estate transactions has dropped from the previous year, there has been little decrease in prices. Most of the transactions have occurred in prosperous, metropolitan areas, and real estate in downtown areas still seem recession-proof. Over 70% of the transactions, in terms of both volume and land/floor area, were completed in the six special municipalities.

#### **1.2.1.4 Investment & Others Business**

Looking back at the global economic situation in 2022, the global economy faced challenges such as the Russia-Ukraine War, inflationary pressures, and the implementation of contractionary monetary policies by major economies, thus decelerating the economic growth. According to the report published by the Directorate General of Budget, Accounting and Statistics, Taiwan's GDP growth in 2022 was 2.45%, and CPI was up 2.95%. Its projected GDP growth in 2023 is 2.12% with CPI up 2.16%. Moving forward to 2023, the global economy is poised to face numerous daunting challenges, including the magnitude and timing of interest rate hikes by major countries, geopolitical tensions and the European energy crisis, the threats posed by climate change and inflation, as well as the evolving dynamics of the US-China dispute. These uncertain factors create a complex landscape for the global economy. As economic situations continue to look uncertain, it is expected that Taiwan's central bank will continue to adopt a moderate and gradual tightening monetary policy. Domestic interest rates are likely to show a gradual upward trend to maintain stable price and financials. In the face of the ever-changing economic climate in the country and around the globe, the Company will assess and review its long-term investment and strengthen management of risks such as interest and exchange rates. More importantly, the Company will make diverse investments, seek joint ventures and explore new fields for investment in order to pursue best performance for the Company and create maximum value for its shareholders.

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

Originally, the textile industry serves the purpose of providing the necessities of daily life. Today, this industry serves a greater purpose by infusing fashion, technology, and art, to cater to demands beyond the basic clothing needs. In the upstream of the supply chain lies polyester polymers which consume chemicals derived from crude oil. Moving down to the mid-stream, there are spinning, weaving, fabricating, dyeing and finishing production processes. And further down are the apparel, and home furnishings end products. Please refer to page 99 for a summary of the upstream, mid-stream, and downstream linkages of our company's industry.

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### 1.2.3 Industry Trends and Competition

#### 1.2.3.1 Production Business

##### 1.2.3.1.1 Pure Terephthalic Acid (PTA)

In 2023, the global capacity for PTA is projected to witness a significant growth of 7%, reaching a historic high of 108.82 million tons, according to Wood Mackenzie. Moreover, global production is expected to increase by 6%, reaching 80.29 million tons. The capacity utilization rate is anticipated to remain consistent with the previous year. In China, PTA production is estimated to rise by 3.62 million tons in 2023, albeit with a slight decline in capacity utilization rate to 70%. Taiwan, on the other hand, is expected to experience an increase of 0.1 million ton in PTA output, accompanied by a modest rebound in capacity utilization rate to 77%.

Amidst the ongoing geopolitical turmoil and a global economic growth slowdown in 2023, the demand growth is anticipated to face constraints. Additionally, crude oil prices are expected to fluctuate within a certain range. To address these challenges, the Company has implemented several measures. Firstly, we have adjusted prices to reflect the increased costs. Furthermore, we are optimizing our manufacturing processes and actively transitioning to low-carbon production methods. Notably, we have well-established and comprehensive supply chains in Taiwan and China. To further strengthen our production network, we are constructing the largest integrated PTA/PET plant in the Americas. This strategic move will allow us to leverage the benefits of localized production and enhance our competitiveness in the market.

##### 1.2.3.1.2 PET

According to Wood Mackenzie, the global production of PET is expected to grow by 4% to reach 28.52 million tons in 2023. Concurrently, the global capacity for PET is projected to increase by 12% to 37.73 million tons. Notably, Chinese companies will contribute 70% of the new capacity. In the first quarter of 2023, PET prices remained high due to increased feedstock costs. Additionally, there is an underserved demand in the North American market. Consequently, the PET capacity utilization rate in the U.S. is anticipated to remain above 90% throughout 2023. The Company has established PET production sites across various regions, including Taiwan, China, the U.S., Vietnam, and Japan. This regionalized operational approach grants us competitive advantages in both production and sales.

Emphasizing its commitment to sustainable development, the Company took the initiative to establish Taiwan's first PET bottle recycling plant back in 1988. Through continuous improvements in recycling technology, we have been able to convert waste into high-quality recycled polyester (rPET). This rPET finds application in diverse fields such as food packaging, non-food packaging, functional clothing, footwear, household products, and automotive materials. In 2022, the Company collaborated with a Vietnamese customer to launch the first batch of carbonated beverage bottles made entirely from 100% rPET in Vietnam. This groundbreaking step not only set a trend in the local beverage packaging market but also introduced sustainable products to consumers. Furthermore, in December 2022, the Company received approval from the Taiwan Food and Drug Administration, under the Ministry of Health and Welfare, as the country's first enterprise to produce recycled PET resin for food containers and packaging. Subsequently, the first batch of rPET water bottles, made with feedstock provided by FENC, was introduced in Taiwan in March 2023. By making green products accessible in convenience stores, we aim to integrate the principles of the circular economy into the everyday lives of the general public.

##### 1.2.3.1.3 Polyester fibers

In 2023, the global production of polyester fibers is expected to rise by 6% to reach 62.36 million tons, according to Wood Mackenzie. Specifically, the production of polyester filaments is projected to grow by 6% to 43.85 million tons, while polyester staple fibers are expected to increase by 5% to 18.51 million tons.

As a leading supplier of polyester filaments in Taiwan, the Company offers a wide range of products, including POY and DTY. Our products boast a diverse array of desirable properties, such as cooling, moisture absorption, heat generation, sweat-wicking, fire retardancy, and UV resistance. In collaboration with renowned brands, FENC has undertaken initiatives to recycle waste PET bottles from the ocean and transform them into ocean-recycled yarns. As the world's largest producer of recycled polyester filament, our efforts have resulted in the recovery of over 14,000 tons of ocean plastic waste, which has been utilized to create 78 million pairs of high-end sports shoes and 42 million articles of functional clothing. In 2022, FENC proudly became the first company in the world to produce the uniforms of national football players competing in the World Cup with ocean-recycled yarns. Our premium ocean recycled anti-bursting jerseys, crafted using our distinctive weaving technology, exhibit

exceptional elasticity and have passed rigorous tests for multi-directional composite stress and tearing. A total of 9 national teams in the 2022 World Cup donned our ocean recycled anti-bursting jerseys, with 7 of them advancing to the top 32. Notably, the championship-winning Argentine national team proudly wore ocean recycled anti-bursting jerseys made by FENC, highlighting their crucial role in supporting players on the football field.

FENC is a global leader in the production of polyester staple fibers, catering to a diverse range of industries including healthcare, hygiene, construction, sports, automotive, and household goods. Our portfolio of high value-added products is tailored specifically for non-textile applications, meeting the unique requirements of each sector. Furthermore, we have a strong commitment to research and development, particularly in the area of eco-friendly solutions. Our focus lies in developing bio-based, biodegradable, energy-efficient, low-carbon, and waste-reducing products. These sustainable innovations set us apart from our competitors and allow us to offer unique and differentiated product options.

Moreover, the Company has established itself as a leader in the Asia-Pacific market with its nylon 6,6 filament, particularly renowned for its exceptional performance in the production of high-end textiles. This versatile filament is ideal for crafting a wide range of apparel, including yoga wear, running clothing, outdoor sportswear, puffer jackets, lingerie, and haute couture, among others. Keeping up with the growing demand for eco-friendly solutions, the Company has introduced the nylon 6,6 solution dye fiber. This innovative product significantly reduces the need for dyestuffs, auxiliary chemicals, and water consumption during the manufacturing process. As a result, its sales doubled in 2022, reflecting the market's embrace of sustainable alternatives.

#### 1.2.3.1.4 Spun yarn

In the first quarter of 2023, the international textile market experienced a sluggish recovery, with ICE cotton prices dropping below 80 cents per pound in March. Nevertheless, China's relaxation of COVID control measures has yielded positive results for the cotton textile industry. Data from the China Cotton Textile Association reveals a 1% increase in the production of spun yarn and a 5% increase in sales volume during the first quarter, compared to the same period last year. The prosperity index of China's cotton textile industry has rebounded to an expansion range above 50, indicating that the domestic market in China is demonstrating better demand compared to the international market.

The Company's focus in the spun yarn business is centered on developing unique and functional product lines that offer features such as temperature adaptiveness, moisture absorption, heat generation, flame retardancy, and special yarns suitable for multi-fiber blending. In line with the growing demand for environmentally-friendly products and our commitment to sustainable development, we have introduced FENC® TOPGREEN® rTEX Spun Yarn to the market. This innovative product is made from 100% recycled polyester and cotton textiles that undergo mechanical treatment to transform them into 100% recycled staple yarns. These recycled yarns are then used in the manufacturing of various products including apparel, backpacks, footwear, and home decorative accessories. An excellent example of this commitment is our introduction of recycled denim yarn in 2022, which showcases our dedication to giving new life to waste textiles.

#### 1.2.3.1.5 Industrial yarn

It is projected that the global capacity for polyester industrial yarn will experience a 5% growth, reaching 4.13 million tons in 2023, according to Wood Mackenzie and market surveys. Simultaneously, global demand for polyester industrial yarn is expected to increase by 2% to 2.05 million tons. However, the capacity utilization rate is expected to decline by one percentage point.

The Company's industrial yarn business specializes in the production of high value-added products, with a strong focus on serving the automotive fibers industry. Our product portfolio includes safety-enhancing yarns for seat belts and airbags, as well as tire cord fabrics. In recent years, we have successfully implemented recycling technology by utilizing discarded PET bottles for regranulation, spinning, and weaving processes to produce tire cords. These eco-friendly tire cords are supplied to Continental Tires, contributing to the production of environmentally conscious tires. This application of recycling technology to industrial-grade fibers is a remarkable achievement. Furthermore, in response to the rapid growth of the electric vehicle market, we have collaborated with internationally renowned EV manufacturers to produce polyester airbag yarns. These yarns not only align with the environmental objectives of lightweight design, energy efficiency, and carbon reduction but also contribute to the steady growth of our sales volume.

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### 1.2.3.1.6 Knitted fabrics and apparel

In 2022, the United States claimed the title of the world's largest importer of apparel, with the import value experiencing a significant 27% increase to reach US\$99.9 billion. This growth in import value was primarily driven by a 16% rise in import prices. China, Vietnam, and CAFTA-DR were the top three apparel suppliers to the United States, accounting for 22%, 18%, and 11% respectively, collectively representing more than 50% of the total. Notably, there have been interesting shifts in the proportions of clothing imports from these countries. China's share has been on the decline since its peak of 37% in 2010, as American brands have diversified their sourcing from various countries over the years. The ongoing trade war between the U.S. and China has further accelerated this shift in sourcing. On the other hand, Vietnam's share in U.S. apparel imports has been steadily increasing and is expected to come closer to China's share in the coming years.

In recent years, our company has been actively expanding its presence in Vietnam, particularly in the business of knitted fabrics and apparel. We have established a vertically-integrated production site and made substantial investments in production automation systems and manufacturing processes that prioritize energy efficiency and carbon reduction. Furthermore, we have fostered long-term strategic partnerships with brand clients to strengthen our position as their primary supplier.

### 1.2.3.2 Telecommunication Business

#### 1.2.3.2.1 Consumer business

FET spends a lot of efforts in developing 5G network after acquiring the best 5G spectrum in the auction. FET utilize "AI cell site location" to maximize 5G network population coverage and user experience, proactively plan network construction in remote villages and lead green energy cell site to conduct ESG vision. And FET will continuously enhance our network quality and security, dedicate ourselves in developing innovative services, which would work greatly with our excellent network quality. Moreover, through integrating group resources and partnership with diverse company, FET will strive to innovate in the fields of big data, artificial intelligence, and IoT, and lead the 5G revolution in Taiwan. FET establish the 5G Metaverse Accelerator at the end of 2021. The first demo day be held in the 3<sup>rd</sup> quarter of 2022. Provide all-round support for start-up team development tools, innovative technologies, verification and commercial transfer. Drive the multi-faceted application on the consumer and enterprise side.

The telecom market in Taiwan has maintained a competitive situation among five operators for a long time. As the two small operators have offered a low-price flat-rate plan to capture the market share, and the market is prone to price competition. Mergers and alliances among operators are expected to help the telecom market returning to rationality and value competition. In the case of high investment in 5G spectrum and base stations, operators focus on providing consumers with better network quality and applications at a reasonable price to encourage consumers to switch to 5G. By increasing the penetration of 5G to recover ARPU gradually, it will drive the growth of mobile service revenue.

#### 1.2.3.2.2 Enterprise business

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

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

### 1.2.3.3 Property Development Business

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



#### 1.2.3.4 Investment & Others Business

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

### 1.3 Technology Innovation and R&D Overview

#### 1.3.1 R&D Expense in Recent Years

R&D expenses in 2022 & 2021 were NT\$989.952 million and NT\$880.071 million, respectively.

#### 1.3.2 Successful Technology or Products from the Development

##### 1.3.2.1 Production Business

Non-toxic Seaming Solvent for Polyester Label; Scratch-resistant printing PET sheet; The crystallization temperature at 180°C low melting polyester bonding fiber; Hydrophobic polyester fiber for the back sheet of hygiene materials; A polyester fiber ball; A cotton touch feel polyester yarn; Low-carbon emission and cotton-like polyester spun yarn/fabric; High adhesive fabric for TPU conveyor belt; Super high tenacity Nylon66 Industry yarn; Antibacterial hydrofiber dressing; Low Swelling Waterproof and Breathable PU Film; ZnO Antibacterial Agent

##### 1.3.2.2 Telecommunication Business

friDay Video; friDay Omusic; friDay Shopping; friDay Finance; FET Network Security; Smart Plus; Handset Insurance; Smart Kids Watch; 5G smart exhibition; 5G smart warehousing logistics; Smart Intersection; Uninterruptible traffic signal power system; Smart street lamps; Energy Management System; 5G telemedicine

##### 1.3.2.3 Property Development Business

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

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

#### 1.4.1 Near-term Business Plan

##### 1.4.1.1 Undertaking Digital Transformation

In order to stay aligned with the ongoing digital advancements, the Company has integrated AI-powered technologies into various aspects of our operations, such as the implementation of robotics and automated processes, the development of an extensive intelligent perceptual system, the utilization of cloud-based platforms for big data analytics, the implementation of predictive models for product quality, the adoption of smart power management systems, and the establishment of management dashboards. Additionally, we have explored the potential of VR technology for education and training purposes, as well as leveraged cloud-based collaboration for efficient operations. Simultaneously, we have recognized the growing importance of information security risks associated with the rapid digital transformation. As a result, a dedicated information security department was established in 2022, tasked with overseeing the Company's information security management efforts. Additionally, a Vice President-level executive has been appointed to serve as Chief Information Security Officer. This underscores our determination to actively implement robust information security measures.

##### 1.4.1.2 Harnessing Recycling Technology

Far Eastern New Century possesses a remarkable capability to contribute to the circular economy. Leveraging our vertical integration and interdisciplinary technological cooperation, we have successfully developed green technologies that utilize waste from various sources - land, sea, and air - as feedstock. Our innovative approaches encompass a range of areas, including chemical methods for polyester recycling,

## Operational Highlights

textile recycling, marine waste recycling, and the recycling of industrial waste gases. The recognition of our efforts came in the form of prestigious international awards in 2022. We were honored with the ISPO TEXTRENDS highest honor Best Environmental Product Award, the Sustainability and Innovation Award from the renowned International Textile Manufacturers Federation (ITMF), and the International Innovation Award in the category of Product Innovation organized by Enterprise Asia. These esteemed accolades serve as a testament to the strength of our sustainable products.

### 1.4.1.3 Utilizing the Advantages of Vertical Integration

The Company's polyester production business has successfully established a vertically integrated network encompassing production and sales across multiple locations, including Taiwan, China, Vietnam, Japan, the United States, Malaysia, and the Philippines. This strategic deployment offers several advantages. Firstly, it provides a production advantage through regionalized supply chains, ensuring efficient and timely delivery to clients in the same region. Additionally, this integrated network enhances our ability to navigate fluctuations in raw material prices. Building upon our expertise in the polyester field, we have expanded our operations to include the nylon 6,6 supply chain. By integrating production sites in Taiwan, China, and Vietnam, we have successfully constructed a comprehensive supply chain covering POY, DTY, high stretch fabric, and yoga wear. As a result, we have emerged as the sole vertically integrated supplier of nylon 6,6 in the world.

### 1.4.2 Long-term Business Plan

#### 1.4.2.1 Developing Green Products

FENC has long been dedicated to the development of a diverse range of environmentally-friendly products, working alongside brand customers to fulfill their sustainability commitments. Our focus on innovation in green products revolves around three core principles: Reusing recycled waste, Replacing fossil fuels with alternative feedstocks, and Reducing energy and resource consumption. In 2022, our green products generated a revenue of NT\$46 billion, marking a significant milestone as it reached a record high and grew by 20% compared to the previous year. Through the implementation of the 3R strategy, FENC strives to contribute to climate change mitigation, develop environmentally protective products and non-toxic solutions, and promote sustainable development in the polyester industry.

#### 1.4.2.2 Striving to Achieve Net-Zero Emissions

FENC has actively embraced the global initiative for carbon reduction, committing to a progressive reduction in emissions by 20% in 2025, 40% in 2030, and ultimately reaching net-zero by 2050, with 2020 as the base year. Notably, in 2022, our greenhouse gas (GHG) emissions decreased by 14% compared to the base year, successfully attaining 70% of the short-term target. As a pioneer in Taiwan's traditional manufacturing sector, FENC was the first company to endorse the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and issue a formal statement of support. In March 2023, we released our inaugural TCFD Report. Furthermore, also in March 2023, we submitted a letter of commitment to the Science Based Targets initiative (SBTi), affirming our dedication to achieving our near-term target and remaining committed to net-zero emissions.

#### 1.4.2.3 Pursuing Sustainable Growth through ESG Integration

The Company is dedicated to advancing sustainable projects and aligning its efforts with the UN Sustainable Development Goals (SDGs). In addition to being an industry leader in the circular economy, it collaborates with value chain partners to establish a comprehensive circular economic system that transforms waste into innovative products. Moreover, the Company stands out among its peers by issuing sustainable financial products, having launched 14 such products by the end of 2022. These groundbreaking offerings, many of which are the first of their kind in Taiwan or Asia, have raised funds exceeding NT\$38 billion, which are all invested in sustainable projects. Notably, the Company holds the distinction of being the sole issuer of all types of sustainable development bonds listed in the sustainable bond database of the International Capital Market Association (ICMA). With a steadfast commitment to creating a sustainable business model that harmonizes with the environment, FENC is leading the way towards a more sustainable future.

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

### 2.1 Market Analysis

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

The major sales regions and the percentage sales of the production business: Asia (63%), America (26%), Europe (7%), and others (4%).

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

Items \ Products	Polyester Polymer		Polyester Staple Fiber		Polyester Filament	
	Production	Sales	Production	Sales	Production	Sales
FENC (tons)	793,161	19,561	134,826	133,425	60,961	35,438
Taiwan (tons)	3,113,178	1,656,074	327,833	325,991	588,015	389,699
Market Share (%)	25.5%	1.2%	41.1%	40.9%	10.4%	9.1%

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

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

2022 Market share of mobile subscribers by carriers: Chunghwa Telecom at 36.6%, Far EasTone at 23.7%, Taiwan Mobile at 23.9%, Asia Pacific Telecom and Taiwan Star Telecom (VIBO), combined at 15.8%.

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

##### 2.1.3.1 Production Business

In 2022, the global economy faced significant challenges as the COVID-19 pandemic persisted and worsened unpredictably. The Ukrainian-Russian war added to geopolitical risks, while inflationary pressures impacted economies worldwide. These combined factors created a gloomy outlook for the global economy, resulting in lower-than-expected performance. According to the IMF, the global GDP growth rate stood at 3.4% in 2022. With various external negative factors in play, economic growth is projected to slow down in 2023, with an expected GDP growth rate of 2.9%. The ongoing risks from the Ukrainian-Russian war and the energy market pose additional concerns. Moreover, the collapse of two regional banks in the United States in mid-March, along with the failure of Credit Suisse, highlighted the instability in financial markets. Despite the fragility of the global economy, there are some signs of improvement. The increase in commodity prices has started to slow down in many countries, and consumption has rebounded in China following the easing of pandemic control measures. These developments provide some support to overall market demand.

FENC possesses several distinct competitive strengths, such as a vertically integrated production and sales network, a diverse range of product offerings, production facilities spanning Asia and the Americas, access to global markets, and strong partnerships with renowned international brands. These advantages not only mitigate operational risks but also provide the Company with greater organizational flexibility compared to its competitors. Furthermore, the Company has long been involved in the circular economy and plays a crucial role in the global green supply chain. Additionally, we have undertaken numerous initiatives focused on environmental protection and energy conservation. With a continued emphasis on carbon reduction, the Company is well-positioned to surpass its competitors by demonstrating unwavering commitment to sustainability.

The year 2023 is poised to bring forth a plethora of challenges within the business environment. Given the prevailing market dynamics that favor the survival of the fittest, it is anticipated that the industry will experience a wave of consolidation. Drawing upon a rich industrial heritage spanning more than seven decades, coupled with intrinsic core competencies and forward-thinking strategic planning, FENC aims to generate a fresh surge of growth and establish a solid foundation for sustainable development.

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### 2.1.3.2 Telecommunication Business

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

### 2.1.3.3 Property Development Business

The implementation of credit/monetary control policies and limitations on transaction of premises had started to influence the real estate market. Financing conditions are expected to tighten. Increasing attention has been paid to concepts/practices related to sustainable development, such as ESG in architecture, green buildings/carbon-reducing buildings, energy use intensity (EUI) of buildings and the application of green building materials, and some of them have even evolved into standards or regulations the industry should comply with and have in turn brought about adjustments in the real estate market as incremental efforts to tackle the challenges in achieving net zero emissions.

The number of building permits issued is a barometer of the property market. Generally, the accumulative difference between the number of building construction licenses and that of building usage licenses could be a good indicator of market performance in the next 2 to 3 years. An interesting trend has been observed in the supply of new office space. According to the Interior National Indicators by Taiwan's Ministry of the Interior, for the next three to four years, starting in 2023, the total floor area of new office space added to the market will be 2.41 million m<sup>2</sup> (730,000 ping) in Taipei City, 1.07 million m<sup>2</sup> (323,000 ping) in Taichung City and 0.5 million m<sup>2</sup> (151,000 ping) in Taoyuan City. Meanwhile, according to the industry's estimates, a total of 160,000 ping of new office space will be supplied in Taipei City in 2023, with 70,000 ping in downtown Taipei (Collier Taiwan, 2022).

#### (A) Construction Licenses Issued in 2022

Housing(H2): construction licenses were issued for 180,674 housing units (+6.0%) nationwide, with an area of 25.19 million m<sup>2</sup> (+1.3%). The construction craze has eased off a little bit. Among the six special municipalities, in terms of floor area approved for construction, the top three were Taichung City (5.19 million m<sup>2</sup>), Taoyuan City (3.81 million m<sup>2</sup>) and New Taipei City (3.61 million m<sup>2</sup>). In terms of annual growth rate, the top three cities were Taoyuan City (+432,000 m<sup>2</sup>, +12.8%), New Taipei City (+266,000 m<sup>2</sup>, +7.9%) and Tainan City (+178,000 m<sup>2</sup>, +6.7%).

Mercantile: Among the six special municipalities, in terms of floor area approved for construction, the top three were Taipei City (449,000 m<sup>2</sup>), Tainan City (182,400 m<sup>2</sup>) and New Taipei City (63,000 m<sup>2</sup>); in terms of annual growth rate, the top three were Tainan City (+147,000 m<sup>2</sup>, +490%), Taoyuan City (+8,900 m<sup>2</sup>, +82%) and Taipei City (+182,000 m<sup>2</sup>, +68%). In contrast, negative growth was observed in New Taipei City (-136,000 m<sup>2</sup>, -68%), Taichung City (-154,000 m<sup>2</sup>, -71%) and Kaohsiung City (-510,000 m<sup>2</sup>, -96%).

Business and Service: Among the six special municipalities, in terms of floor area approved for construction, the top three cities were Taipei City (2.65 million m<sup>2</sup>), Taichung City (0.528 million m<sup>2</sup>) and Tainan City (0.434 million m<sup>2</sup>); in terms of annual growth rate, the top three cities were Tainan City (+0.344 million m<sup>2</sup>, +385%), Taipei City (+1.963 million m<sup>2</sup>, +286%) and Kaohsiung City (+2,100 m<sup>2</sup>, +2.1%). In contrast, negative growth was observed in Taichung City (-96,000 m<sup>2</sup>, -15.4%), New Taipei City (-249,000 m<sup>2</sup>, -43.4%) and Taoyuan City (-305,000 m<sup>2</sup>, -49.8%).

Industry and Warehousing: Among the six special municipalities, in terms of floor area approved for construction, the top three cities were Taoyuan City (1.702 million m<sup>2</sup>), New Taipei City (1.031 million m<sup>2</sup>) and Tainan City (0.715 million m<sup>2</sup>); in terms of annual growth rate, the top three cities were New Taipei City (+418,000 m<sup>2</sup>, +87.3%), Kaohsiung City (+239,000 m<sup>2</sup>, +61.7%) and Tainan City (+218,000 m<sup>2</sup>, +43.9%). In contrast, negative growth was only observed in Taichung City (-107,000 m<sup>2</sup>, -14%).

## (B) Usage Licenses Issued in 2022

Housing(H2): Usage licenses were issued for 112,088 housing units (+6.9%) nationwide, with an area of 1.661 million m<sup>2</sup> (+6.3%). Among the six special municipalities, in terms of area approved for usage, the top three cities were Taichung City (3.32 million m<sup>2</sup>), Taoyuan City (2.46 million m<sup>2</sup>) and New Taipei City (2.15 million m<sup>2</sup>); in terms of annual growth rate, the top three cities were Kaohsiung City (+738,000 m<sup>2</sup>, +52.2%), Taipei City (+205,000 m<sup>2</sup>, +29.9%) and Taichung City (+737,000 m<sup>2</sup>, +28.6%).

Mercantile: Among the six special municipalities, in terms of area approved for usage, the top three cities were New Taipei City (185,000 m<sup>2</sup>), Tainan City (147,000 m<sup>2</sup>) and Taichung City (108,000 m<sup>2</sup>); in terms of annual growth rate, the top three cities were New Taipei City (+145,000 m<sup>2</sup>, +367%), Kaohsiung City (+62,000 m<sup>2</sup>, +338%) and Taichung City (+75,000 m<sup>2</sup>, +231%). In contrast, negative growth was observed in Tainan City (-49,000 m<sup>2</sup>, -25%) and Taipei City (-200,000 m<sup>2</sup>, -73%).

Business and Service: Among the six special municipalities, in terms of area approved for usage, the top three cities were Taipei City (389,000 m<sup>2</sup>), New Taipei City (265,000 m<sup>2</sup>) and Taoyuan City (198,000 m<sup>2</sup>); in terms of annual growth rate, the top three cities were Tainan City (+71,000 m<sup>2</sup>, +144%), Kaohsiung City (+47,000 m<sup>2</sup>, +86%) and Taoyuan City (69,000 m<sup>2</sup>, +53.8%). In contrast, negative growth was observed in New Taipei City (-21,000 m<sup>2</sup>, -7.5%) and Taichung City (-35,000 m<sup>2</sup>, -26%).

Industry and Warehousing: Among the six special municipalities, in terms of area approved for usage, the top three cities were Taoyuan City (1.5 million m<sup>2</sup>), Tainan City (0.554 million m<sup>2</sup>) and Taichung City (0.504 million m<sup>2</sup>); in terms of annual growth rate, the top three cities were Taichung (+84,000 m<sup>2</sup>, +20%), Taoyuan City (+232,000 m<sup>2</sup>, +18.4%) and Tainan City (59,000 m<sup>2</sup>, +12%). In contrast, negative growth was observed in Kaohsiung City (-26,000 m<sup>2</sup>, -6.4%), New Taipei City (-228,000 m<sup>2</sup>, -38.6%) and Taipei City (-26,000 m<sup>2</sup>, -81.3%).

Overall, the real estate market still faces a turbulent year ahead. Prices and trading volume hold steady in housing and land markets, yet given multiple unfavorable conditions, including economic slowdown, monetary tightening and amendments to the Equalization of Land Rights Act, buyers are expected to exercise caution in decision-making. Meantime, the flow of hot money into real estate has slowed, and fierce competition in land purchase is almost unlikely to be a common sight anymore. The market for commercial property is seeing the light at the end of the tunnel as the pandemic tails off. Albeit there is reason to be optimistic, it remains to be seen how the market will be impacted as supply looks set to shoot up in the next few years, including the Taipei Dome and the A25 Building in Xinyi District slated for completion in 2023.

In northern Taiwan, residential and commercial properties near the MRT system and its supporting network of public transportation are more resistant to market volatility. The real estate boom in Taichung, Tainan and Kaohsiung driven by tech companies' investment projects are expected to level off. The rental market for factories and offices is expected to grow a little with rents going up slightly. Nonetheless, as new office space is made available in some regions, the long-standing low vacancy rate might edge up. Prospects are improving for retail and hotel properties.

Overall, the real estate market will hold steady in price and volume. In the future, to stand out from competition, properties must feature brand design, energy conservation, intelligence, safety and value-added services tailored to the changing demographics.

The government's consistent investment in public infrastructure creates the momentum for the real estate market. In 2022, approximately NT\$459.6 billion was implemented. The Executive Yuan has pledged a record-high budget of some NT\$600 billion for infrastructure spending in 2023, which is expected to boost not only the real estate market but also the economy as whole.

## Operational Highlights

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

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

- (1) Long-term accumulation of industrial expertise
- (2) Unique and diverse product portfolio
- (3) Industry leadership in the circular economy
- (4) Vertical integration spanning from upstream to downstream

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

- (1) Increased demand fueled by population growth
- (2) Growing environmental consciousness among consumers
- (3) Expansion in the range of polyester applications
- (4) Clients' shift towards sourcing from diverse regions

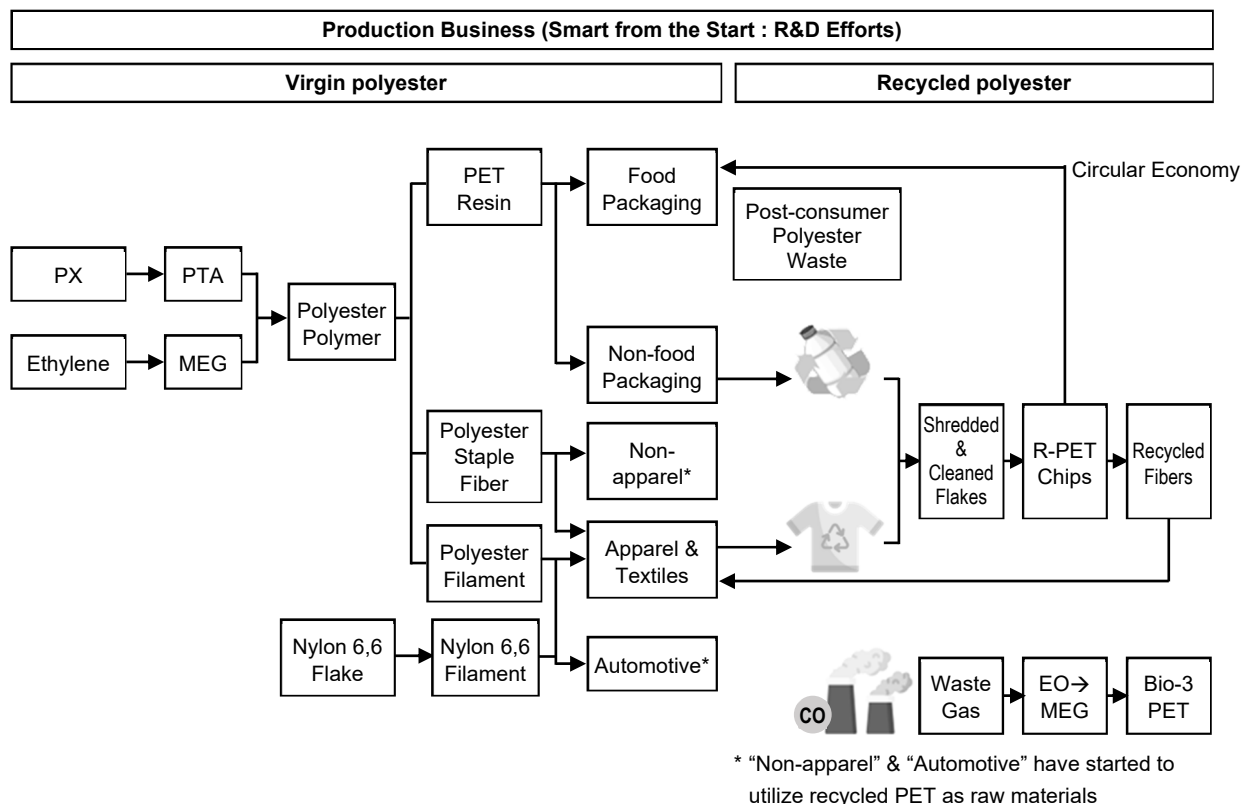
#### **C. Negative factors**

- (1) Escalating geopolitical risks
- (2) Slow progress in Taiwan's attainment of free trade agreements
- (3) Rising labor costs
- (4) High inflation undermining consumer confidence

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

- (1) Expansion of production and R&D efforts in green products
- (2) Acceleration of the adoption and utilization of renewable energy sources
- (3) Cultivation of high-quality clients and establishment of enduring partnerships
- (4) Strengthening digital management capabilities
- (5) Utilizing the advantages of vertical integration
- (6) Establishment of diverse production sites

## 2.2 Applications and Production Process of Major Products



## 2.3 Sources of Major Raw Materials

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

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

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

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

## Operational Highlights

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

Unit: NT\$ thousands

Main Products \ Year			2022			2021		
			Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Petro-chemical	PTA	MT	2,738,000	2,085,978	54,401,766	2,750,000	2,371,918	45,661,979
Polyester	Polyester Chip	MT	2,680,600	1,973,432	67,061,728	2,666,200	2,295,827	60,102,749
	PET Resin (Note)	MT	2,235,000	2,065,500	74,024,075	2,235,000	2,133,559	58,440,473
	PET Bottle Preform	Thousand pieces	2,940,000	2,497,510	2,849,669	2,940,000	2,246,691	2,143,466
	PET Sheet	MT	123,600	85,260	3,482,797	123,600	104,216	3,564,905
	Polyester Staple Fiber	MT	432,000	231,003	9,734,856	418,800	317,173	11,085,291
	PET Film	MT	21,120	22,885	1,471,506	21,120	20,894	1,188,048
	Partially Oriented Yarn	MT	97,800	76,412	3,986,660	94,680	100,182	4,365,638
	Drawn Textured Yarn	MT	49,779	49,779	3,624,728	53,352	53,352	3,388,992
Textile	Yarn	Bales	325,664	225,337	4,114,352	373,946	276,044	4,251,203
	Knitted Fabrics	MT	39,720	25,592	9,891,225	42,540	30,108	10,528,300
	Industrial Fabrics	MT	21,600	16,028	1,456,947	21,600	18,316	1,451,308
	Industrial Yarn	MT	143,600	117,511	7,868,754	149,600	138,513	7,849,815
	Apparel	Thousand pieces	78,787	69,322	11,063,488	74,500	51,409	7,162,799

Note: Including recycled PET



## 2.6 Sales Volume and Revenue in Recent Two Years

Unit: NT\$ thousands

Main Products			2022				2021			
			Domestic sales		Export sales		Domestic sales		Export sales	
			Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue
Petro-chemical	PTA	MT	1,499,388	37,572,013	539,725	14,060,612	1,826,435	34,354,476	577,077	10,931,576
Polyester	Polyester Chip (Note1)	MT	26,532	946,708	9,794	371,929	38,254	1,154,130	16,548	524,985
	PET Resin (Note2)	MT	805,355	37,478,957	1,081,221	45,770,399	821,430	26,430,315	1,079,027	35,041,219
	PET Bottle Preform	Thousand pieces	1,555,862	1,814,064	764,404	1,063,811	1,414,727	1,344,724	711,552	847,844
	PET Sheet	MT	54,226	2,255,607	30,446	1,507,606	73,528	2,653,860	29,401	1,228,261
	Polyester Staple Fiber	MT	99,745	3,956,555	149,054	6,743,631	131,779	4,943,411	204,623	8,336,642
	PET Film	MT	6,214	494,539	16,325	1,507,373	6,755	508,948	14,385	1,135,651
	Partially Oriented Yarn	MT	35,836	1,368,327	3,920	225,648	47,063	1,830,219	10,401	532,418
	Drawn Textured Yarn	MT	29,656	2,154,040	21,942	1,764,239	36,931	2,593,309	22,742	1,689,725
Textile	Yarn	Bales	131,718	3,064,253	94,580	1,287,412	174,824	3,316,037	93,953	1,234,489
	Knitted Fabrics	MT	9,237	2,363,922	29,237	10,068,481	9,942	2,387,504	35,118	10,245,281
	Industrial Fabrics	MT	5,443	540,568	11,891	1,523,667	5,280	506,015	14,327	1,527,266
	Industrial Yarn	MT	36,099	2,273,401	50,347	4,264,661	36,652	1,976,640	63,357	4,175,642
	Apparel	Thousand pieces	4,490	959,056	71,632	11,406,205	4,383	1,059,541	41,267	6,031,452

Note1: Mainly due to internal consumption

Note2: Including recycled PET

## 3. Information about Employees

Year		2022	2021	Mar 31, 2023
Number of employees		31,233	30,937	30,396
Average age		37	36	37
Average years of service		7.9	7.5	8.0
Breakdown of educational level (Note)	Ph.D.	0.2%	0.2%	0.2%
	Master	6.8%	7.0%	6.9%
	Bachelor	42.5%	42.9%	43.7%
	High school and below	50.5%	49.9%	49.2%

Note: Migrant workers are not included.

## Operational Highlights

### 4. Expenses on Environmental Protection

#### 4.1 Loss or Damage Due to Pollution, Disclosure on Current and Future Estimates of Possible Damages and Countermeasures:

The Company has not experienced significant operational losses due to environmental pollution. Only a few incidents have resulted in sporadic fines due to inadvertent emissions exceeding the permitted limits. For example, Far Eastern Dyeing & Finishing (Suzhou) Ltd. incurred a penalty of RMB 226,000 on August 18, 2022 (Suzhou Environmental Penalty No.06-2022-159) for exceeding prescribed limits of chemical oxygen demand (COD) and biochemical oxygen demand (BOD) in water samples, as stipulated in the discharge permit. In response, the Company implemented measures such as augmenting the wastewater buffer capacity to facilitate adequate settling time for suspended particles, resulting in compliance with regulatory standards. Also, Far Eastern Industries (Shanghai) Ltd. received a fine of RMB 100,000 on November 28, 2022 (Shanghai Environmental Penalty No.0120-2022-115) for exceeding the prescribed limits of total phosphorus concentration in wastewater discharges. To address this issue, the Company took corrective actions, including improvements in oil agents to reduce phosphorus content and reinforced daily practices. Furthermore, the Company implemented daily self-testing of total phosphorus levels in discharged water to ensure adherence to regulatory requirements. The Company demonstrates proactive efforts in the monitoring and verification of greenhouse gas emissions, alongside regular monthly evaluations of environmental policy execution, aimed at mitigating the occurrence of pollution incidents.

### 5. Employees

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

##### 5.1.1 Recruitment

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

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

In 2022, we welcomed a total of 260 new employees, which accounted for 6% of our company's headcount. It is worth noting that 58.4% of these new hires are under the age of 30, reflecting our commitment to nurturing a young and talented team to lead our organization in the future.

##### 5.1.2 Compensation

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

##### 5.1.3 Insurance

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

#### 5.1.4 Employee Welfare

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

#### 5.1.5 Employee Training and Development

To ensure sustainable operations and maintain a competitive edge, the Company has established a robust and comprehensive training framework to enhance employee capabilities. This framework encompasses various training programs, including orientation for new employees, management and supervisory training, and professional skill development initiatives. Furthermore, the Company prioritizes change management practices such as agility, digital transformation, and organizational development training to enable our workforce to adapt effectively to the dynamic business environment. Also, the Company offers a diverse range of training channels, including on-the-job training, online learning platforms, and physical sessions, to cater the diverse learning needs of our employees and foster a culture of continuous learning within the organization. In 2022, our training initiatives attracted a participation of 47,636 employees, with a total learning time of 95,989 hours.

#### 5.1.6 Employee Rewards

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

#### 5.1.7 Talent Retention

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

Meanwhile, the Company is committed to developing and promoting talent from within and provides a stage on which employees can live up to their potentials through the institutionalized performance appraisal system, education and training, project assignment and job rotation. In addition, a friendly environment conducive to talent retention is built through the employee stock ownership trust plan that shares some of the Company's financial success with employees. The Company's turnover rate in 2022 was 10.3%, much lower than the overall average turnover rate of Taiwan's manufacturing industry (15.5%), which attests to the Company's success in talent retention.

#### 5.1.8 Pension and Retirement Plan

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

## Operational Highlights

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

### 5.1.9 Attendance and Leave policy

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

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

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

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

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

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

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

The Company respects the decision of each production site regarding labor union formation, as in line with our human rights policy. We engage in discussions every three years to review the collective bargaining agreement, considering the union's recommendations and ensuring effective communication. Additionally, we provide various internal channels for employees to express their opinions to management, such as suggestion boxes, supervisor meetings, and a formal complaint mechanism. This proactive approach fosters a positive labor-management relationship and helps to prevent labor disputes. It is pleased to report that in 2022, there were no violations of freedom of association and collective bargaining rights.

FENC operates 15 official labor unions at its production sites, except in the United States. These unions are open to all regular employees, except for managerial staff. In the United States, hourly employees are mandated to join the union upon employment, and non-unionized workers are not hired within the factory. The labor union participation rate across all production sites reaches 95%. Additionally, although four sites do not have formal unions, they maintain a harmonious labor-management relationship. Regular labor-management meetings are held quarterly, with publicly announced meeting minutes. The collective agreements reached in these meetings protect the rights of all unionized employees and cover all regular employees at non-unionized sites.

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

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

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

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

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

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

In order to strengthen the occupational safety and health management and to mitigate the risk of related operation, the Company has obtained Occupational Safety and Health Management Systems certifications for its 21 production sites, covering 100% of the workforce. This demonstrates the commitment to ensuring a safe and healthy work environment for the employees.

**C. Work environment sustainability:**

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

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

## Operational Highlights

### D. Employee health sustainability:

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

### E. Disaster response drills:

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

### F. Safety and health personnel training:

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

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

Year	Training headcounts	Training hours
2020	43,717	215,598
2021	41,836	82,513
2022	63,240	227,720

### G. Occupational injury statistics:

In 2022, the Company's occupational injury of 77 people accounted for 0.35% of the number of employees. In order to prevent the occurrence of occupational disasters, the Company will propose preventive measures according to the causes of the disasters as follows:

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

## 5.2 Loss Occurs Due to Labor Disputes in the Latest Years Till the Publishing Of This Annual Report:

The Company has not incurred any losses due to labor disputes. However, due to COVID-19 border restrictions, there was an instance where the number of migrant workers could not be immediately replenished, leading to occurrences of overtime work. This included cases where working hours exceeded the legal limits, in violation of Article 32(2) of the Labor Standards Act, resulting in a fine of NT\$50,000 issued on March 28, 2022 (Penalty : 2022 Taoyuan Labor Inspection Letter No. 1110075343). Additionally, there was another instance where employees did not receive the mandated two days off for every seven days, in violation of Article 36(1) of the Labor Standards Act, resulting in a fine of NT\$50,000 issued on March 28, 2022 (Penalty: 2022 Taoyuan Labor Inspection Letter No. 11100753431). The Company has since strengthened its strict control and compliance measures in accordance with the Labor Standards Act. A reexamination conducted on February 10, 2023, found no violations.

## 6. Information Security Management

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

On November 9, 2022, FENC's board of directors approved a proposal to appoint a Chief Information Security Officer, establish an information security department and work in conjunction with the existing Information & Technology Center (ITC). Their primary responsibility is to manage the information security of the company. The ITC has formulated Information Security Policies, certified by ISO 27001 standards (certification period: 2022/09/10~2025/09/09), to ensure efficient management and proper maintenance of the information environment. These policies serve as a guiding framework for all staff, with the objective of safeguarding the confidentiality, integrity, and availability of operational data and information. By adhering to these policies, we aim to mitigate the potential impact of information security breaches. The scope of these policies includes information authorization, data backup, system development, contractor management, and intellectual property management, among other areas.

FENC has established a well-defined information security management system (hereinafter referred to as ISMS) and policies to protect its competitive advantages, i.e., technological innovation and excellence throughout the industrial chain from downstream to upstream, and honor its commitment to shareholders, customers and partners. The Company has set up ISMS mechanisms and guidelines that apply in various dimensions, including, personnel, operation, technology and legal compliance. We continuously strengthen our management system and employ advanced technologies to thoroughly control risks. Additionally, we allocate sufficient resources and evaluate various information security insurance options to effectively protect information and resources. This ensures a seamless, systematic, and consistent digital transformation within the organization, enabling us to achieve our goals in information security management.

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

#### 6.1.1 Information security monitoring system:

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

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

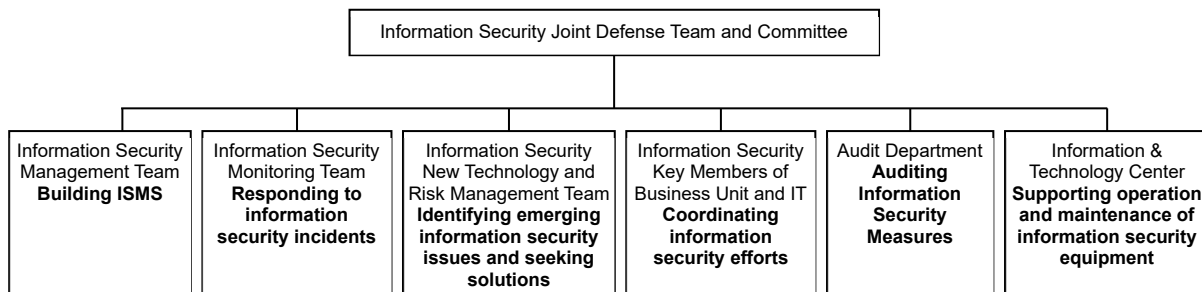
The Company has joined Taiwan CERT/CSIRT Alliance and established security incident management procedures that specify the process and measures to follow, including the incident reporting protocol and the description of the designated manager's responsibilities. In the event of an incident, the incident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

## Operational Highlights

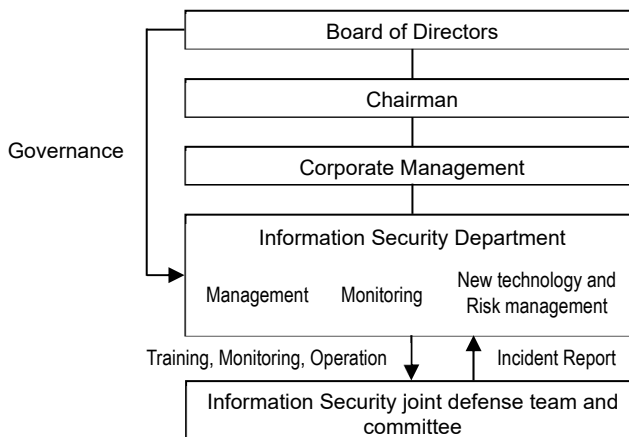
### 6.1.3 Personnel training on information security:

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

### 6.1.4 Information Security joint defense team and committee:



At the production sites, there are designated staff responsible for operation technology and information technology. Additionally, a third party, DDMC, has been involved in part of the structuring of the Company's information/communication security organization and other related matters, which are handled by a staff of 37 employees. On November 9, 2022, FENC established an information security department, a functional organization at the board level, with 5 employees which are responsible for building an architecture for corporate information security management and briefing the Company at the monthly risk management meeting on risk-related issues, corresponding responses, security-strengthening measures and review of regulations.



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

1. Security operations: Analyzing security threats in a timely manner.
2. Cyber intelligence: Assisting the Board of Directors to understand potential security concerns.
3. Data protection: Preventing employees' abuse or theft of data.



4. Security structure: Ensuring that IT and network infrastructure be designed in such a way that its security is guaranteed.
5. Supply chain information security: To comply with customer information security requirements and communicate the latest information security regulations and precautions to suppliers.

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

## 7. Important Contracts and Agreements

Type	Company	Counter Party	Duration Period	Major Contents	Covenants
Technology Cooperation	FENC	Industrial Technology Research Institute	2020.04~2022.06	The Process ability and rheology of polymer powder	None
		ChangYang Material Corp.	2021.09~2023.02	Recycled-based footwear materials	
	DDIM	Far Eastern International Bank	2009.09~Present	FEDirect HGI IC card agreement	No marketing for HGI card holders without prior approval of the parties.
		Citibank Taiwan	2016.05~2023.08	Co-Branded card agreement	Both parties shall not provide their cardholders' information to others for the promotional activities
Long-Term Supply Contract	FENC	SABIC	2011.01~Present	EG supply agreement	Automatically extended by one year when expiration
	OPTC	A to F (total six companies)	2018.01~Present	PX supply agreement	None
	Far Eastern Industries (Shanghai)	SABIC	2019.01~2023.12	EG supply agreement	
	Far EasTone	Ericsson Taiwan	2020.06~Present	Purchase for 5G cell site, mobile phone system and network equipment, software, installation, system construction and technical service	Confidential Clause
		Apple Asia LLC	2010.01~Present 2010.09~Present	Procurement agreement for iPhone Wireless Service License for Apple's iPad Product	
		Taiwan International Standard Electronics LTD.	2021.05~Present	Procurement agreement for telecommunication equipment	
Construction Agreement	Far Eastern General Contractor	Taiwan Fertilizer Co., Ltd.	2021.01~2024.02	TFC Nangang C4 commercial building construction	
		Office of Aerotropolis Public Construction, Taoyuan	2021.11~2027.02	Taoyuan Aerotropolis Phase D1 Expropriation Project General Contracting	
Long-Term Borrowing Contract	OPTC	Mega International Commercial Bank	2021.10~2026.10	ESG linked loan agreement	None
	Far Eastern Fibertech	The Bank of Taiwan	2022.02~2027.02	"Action Plan for Accelerated Investment by Domestic Corporations" loan	
		Mega International Commercial Bank	2021.01~2026.01	"Action Plan for Accelerated Investment by SMEs" loan	
	Oriental Green Materials	The Bank of Taiwan	2021.03~2026.03	"Action Plan for Accelerated Investment by SMEs" loan	
		First Commercial Bank	2022.12~2024.06	Bank loan agreement	
	FENC	The Bank of Taiwan	2021.11~2025.05 2022.08~2026.02	Bank loan agreement	
		Mizuho bank	2022.06~2025.06	Bank loan agreement	
		DBS bank	2022.06~2025.06	Blue loan	
	Yuan Ding Investment Corp.	Ta Ching Bills Finance Corp.	2020.04~2023.10 2020.06~2023.12	Unsecured recurring commercial paper	
		Taiwan Finance Corp.	2020.06~2024.06	Unsecured recurring commercial paper	
		China Bills Finance Corp.	2022.05~2026.05	Unsecured recurring commercial paper	

## VI. Financial Information

### 1. Five-Year Financial Summary

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

##### 1.1.1 Condensed Consolidated Balance Sheets

Unit: NT\$ thousands

Item	Year	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Mar 31, 2023 (Note 1)
Current assets		161,873,156	144,073,658	111,246,067	119,594,481	129,188,871	169,213,264
Property, plant and equipment		172,053,588	165,089,960	162,659,904	163,017,162	164,557,019	168,214,776
Intangible assets		82,096,055	87,572,942	93,617,166	55,286,152	57,997,019	80,530,995
Other assets		241,735,111	238,591,025	249,432,133	238,181,904	213,846,511	248,394,622
Total assets		657,757,910	635,327,585	616,955,270	576,079,699	565,589,420	666,353,657
Current liabilities	Before distribution	158,191,762	124,141,318	107,025,470	114,920,194	128,880,103	151,355,645
	After distribution	(Note 2)	132,170,631	114,251,852	122,949,507	138,515,278	(Note 2)
Non-current liabilities		227,894,071	241,771,349	240,505,160	189,838,322	168,979,880	239,518,483
Total liabilities	Before distribution	386,085,833	365,912,667	347,530,630	304,758,516	297,859,983	390,874,128
	After distribution	(Note 2)	373,941,980	354,757,012	312,787,829	307,495,158	(Note 2)
Common stock		53,528,751	53,528,751	53,528,751	53,528,751	53,528,751	53,528,751
Capital surplus	Before distribution	3,408,541	3,403,003	3,320,137	3,270,355	2,908,631	3,408,878
	After distribution						
Retained earnings	Before distribution	153,213,765	153,067,440	150,115,757	150,837,528	149,192,149	154,684,189
	After distribution	(Note 2)	145,038,127	142,889,375	142,808,215	139,556,974	(Note 2)
Other equity		(1,117,516)	(3,925,396)	(2,910,395)	(3,089,283)	(2,069,331)	(385,336)
Treasury stocks		(25,063)	(25,063)	(25,063)	(25,063)	(25,063)	(25,063)
Total equity attributable to owners of the Company	Before distribution	209,008,478	206,048,735	204,029,187	204,522,288	203,535,137	211,211,419
	After distribution	(Note 2)	198,019,422	196,802,805	196,492,975	193,899,962	(Note 2)
Non-controlling interests		62,663,599	63,366,183	65,395,453	66,798,895	64,194,300	64,268,110
Total equity	Before distribution	271,672,077	269,414,918	269,424,640	271,321,183	267,729,437	275,479,529
	After distribution	(Note 2)	261,385,605	262,198,258	263,291,870	258,094,262	(Note 2)

Note 1: The financial data of Mar 31, 2023 has been reviewed by the independent auditor.

Note 2: The distribution of 2022 earnings is subject to the approval at the upcoming 2023 Annual General Shareholders' Meeting.

## 1.1.2 Condensed Consolidated Statements of Comprehensive Income

Unit: NT\$ thousands, except earnings per share

Item \ Year	2022	2021	2020	2019	2018	For the three months ended Mar 31, 2023 (Note 1)
Operating revenues	263,944,525	238,806,217	206,769,281	250,146,590	228,661,933	61,539,147
Gross profit	50,020,451	46,485,700	40,395,676	44,749,930	44,400,112	11,223,090
Operating income	14,349,799	11,711,538	10,002,311	13,762,994	14,783,942	2,966,452
Nonoperating income (expenses)	2,799,831	6,115,767	6,121,173	5,367,261	6,271,188	948,764
Income before income tax	17,149,630	17,827,305	16,123,484	19,130,255	21,055,130	3,915,216
Net income	13,341,150	14,844,485	12,980,539	16,435,163	18,391,602	3,028,293
Other comprehensive income, net	3,116,351	(979,731)	258,469	(455,369)	905,869	837,189
Total comprehensive income	16,457,501	13,864,754	13,239,008	15,979,794	19,297,471	3,865,482
Net income attributable to owner of the Company	8,160,292	9,684,584	8,062,699	10,732,669	12,028,294	1,460,926
Net income attributable to non-controlling interests	5,180,858	5,159,901	4,917,840	5,702,494	6,363,308	1,567,367
Total comprehensive income attributable to owner of the Company	11,284,425	9,169,547	8,036,556	10,546,569	12,883,387	2,193,665
Total comprehensive income attributable to non-controlling interests	5,173,076	4,695,207	5,202,452	5,433,225	6,414,084	1,671,817
EPS (NT\$/share, Note 2)	1.63	1.94	1.62	2.15	2.41	0.29

Note 1: The financial data of Mar 31, 2023 has been reviewed by the independent auditor.

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

## 1.1.3 Condensed Balance Sheets (Stand-alone)

Unit: NT\$ thousands

Item \ Year	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Current assets	28,757,361	33,457,578	30,257,013	31,823,888	31,423,092
Property, plant and equipment	21,800,981	22,808,295	24,271,372	25,325,644	24,507,928
Intangible assets	17,971	15,611	16,280	18,948	17,087
Other assets	264,319,766	277,194,374	271,907,411	271,953,123	261,082,047
Total assets	314,896,079	333,475,858	326,452,076	329,121,603	317,030,154
Current liabilities	Before distribution	40,264,848	22,641,821	22,380,382	24,007,226
	After distribution	(Note)	30,671,134	29,606,764	32,036,539
Non-current liabilities		94,380,114	104,785,302	100,042,507	100,592,089
Total liabilities	Before distribution	134,644,962	127,427,123	122,422,889	124,599,315
	After distribution	(Note)	135,456,436	129,649,271	132,628,628
Common stock		53,528,751	53,528,751	53,528,751	53,528,751
Capital surplus	Before distribution	3,408,541	3,403,003	3,320,137	3,270,355
	After distribution				2,908,631
Retained earnings	Before distribution	153,213,765	153,067,440	150,115,757	150,837,528
	After distribution	(Note)	145,038,127	142,889,375	142,808,215
Other equity		(1,117,516)	(3,925,396)	(2,910,395)	(3,089,283)
Treasury stocks		(25,063)	(25,063)	(25,063)	(25,063)
Total equity attributable to owners of the Company	Before distribution	209,008,478	206,048,735	204,029,187	204,522,288
	After distribution	(Note)	198,019,422	196,802,805	196,492,975

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

## Financial Information

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

Unit: NT\$ thousands, except earnings per share

Item \ Year	2022	2021	2020	2019	2018
<b>Operating revenues</b>	51,246,072	45,527,236	38,768,801	46,477,960	54,063,801
<b>Gross profit</b>	7,295,073	6,934,699	5,290,621	4,953,143	5,197,053
<b>Operating Income (Loss)</b>	(827,793)	(554,938)	339,915	137,076	260,263
<b>Nonoperating income (expenses)</b>	9,050,877	10,498,692	7,544,687	10,606,950	12,458,314
<b>Income before income tax</b>	8,223,084	9,943,754	7,884,602	10,744,026	12,718,577
<b>Net income</b>	8,160,292	9,684,584	8,062,699	10,732,669	12,028,294
<b>Other comprehensive income, net</b>	3,124,133	(515,037)	(26,143)	(186,100)	855,093
<b>Total comprehensive income</b>	11,284,425	9,169,547	8,036,556	10,546,569	12,883,387
<b>EPS (NT\$/share, Note)</b>	1.63	1.94	1.62	2.15	2.41

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

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

Year	Name of CPA	Auditing Opinion	
		Consolidated	Stand-alone
<b>2022</b>	Chih-Ming Shao & Jr-Shian Ke	Unmodified unqualified opinion	Unmodified unqualified opinion
<b>2021</b>	Chih-Ming Shao & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion
<b>2020</b>	Chih-Ming Shao & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion
<b>2019</b>	Jing-Bin Shih & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion
<b>2018</b>	Jing-Bin Shih & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion

## 2. Financial Ratio Analysis for Recent Five Years

### 2.1 Financial Ratio Analysis

#### 2.1.1 Financial Ratio Analysis (Consolidated)

Item		Year	2022	2021	2020	2019	2018	March 31 2023
Financial structure	Ratio of liabilities to assets (%)		58.7	57.6	56.3	52.9	52.7	58.7
	Ratio of long-term capital to property, plant and equipment (%)		229.3	245.9	255.6	241.9	226.4	243.0
Liquidity analysis	Current ratio (%)		102.3	116.1	103.9	103.6	100.2	111.8
	Quick ratio (%)		65.8	72.9	80.3	78.3	69.9	74.1
	Interest coverage ratio (times)		6.1	7.6	6.5	6.9	8.8	4.4
Operating ability	Receivables turnover(times)		9.0	8.5	7.7	8.9	8.3	8.2
	Average collection period (days)		40.4	42.9	47.4	41.1	43.9	44.4
	Inventory turnover (times)		4.2	5.4	6.8	6.7	6.1	3.8
	Average sales days (days)		87.7	67.3	53.8	54.4	60.0	96.8
	Payables turnover (times)		11.4	10.6	9.2	11.7	9.8	10.6
	Property, plant and equipment turnover (times)		1.5	1.5	1.3	1.5	1.4	1.5
	Total assets turnover (times)		0.4	0.4	0.3	0.4	0.4	0.4
Profitability analysis	Return on total assets (%)		2.6	2.8	2.7	3.4	3.9	2.5
	Return on equity attributable to owners of the Company (%)		3.9	4.7	4.0	5.3	6.1	2.8
	Ratio to paid-in capital (%)	Operating profit	26.8	21.9	18.7	25.7	27.6	22.2
		Pre-tax income	32.0	33.3	30.1	35.7	39.3	29.3
	Ratio of net income to sales (%)		5.1	6.2	6.3	6.6	8.0	4.9
	EPS (NT\$/share) (Note)		1.63	1.94	1.62	2.15	2.41	0.29
Cash flow	Cash flow ratio (%)		24.3	29.4	38.8	38.2	14.6	17.0
	Cash flow adequacy ratio (%)		85.1	81.6	85.6	78.8	70.5	84.8
	Cash reinvestment ratio (%)		9.0	8.3	10.9	11.0	2.0	4.0
Leverage	Operating leverage		4.3	4.9	5.0	4.1	3.7	4.7
	Financial leverage		1.3	1.3	1.4	1.3	1.2	1.6
<p>Analysis of variations exceeding 20% of the numbers in previous year for 2021 and 2022:</p> <p>(1) Operating ability (Inventory turnover) decrease : mainly due to the 2021 "investment properties" was reclassified to "inventories-construction in progress", and the 2022 operating momentum led to ample inventory buildup, thus increasing the year-end inventory.</p> <p>(2) Profitability analysis (Operating profit to paid-in capital ratio(%)) increase : mainly due to the 2022 telecom business operating profit increased.</p>								

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

## Financial Information

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

Item		Year	2022	2021	2020	2019	2018
Financial structure	Ratio of liabilities to assets (%)		39.2	38.2	37.5	37.9	35.8
	Ratio of long-term capital to property, plant and equipment (%)		1,378.4	1,350.8	1,241.8	1,204.8	1,198.4
Liquidity analysis	Current ratio (%)		71.4	147.8	135.2	132.6	134.6
	Quick ratio (%)		51.2	115.8	115.8	110.7	105.8
	Interest coverage ratio (times)		8.4	12.2	9.3	11.9	15.0
Operating ability	Receivables turnover(times)		6.8	7.1	7.4	7.5	7.7
	Average collection period (days)		53.7	51.5	49.1	48.4	47.6
	Inventory turnover (times)		6.2	7.1	7.1	7.0	7.6
	Average sales days (days)		59.0	51.7	51.6	52.1	47.8
	Payables turnover (times)		14.2	15.5	14.6	14.6	15.6
	Property, plant and equipment turnover (times)		2.4	2.0	1.6	1.8	2.2
	Total assets turnover (times)		0.2	0.1	0.1	0.1	0.2
Profitability analysis	Return on total assets (%)		2.7	3.2	2.8	3.6	4.3
	Return on shareholders' equity (%)		3.9	4.7	4.0	5.3	6.1
	Ratio to paid-in capital (%)	Operating profit	(1.6)	(1.0)	0.6	0.3	0.5
		Pre-tax income	15.4	18.6	14.7	20.1	23.8
	Ratio of net income to sales (%)		15.9	21.3	20.8	23.1	22.3
Cash flow	EPS (NT\$/share, Note)		1.63	1.94	1.62	2.15	2.41
	Cash flow ratio (%)		27.1	20.5	47.0	58.7	39.4
	Cash flow adequacy ratio (%)		96.5	93.5	106.4	106.6	98.0
Leverage	Cash reinvestment ratio (%)		1.0	(0.8)	0.8	1.5	1.0
	Operating leverage		—	—	21.1	53.2	30.5
Leverage	Financial leverage		—	—	—	—	—
<b>Analysis of variations exceeding 20% of the numbers in previous year for 2021 and 2022:</b> (1) Liquidity analysis (current ration, quick ratio, interest coverage ratio) decreased: mainly due to the 2022 short-term notes payable increased and income before tax decreased. (2) Profitability analysis (operating profit to paid-in capital ratio(%), net income to sales ratio(%)) decreased: mainly due to the 2022 operating profit and income after tax decreased (3) Cash flow (Cash flow ratio 、Cash reinvestment ratio) increased : mainly due to the 2022 cash flows from operating activities increased.							

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

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

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

**2. Liquidity analysis**

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

**3. Operating ability**

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

**4. Profitability analysis**

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

**5. Cash flow**

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

**6. Leverage**

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

## Financial Information

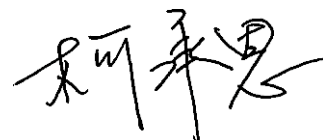
### 3. The Audit Committee's Review Report

#### The Audit Committee's Review Report

To the 2023 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 2022 which had been audited by Deloitte & Touche, and found them in order.

The Convener of the Audit Committee: Chen-En KO



May 9, 2023

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

None



## 5. Financial Report (Consolidated)

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

### 2022 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, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of 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, 2022. 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, 2022 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.

## Financial Information

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 17 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.

#### **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, 2022 and 2021, 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\$24,111,666 thousand and NT\$18,260,477 thousand, representing 4% and 3% of the Group's consolidated assets as of December 31, 2022 and 2021. The total operating revenue of the aforementioned companies was NT\$18,562,542 thousand and NT\$12,093,616 thousand, representing 7% and 5% of the Group's consolidated net operating revenue for the years ended December 31, 2022 and 2021.

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, 2022 and 2021 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 Standards on Auditing of 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.

## Financial Information

As part of an audit in accordance with the Standards on Auditing of 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, 2022 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 Jr Shian Ke.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 16, 2023

Notice to Readers

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

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

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

#### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 47,244,499	7	\$ 34,544,963	5
Financial assets at fair value through profit or loss (Notes 4, 7 and 34)	5,973,631	1	5,973,798	1
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	113,543	-	141,111	-
Financial assets at amortized cost - current (Notes 9 and 34)	1,904,585	-	3,736,179	1
Contact assets (Notes 4, 26 and 34)	6,807,718	1	6,838,329	1
Notes and accounts receivable, net (Notes 4, 10, 26 and 34)	29,095,332	4	29,336,993	5
Other receivables (Note 34)	5,806,618	1	3,409,599	-
Current tax assets (Note 4)	178,449	-	43,922	-
Inventories (Notes 11 and 35)	53,945,228	8	48,965,163	8
Prepayments (Note 35)	3,909,731	1	4,659,552	1
Other financial assets (Notes 34 and 35)	3,088,720	1	2,837,333	-
Refundable deposits	88,991	-	52,252	-
Other current assets (Note 26)	3,716,111	1	3,534,464	1
Total current assets	161,873,156	25	144,073,658	23
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	6,190,477	1	7,450,337	1
Financial assets at amortized cost (Notes 9, 34 and 35)	1,455,482	-	515,300	-
Financial assets for hedging	6,980	-	3,517	-
Investments accounted for using the equity method (Notes 4, 13 and 35)	80,443,033	12	79,452,479	13
Contract assets (Notes 4 and 26)	3,670,471	1	3,362,671	1
Property, plant and equipment (Notes 4, 15 and 35)	172,053,588	26	165,089,960	26
Right-of-use assets (Notes 4, 16 and 34)	17,590,081	3	17,282,460	3
Investment properties (Notes 4, 17 and 35)	115,498,368	18	117,236,910	18
Concessions (Notes 4, 19 and 35)	66,899,173	10	71,801,775	11
Goodwill (Note 4 and 18)	12,289,981	2	12,285,871	2
Other intangible assets (Notes 4 and 19)	2,906,901	1	3,485,296	1
Deferred tax assets (Note 4)	2,588,649	-	2,766,907	-
Prepayments for equipment (Note 15)	2,747,703	-	803,961	-
Refundable deposits	1,603,216	-	1,380,859	-
Long-term receivables (Notes 10, 26 and 34)	2,142,111	-	93,134	-
Incremental costs of obtaining a contract (Notes 4 and 26)	3,702,294	1	3,908,968	1
Net defined benefit assets (Note 23)	1,684,780	-	1,409,774	-
Other financial assets (Notes 34 and 35)	1,819,892	-	2,263,788	-
Other non-current assets	591,574	-	659,960	-
Total non-current assets	495,884,754	75	491,253,927	77
<b>TOTAL</b>	<b>\$ 657,757,910</b>	<b>100</b>	<b>\$ 635,327,585</b>	<b>100</b>

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2022		2021	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 20)	\$ 45,591,748	7	\$ 41,123,185	6
Short-term bills payable (Note 20)	32,170,182	5	5,907,698	1
Financial liabilities at fair value through profit or loss (Notes 7 and 34)	28,382	-	372	-
Contract liabilities (Notes 4, 26 and 34)	6,408,943	1	4,833,211	1
Notes and accounts payable	18,931,404	3	18,995,689	3
Notes and accounts payable to related parties (Note 34)	269,030	-	327,836	-
Lease liabilities (Notes 4, 16 and 34)	3,213,996	-	3,218,502	-
Payables to suppliers of machinery and equipment	3,973,468	1	3,556,519	1
Other payables	15,577,136	2	15,949,146	3
Current tax liabilities (Notes 4 and 28)	3,462,990	1	3,146,037	-
Provisions (Notes 4 and 22)	301,143	-	256,684	-
Guarantee deposits received	157,537	-	145,360	-
Current portion of long-term liabilities (Notes 20 and 21)	25,081,824	4	23,213,998	4
Other current liabilities	3,023,979	-	3,467,081	1
Total current liabilities	158,191,762	24	124,141,318	20
<b>NON-CURRENT LIABILITIES</b>				
Contract liabilities (Notes 4 and 26)	10,375,860	2	10,619,363	2
Bonds payable (Note 21)	92,419,985	14	103,892,830	16
Long-term borrowings (Note 20)	93,047,183	14	96,014,553	15
Provisions (Notes 4 and 22)	1,447,991	-	1,401,275	-
Deferred tax liabilities (Notes 4 and 28)	18,396,917	3	18,568,637	3
Lease liabilities (Notes 4, 16 and 34)	6,491,971	1	6,447,007	1
Deferred credit-gains on related-party transactions (Note 34)	120,861	-	121,416	-
Net defined benefit liabilities (Note 23)	531,833	-	873,412	-
Guarantee deposits received (Note 34)	769,600	-	779,279	-
Other non-current liabilities	4,291,870	1	3,053,577	1
Total non-current liabilities	227,894,071	35	241,771,349	38
Total liabilities	386,085,833	59	365,912,667	58
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)</b>				
Share capital				
Common stock	53,528,751	8	53,528,751	8
Capital surplus	3,408,541	1	3,403,003	1
Retained earnings				
Legal reserve	20,777,078	3	19,759,271	3
Special reserve	119,142,658	18	119,451,597	19
Unappropriated earnings	13,294,029	2	13,856,572	2
Total retained earnings	153,213,765	23	153,067,440	24
Other equity	(1,117,516)	-	(3,925,396)	(1)
Treasury shares	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	209,008,478	32	206,048,735	32
<b>NON-CONTROLLING INTERESTS (Note 25)</b>	62,663,599	9	63,366,183	10
Total equity	271,672,077	41	269,414,918	42
<b>TOTAL</b>	<b>\$ 657,757,910</b>	<b>100</b>	<b>\$ 635,327,585</b>	<b>100</b>

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 34)				
Net sales	\$ 191,973,405	73	\$ 169,280,929	71
Telecommunications service revenue	46,149,939	17	45,333,985	19
Construction revenue	4,861,293	2	7,297,098	3
Other operating revenue	20,959,888	8	16,894,205	7
Total operating revenue	263,944,525	100	238,806,217	100
OPERATING COSTS (Notes 11, 27 and 34)				
Cost of goods sold	172,811,663	65	151,471,140	63
Cost of telecommunications services	24,358,966	9	24,338,066	10
Construction costs	4,094,657	2	6,517,730	3
Other operating costs	12,640,976	5	9,910,004	4
Loss on disposal of investments, net	17,812	-	83,577	-
Total operating costs	213,924,074	81	192,320,517	80
GROSS PROFIT	50,020,451	19	46,485,700	20
REALIZED CONSTRUCTION INCOME	555	-	555	-
OPERATING EXPENSES (Notes 8, 26, 27 and 34)				
Selling and marketing	23,587,255	9	23,047,831	10
General and administrative	11,348,264	4	10,781,952	5
Research and development	989,952	1	880,071	-
Expected credit loss	329,171	-	283,543	-
Total operating expenses	36,254,642	14	34,993,397	15
OTHER GAIN AND LOSS, NET	583,435	-	218,680	-
OPERATING INCOME	14,349,799	5	11,711,538	5
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of associates	4,416,876	2	7,221,766	3
Interest income (Note 34)	441,709	-	266,179	-
Other income	1,579,547	-	1,300,742	-
(Loss) gain on financial assets (liabilities) at fair value through profit or loss, net (Notes 7 and 34)	(679,849)	-	529,457	-
Gain on change in fair value of investment properties (Note 17)	341,971	-	249,820	-
Interest expense (Notes 27 and 34)	(3,340,022)	(1)	(2,691,754)	(1)
Other expenses (Note 34)	(744,162)	-	(722,472)	-
Exchange gain (loss), net	1,375,481	-	(207,822)	-
Impairment loss (Notes 15 and 19)	(60,256)	-	(834,189)	-
(Loss) gain on disposal of non-financial assets (Note 27)	(531,464)	-	1,004,040	-
Total non-operating income and expenses	2,799,831	1	6,115,767	2

(Continued)



## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 17,149,630	6	\$ 17,827,305	7
INCOME TAX EXPENSE (Notes 4 and 28)	(3,808,480)	(1)	(2,982,820)	(1)
NET INCOME	13,341,150	5	14,844,485	6
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	363,331	-	317,398	-
Gain on property revaluation (Note 15)	52,685	-	272,452	-
Unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income	(1,290,251)	(1)	(170,815)	-
Share of the other comprehensive income (loss) gain of associates accounted for using the equity method	(327,431)	-	415,502	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	(69,904)	-	(78,870)	-
	(1,271,570)	(1)	755,667	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	3,667,120	2	(1,314,281)	(1)
Gain on hedging instruments	3,463	-	12,025	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	717,338	-	(433,142)	-
OTHER COMPREHENSIVE INCOME (LOSS)	4,387,921	2	(1,735,398)	(1)
Other comprehensive income (loss), net of income tax	3,116,351	1	(979,731)	-
TOTAL COMPREHENSIVE INCOME	\$ 16,457,501	6	\$ 13,864,754	6
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 8,160,292	3	\$ 9,684,584	4
Non-controlling interests	5,180,858	2	5,159,901	2
	\$ 13,341,150	5	\$ 14,844,485	6
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 11,284,425	4	\$ 9,169,547	4
Non-controlling interests	5,173,076	2	4,695,207	2
	\$ 16,457,501	6	\$ 13,864,754	6
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 29)				
Basic	\$ 1.63		\$ 1.94	
Diluted	\$ 1.63		\$ 1.94	

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

(Concluded)

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company				
	Common Stock	Capital Surplus	Legal Reserve	Retained Earnings Special Reserve	Unappropriated Earnings
BALANCE AT JANUARY 1, 2021	\$ 53,528,751	\$ 3,320,137	\$ 19,028,517	\$ 117,342,360	\$ 13,744,880
Appropriation of the 2020 earnings					
Legal reserve	-	-	730,754	-	(730,754)
Special reserve	-	-	-	2,109,237	(2,109,237)
Cash dividends	-	-	-	-	(7,226,382)
Cash dividends distributed by subsidiaries	-	-	-	-	-
Cash dividends distributed by subsidiaries from capital surplus	-	-	-	-	-
Net income for the year ended December 31, 2021	-	-	-	-	9,684,584
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	288,692
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	9,973,276
Change in associates accounted for using the equity method	-	131,179	-	-	46,117
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,052	-	-	-
Differences between the acquisition or disposition of the equity price of subsidiaries and the carrying amount	-	(50,072)	-	-	-
Change in ownership interest of subsidiaries	-	707	-	-	-
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	125,315
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	33,357
BALANCE AT DECEMBER 31, 2021	53,528,751	3,403,003	19,759,271	119,451,597	13,856,572
Appropriation of the 2021 earnings					
Legal reserve	-	-	1,017,807	-	(1,017,807)
Special reserve	-	-	-	779,995	(779,995)
Cash dividends	-	-	-	-	(8,029,313)
Cash dividends distributed by subsidiaries	-	-	-	-	-
Cash dividends distributed by subsidiaries from capital surplus	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	8,160,292
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	342,487
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	8,502,779
Change in associates accounted for using the equity method	-	(288)	-	-	1,054
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,169	-	-	-
Change in ownership interest of subsidiaries	-	4,581	-	-	(301,813)
Share-based payment arrangements	-	76	-	-	-
Increase in non-controlling Interests	-	-	-	-	-
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(26,382)
Reversal of special reserve	-	-	-	(1,088,934)	1,088,934
BALANCE AT DECEMBER 31, 2022	\$ 53,528,751	\$ 3,408,541	\$ 20,777,078	\$ 119,142,658	\$ 13,294,029

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

Equity Attributable to Owners of the Company							
Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Hedging Instruments	Gain on Property Revaluations	Treasury Shares	Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
\$ (7,218,941)	\$ 1,995,447	\$ 19,480	\$ 2,293,619	\$ (25,063)	\$ 204,029,187	\$ 65,395,453	\$ 269,424,640
-	-	-	-	-	-	-	-
-	-	-	-	-	(7,226,382)	-	(7,226,382)
-	-	-	-	-	-	(4,705,450)	(4,705,450)
-	-	-	-	-	-	(2,041,690)	(2,041,690)
-	-	-	-	-	9,684,584	5,159,901	14,844,485
(1,500,584)	409,880	3,912	283,063	-	(515,037)	(464,694)	(979,731)
(1,500,584)	409,880	3,912	283,063	-	9,169,547	4,695,207	13,864,754
-	(50,869)	-	(1,731)	-	124,696	1,134	125,830
-	-	-	-	-	1,052	-	1,052
-	-	-	-	-	(50,072)	(27,167)	(77,239)
-	-	-	-	-	707	48,696	49,403
-	(125,315)	-	-	-	-	-	-
-	(33,357)	-	-	-	-	-	-
(8,719,525)	2,195,786	23,392	2,574,951	(25,063)	206,048,735	63,366,183	269,414,918
-	-	-	-	-	-	-	-
-	-	-	-	-	(8,029,313)	-	(8,029,313)
-	-	-	-	-	-	(5,290,167)	(5,290,167)
-	-	-	-	-	-	(1,464,953)	(1,464,953)
-	-	-	-	-	8,160,292	5,180,858	13,341,150
4,146,901	(1,384,912)	1,192	18,465	-	3,124,133	(7,782)	3,116,351
4,146,901	(1,384,912)	1,192	18,465	-	11,284,425	5,173,076	16,457,501
-	(142)	-	(6)	-	618	(7,585)	(6,967)
-	-	-	-	-	1,169	-	1,169
-	-	-	-	-	(297,232)	207,051	(90,181)
-	-	-	-	-	76	123	199
-	-	-	-	-	-	679,871	679,871
-	26,382	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ (4,572,624)	\$ 837,114	\$ 24,584	\$ 2,593,410	\$ (25,063)	\$ 209,008,478	\$ 62,663,599	\$ 271,672,077

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 17,149,630	\$ 17,827,305
Adjustments for:		
Depreciation	20,945,978	20,634,019
Amortization	6,778,942	6,916,743
Expected credit loss	329,171	283,543
Interest expense	3,340,022	2,691,754
Interest income	(441,709)	(266,179)
Dividend income	(148,385)	(87,330)
Share-based payment arrangements	199	-
Share of the profit of associates	(4,416,876)	(7,221,766)
Loss (gain) on disposal of non-financial assets	531,464	(1,004,040)
Loss on disposal of investments	3	63,092
Impairment loss	60,256	834,189
Write-down of inventories	364,176	34,773
Realized gain on the transactions with associates	(555)	(555)
Gain on change in fair value of investment properties	(341,971)	(249,820)
Gain on modifications of lease	-	(306)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	149,104	(518,568)
Contract assets	(274,189)	(893,412)
Notes and accounts receivable	488,685	(2,815,713)
Other receivables	(389,306)	13,757
Inventories	(3,991,114)	(10,353,496)
Prepayments	749,821	(1,309,711)
Other current assets	(181,647)	(294,136)
Incremental cost of obtaining a contract	206,674	(418,324)
Financial liabilities at fair value through profit or loss	28,010	(10,247)
Contract liabilities	1,265,607	9,753,661
Notes and accounts payable	(392,164)	1,249,633
Notes and accounts payable to related parties	(125,382)	36,816
Other payables	(747,876)	1,627,786
Provisions	94,693	359,365
Other current liabilities	(443,102)	299,409
Net defined benefit assets and liabilities	(253,254)	(481,489)
Other non-current liabilities	(620,827)	(146,327)
Cash generated from operations	39,714,078	36,554,426
Interest received	420,544	291,443
Dividends received	5,334,049	5,031,452
Interest paid	(3,268,399)	(2,805,822)
Income tax paid	(3,689,420)	(2,693,719)
Net cash generated from operating activities	<u>38,510,852</u>	<u>36,377,780</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(3,003)	(5,248,450)
Proceeds from the disposal of financial assets at fair value through other comprehensive income	-	272,256

(Continued)

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	2022	2021
Cash received by reduction of capital of financial assets at fair value through other comprehensive income	\$ 15,769	\$ 21,450
Decrease (increase) in financial assets at amortized cost	891,412	(1,234,408)
Acquisition of investments accounted for using the equity method	(901,266)	(1,773,561)
Prepayments for long-term investment	(168,812)	-
Acquisition of property, plant, equipment and prepayments for equipment	(22,869,950)	(20,173,864)
Proceeds from the disposal of property, plant and equipment	138,674	3,130,060
Increase in refundable deposits	(259,096)	(5,337)
(Increase) decrease in other receivables	(1,618,640)	568,230
Acquisition of intangible assets	(760,501)	(684,663)
Increase in concessions	(336,028)	(171,271)
Proceeds from disposal of concessions	5,516	1,714
Proceeds on the disposal of intangible assets	41,291	19,411
Acquisition of right-of-use assets	-	(1,752)
Acquisition of investment properties	(30,285)	(21,258)
Proceeds from the disposal of investment properties	62,434	192,882
Decrease in other financial assets	192,509	325,014
Decrease (increase) in other non-current assets	212,821	(164,261)
Other investing activities	<u>1,864,609</u>	<u>3,163,755</u>
Net cash used in investing activities	<u>(23,522,546)</u>	<u>(21,784,053)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	2,086,686	7,648,572
Increase (decrease) in short-term bills payables	26,365,800	(1,000,522)
Proceeds from issue of bonds	9,500,000	21,400,000
Repayments of bonds payables	(22,200,000)	(13,200,000)
Proceeds from long-term borrowings	266,109,827	230,986,198
Repayments of long-term borrowings	(266,058,369)	(243,049,759)
Increase in guarantee deposits received	2,498	37,081
Repayment of the principal portion of lease liability	(3,969,182)	(3,953,827)
Decrease in other non-current liabilities	(5,489)	(9,176)
Cash dividends paid	(8,029,313)	(7,226,382)
Increase on non-controlling interests	-	49,403
Issuance of ordinary shares for cash in subsidiaries	679,871	-
Acquisition of partial equity in subsidiaries from non-controlling interest	(90,181)	(77,239)
Dividends paid to non-controlling interests	<u>(6,754,712)</u>	<u>(6,746,753)</u>
Net cash used in financing activities	<u>(2,362,564)</u>	<u>(15,142,404)</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>73,794</u>	<u>(104,979)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,699,536	(653,656)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>34,544,963</u>	<u>35,198,619</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 47,244,499</u>	<u>\$ 34,544,963</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

(Concluded)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

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#### 1. GENERAL INFORMATION

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

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

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

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 8, 2023.

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

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

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

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

**Amendments to IAS 12 “Deferred Tax related to Assets and  
Liabilities arising from a Single Transaction**

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group shall recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and the Group shall recognize the cumulative effect of initial application in retained earnings at that date. The Group shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. The Group shall restate its comparative information when it initially applies the aforementioned amendments.

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

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Statement of compliance

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

##### b. Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

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

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

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



d. Basis of consolidation

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

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

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

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

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

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

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

Refer to Note 12, Table 14 and Table 15 for the detailed information of subsidiaries, including the percentages of ownership and main businesses.

The Group shared and assumed the assets, liabilities, revenue and expenses of the joint operation - Corpus Christi Polymers LLC by recognizing its equity. Refer to Note 14.

e. Business combinations

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

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

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

f. Foreign currencies

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

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

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

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

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

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

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

g. Inventories

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

h. Investments in associates

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

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

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

The Company's gain or loss is recognized under treasury share method when there are associates.

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

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

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

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

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

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

i. Joint operations

A joint operation is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Any acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business should be treated as a business combination, except when the parties sharing joint control are under the common control of the same ultimate controlling party or parties both before and after the acquisition and that control is not transitory.

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

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

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

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

j. Property, plant and equipment

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

Properties, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. These assets are measured at the lower of cost or net realizable value until they reach their intended use. The sales price and cost are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

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

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

k. Investment properties

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

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

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

For a transfer from property, plant and equipment to investment property at the end of owner-occupation, any difference between the fair value of the property at the transfer date and its previous carrying amount is recognized in other comprehensive income, and accumulated. The revaluation increment to equity is transferred directly to retained earnings when the asset is derecognized.

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

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

#### l. Goodwill

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

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

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

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

#### m. Intangible assets

##### 1) Intangible assets acquired separately

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

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

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

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

n. Assets related to contract costs

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

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

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

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

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

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

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

p. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in other income and interest income, respectively, does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 33.

ii. Financial assets at amortized cost

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

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

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



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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

Financial liabilities at FVTPL

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

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

Fair value is determined in the manner described in Note 33.

b) Derecognition of financial liabilities

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

#### 4) Derivative financial instruments

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

#### q. Hedge accounting

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

##### 1) Fair value hedges

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

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

##### 2) Cash flow hedges

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

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

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

#### r. Provisions

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

1) Decommissioning, restoration and similar liabilities

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

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

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

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

2) Onerous contracts

Where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract, the present obligations arising under onerous contracts are recognized and measured as provisions. In assessing whether a contract is onerous, before 2022, the cost of fulfilling a contract only includes the incremental costs of fulfilling that contract; however, starting from 2022, the cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that are related directly to fulfilling contracts.

3) Warranties

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

s. Revenue recognition

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

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

1) Revenue from sale of goods

Revenue from sale of goods comes from sales of petrochemical, chemical fiber, textile goods, mobile telecommunication devices and related accessories. Sales of goods are recognized as revenue when the goods are shipped or delivered because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Revenue and accounts receivable are recognized concurrently. For internet sales of general goods, revenue is recognized when the goods are delivered to the customer's specific location. When the customer initially purchases the goods online, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

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

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

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

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

## 2) Revenue from rendering of services

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

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

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

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

## 3) Construction contract revenue

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

#### 4) Service concession revenue

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

#### t. Leasing

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

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

##### 1) The Group as lessor

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

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

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

##### 2) The Group as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the consolidated balance sheets.

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

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as other operating income and expenses, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

u. Borrowing costs

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

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

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

v. Government grants

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

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

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

w. Employee benefits

1) Short-term employee benefits

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

## 2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur, or when the plan amendment or curtailment occurs and when the settlement occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

## 3) Termination benefits

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

## x. Taxation

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

### 1) Current tax

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

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

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

### 2) Deferred tax

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

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

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

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

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

### 3) Current and deferred taxes for the year

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

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

### Fair Value Measurements and Valuation Processes of Investment Properties

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



Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 17.

### Useful Lives of Property, Plant and Equipment

The Group reviews the estimated useful life of property, plant and equipment at each balance sheet date. During the current period, management determined that the useful life of certain items of equipment should be shortened.

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is an increase in consolidated depreciation expense for the year ended December 31, 2022 and for the subsequent 3 years:

Year	Amount
2022	\$ 77,058
2023	77,058
2024	77,058
2025	66,667

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash		
Cash on hand and petty cash	\$ 28,078	\$ 28,721
Demand and checking accounts	<u>27,155,901</u>	<u>26,709,608</u>
	<u>27,183,979</u>	<u>26,738,329</u>
Cash equivalents (investments with original maturities of less than three months)		
Time deposits	9,212,071	2,532,036
Commercial paper and corporate bonds purchased under resale agreements	<u>10,693,060</u>	<u>5,118,035</u>
	<u>19,905,131</u>	<u>7,650,071</u>
Management discretionary accounts		
Demand accounts	<u>155,389</u>	<u>156,563</u>
	<u>\$ 47,244,499</u>	<u>\$ 34,544,963</u>

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

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

	December 31	
	2022	2021
Time deposits	0.35%-4.54%	0.08%-2.03%
Commercial paper and corporate bonds purchased under resale agreements	0.30%-1.22%	0.21%-0.32%

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds - beneficial certificates	\$ 5,797,225	\$ 5,551,567
Listed shares	166,100	394,802
Trade fair investment agreement	3,840	-
Derivative financial assets (not under hedge accounting)		
Forward exchange contracts	<u>6,466</u>	<u>27,429</u>
	<u>\$ 5,973,631</u>	<u>\$ 5,973,798</u>

### Financial liabilities - current

#### Held for trading

Derivative financial liabilities (not under hedge accounting)		
Forward exchange contracts	<u>\$ 28,382</u>	<u>\$ 372</u>

#### a. Forward exchange contracts

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

As of December 31, 2022 and 2021, the Group had outstanding forward exchange contracts, which were stated as follows:

	<b>Currency</b>	<b>Maturity</b>	<b>Contract Amount (Thousands)</b>
<u>December 31, 2022</u>			
Sell	USD/NTD	2023.01.06-2023.01.30	USD39,000/NTD1,199,258
Sell	EUR/USD	2023.01.19-2023.02.24	EUR7,000/USD7,153
Buy	USD/JPY	2023.01.18-2023.04.28	USD3,000/JPY408,515
Buy	USD/RMB	2023.02.24-2023.02.27	USD8,500/RMB59,164
Sell	RMB/NTD	2023.01.12-2023.02.06	RMB8,000/NTD35,232
Sell	JPY/NTD	2023.02.02-2023.03.10	JPY1,157,000/NTD261,705
Sell	JPY/RMB	2023.03.22-2023.06.28	JPY480,000/RMB24,135
Sell	USD/RMB	2023.01.03-2023.02.23	USD40,000/RMB280,104
Sell	EUR/RMB	2023.01.10-2023.06.15	EUR4,500/RMB32,109

#### December 31, 2021

Sell	USD/NTD	2022.01.07-2022.04.01	USD73,620/NTD2,042,646
Sell	EUR/USD	2022.01.28-2022.03.31	EUR9,000/USD10,190
Buy	USD/JPY	2022.01.25-2022.04.01	USD6,500/JPY739,823
Buy	USD/RMB	2022.02.25	USD3,000/RMB19,188

(Continued)

	Currency	Maturity	Contract Amount (Thousands)
Sell	RMB/NTD	2022.01.10-2022.01.20	RMB16,850/NTD73,368
Sell	JPY/NTD	2022.01.07-2022.03.04	JPY1,179,380/NTD287,191
Sell	JPY/RMB	2022.01.28-2022.03.22	JPY310,000/RMB17,506
Sell	USD/RMB	2022.01.05-2022.06.15	USD92,600/RMB596,206
Sell	EUR/RMB	2022.01.25-2022.06.15	EUR8,400/RMB61,384
Buy	USD/NTD	2022.01.05-2022.01.17	USD2,500/NTD69,244
			(Concluded)

b. Option contracts

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

The Group had no outstanding option contracts as of December 31, 2022 and 2021.

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

	<u>December 31</u>	
	2022	2021
<u>Financial assets at FVTOCI</u>		
Domestic listed shares	\$ 3,745,673	\$ 4,971,562
Domestic unlisted shares	1,329,772	1,545,447
Real estate investment trust mutual funds - beneficial certificates	486,559	487,029
Oversea shares	<u>742,016</u>	<u>587,410</u>
	<u>\$ 6,304,020</u>	<u>\$ 7,591,448</u>
Current	\$ 113,543	\$ 141,111
Non-current	<u>6,190,477</u>	<u>7,450,337</u>
	<u>\$ 6,304,020</u>	<u>\$ 7,591,448</u>

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

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

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

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	<u>\$ 1,904,585</u>	<u>\$ 3,736,179</u>
<u>Non-current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	\$ 955,482	\$ 15,300
Subordinated corporate bonds of Cathay Life Insurance Co., Ltd. (b)	<u>500,000</u>	<u>500,000</u>
	<u>\$ 1,455,482</u>	<u>\$ 515,300</u>

- a. The interest rates for time deposits with original maturities of more than 3 months were from 0.32% to 3.50% and 0.07% to 2.10% as of December 31, 2022 and 2021.
- b. In June 2019, the Group purchased corporate bonds which were issued by Cathay Life Insurance Co., Ltd. the coupon rate and the effective interest rate are both 3.00%.

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

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

## 10. NOTES AND ACCOUNTS RECEIVABLE

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Notes and accounts receivable</u>		
At amortized cost		
Notes and accounts receivable	\$ 30,314,010	\$ 30,423,284
Less: Allowance for doubtful accounts	(1,212,746)	(1,082,425)
Less: Unrealized interest income	(983)	(2,425)
Less: Ungained interest income	<u>(4,949)</u>	<u>(1,441)</u>
	<u>\$ 29,095,332</u>	<u>\$ 29,336,993</u>

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Gross amounts of accounts receivable	\$ 57,678	\$ 95,638
Allowance for doubtful accounts	-	(6,797)
Unrealized interest income	<u>(1,755)</u>	<u>(4,181)</u>
	<u>\$ 55,923</u>	<u>\$ 84,660</u>
Current	\$ 24,821	\$ 28,737
Non-current	<u>31,102</u>	<u>55,923</u>
	<u>\$ 55,923</u>	<u>\$ 84,660</u>

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Gross amount of finance lease receivable	\$ 174,282	\$ 49,081
Ungained interest income	<u>(15,281)</u>	<u>(4,620)</u>
	<u>\$ 159,001</u>	<u>\$ 44,461</u>
Undiscounted lease payments		
1 <sup>st</sup> year	\$ 32,942	\$ 8,691
2 <sup>nd</sup> year	32,330	8,691
3 <sup>rd</sup> year	30,496	8,691
4 <sup>th</sup> year	30,138	8,691
5 <sup>th</sup> year	22,745	8,334
Over 5 <sup>th</sup> year	<u>25,631</u>	<u>5,983</u>
	174,282	49,081
Less: Unearned finance income	<u>(15,281)</u>	<u>(4,620)</u>
Finance lease receivables	<u>\$ 159,001</u>	<u>\$ 44,461</u>
Current	\$ 27,992	\$ 7,250
Non-current	<u>131,009</u>	<u>37,211</u>
	<u>\$ 159,001</u>	<u>\$ 44,461</u>

The Group entered into a finance lease agreement with a client to lease out its data center equipment as part of the enterprise project services provided to the client. The term of the finance lease entered into was 3-8 years. The interest rate inherent in the lease was 3.0%-4.5%, which was determined at the contract date and was fixed for the entire term of the lease.

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

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

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

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

**December 31, 2022**

	<b>1 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Gross carrying amount	\$ 28,486,024	\$ 1,641,977	\$ 61,221	\$ 118,856	\$ 30,308,078
Loss allowance (Lifetime ECL)	<u>(743,200)</u>	<u>(310,640)</u>	<u>(42,119)</u>	<u>(116,787)</u>	<u>(1,212,746)</u>
Amortized cost	<u>\$ 27,742,824</u>	<u>\$ 1,331,337</u>	<u>\$ 19,102</u>	<u>\$ 2,069</u>	<u>\$ 29,095,332</u>

**December 31, 2021**

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

The above aging schedule was based on the invoice date.

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

	<b><u>For the Year Ended December 31</u></b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 1,082,425	\$ 1,407,791
Add: Bad debt recovered	282,949	206,907
Add: Impairment losses recognized on receivables	332,171	270,953
Less: Amounts written off	(488,157)	(799,810)
Foreign exchange gains and losses	<u>3,358</u>	<u>(3,416)</u>
Balance at December 31	<u>\$ 1,212,746</u>	<u>\$ 1,082,425</u>

### Sale of overdue accounts receivable

In the years ended December 31, 2022 and 2021, the Group entered into agreements to sell its overdue accounts receivable which had been written off to asset management companies, and did not bear the risk of loss arising from uncollectible receivables.

Related information is as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Amount of accounts receivable sold	<u>\$ 805,845</u>	<u>\$ 557,402</u>
Proceeds from the sale of accounts receivable (Excluding value-added tax)	<u>\$ 78,247</u>	<u>\$ 39,323</u>

## 11. INVENTORIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Merchandise inventories	\$ 3,687,158	\$ 4,031,993
Finished goods	11,211,858	8,790,726
Work in progress	3,777,339	4,002,286
Raw materials	10,253,820	8,438,811
Supplies	2,363,122	1,605,553
Available-for-sale - buildings and land	4,367,725	631,183
Available-for-construction - land	1,022,822	1,022,822
Construction in progress (Note 17)	<u>17,261,384</u>	<u>20,441,789</u>
	<u>\$ 53,945,228</u>	<u>\$ 48,965,163</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was \$172,811,663 thousand and \$151,471,140 thousand, respectively. The cost of goods sold included inventory write-downs of \$364,176 thousand and \$34,733 thousand for the years ended December 31, 2022 and 2021, respectively.

## 12. SUBSIDIARIES

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

Investor	No.	Investee	Nature of Activities	<b>Proportion of Ownership</b>	
				<b>December 31</b>	
				<b>2022</b>	<b>2021</b>
Far Eastern New Century Corporation	1	Far EasTone Telecommunications Co., Ltd. (Notes 1 and 4)	Telecommunications	38.33	38.33
	2	Yuan Ding Investment Co., Ltd.	Investment	99.70	99.70
	3	Far Eastern Resources Development Co., Ltd.	Real estate leasing and development service	100.00	100.00
	4	Yuan Tong Investment Co., Ltd.	Investment	100.00	100.00
	5	Far Eastern Polychem Industries Ltd. (FEPI)	Investment and chemical fiber sales	100.00	100.00
	6	Oriental Petrochemical (Taiwan) Co., Ltd.	Petrochemical materials production	80.76	80.76
	7	Far Eastern Investment (Holding) Ltd.	Investment and chemical fiber sales	100.00	100.00
	8	PET Far Eastern (Holding) Ltd. (PETH)	Investment	100.00	100.00
	9	Kai Yuan International Investment Co., Ltd.	Investment	100.00	100.00
	10	Far Eastern Polytex (Holding) Ltd.	Investment	100.00	100.00
	11	Yuan Ding Co., Ltd. (Note 2)	Real estate leasing and hotel	49.99	49.99
	12	Far Eastern Construction Co., Ltd.	Real estate construction and sale	65.11	65.11

(Continued)

Investor	No.	Investee	Nature of Activities	Proportion of Ownership	
				December 31	
				2022	2021
Yuan Ding Investment Co., Ltd.	13	Ding Yuan International Investment Co., Ltd.	Investment	100.00	100.00
	14	An Ho Garment Co., Ltd.	Garment production and investment	100.00	100.00
	15	FEDP (Holding) Ltd. (FEDP)	Investment	100.00	100.00
	16	Fu Kwok Knitting & Garment Co., Ltd.	Garment production	100.00	100.00
	17	Far Eastern Textile Ltd.	Textile production	100.00	100.00
	18	Far Eastern Electronic Toll Collection Co., Ltd.	Electronic toll collection service	66.33	66.33
	19	Yuan Hsin Digital Payment Co., Ltd. (Note 3)	Digital payment	71.63	71.63
	20	Malaysia Garment Manufactures Pte. Ltd.	Clothing production and Investment	50.92	50.92
	21	FE Oriental Investment Holding (Singapore) Pte. Ltd.	Investment	100.00	100.00
	22	Far Eastern Fibertech Co., Ltd.	Nylon production	100.00	100.00
	23	Far Eastern Apparel Co., Ltd.	Sale of textile, garments, and clothing	100.00	100.00
	24	Oriental Resources Development Co., Ltd.	Production and wholesale of medical supplies	100.00	100.00
	25	Oriental Green Materials Limited	Waste recycling and re-processing	100.00	100.00
	26	Oriental Textile (Holding) Ltd. (OTTI)	Investment and textile sales	100.00	100.00
	27	Far Eastern Apparel (Holding) Ltd. (FEAH)	Investment and textile sales	100.00	100.00
	28	Yuan Faun Co., Ltd.	Consulting	100.00	100.00
	29	PET Far Eastern (M) Sdn. Bhd.	Bottle production	100.00	100.00
	30	Far Eastern Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00
	31	Worldwide Polychem (HK) Ltd. (WWPI)	Foreign trade	100.00	100.00
	32	Far Eastern Polytex (Vietnam) Ltd.	Chemical fiber and textile production	100.00	100.00
	33	Far Eastern New Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00
	34	Magna View Sdn. Bhd.	Investment	100.00	100.00
	35	APG Polytech USA Holdings, Inc.	Investment	100.00	100.00
Far Eastern Polychem Industries Ltd. (FEPI)	36	Far Eastern Industries (Shanghai) Ltd. (Note 8)	Chemical fiber production	90.03	100.00
	37	Far Eastern Industries (Yangzhou) Ltd.	Production and sales of polyester products	100.00	100.00
Far Eastern Construction Co., Ltd.	38	Far Eastern Ishizuka Green Pet Corporation (FIGP)	Recycled PET production and sales	90.00	90.00
	39	Far Eastern General Contractor Inc.	Construction	99.95	99.95
Far Eastern Apparel (Holding) Ltd.(FEAH)	40	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Garment production	100.00	100.00
	41	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Garment production	100.00	100.00
Yuan Faun Co., Ltd.	42	Yuan Cheng Human Resources Consultant Corporation	Personnel recruitment	55.19	55.19
Yuan Tong Investment Co., Ltd.	43	Sino Belgium (Holding) Ltd.	Investment	90.88	90.88
Far Eastern Electronic Toll Collection Co., Ltd.	44	FETC International Co., Ltd	Human services and equipment procurement and product sales agency services	100.00	100.00
	45	FETC International (Thailand) Co., Ltd.	Human services and equipment procurement and product sales agency services	100.00	100.00
FETC International Co., Ltd	46	FETC International (Malaysia) Co., Ltd. (Note 9)	Human services and equipment procurement and product sales agency services	100.00	-
	47	Suzhou An Ho Apparel Ltd.	Garment production	100.00	100.00
Far Eastern Apparel (Suzhou) Co., Ltd.	48	Oriental Petrochemical (Shanghai) Corporation (Note 8)	PTA production and sale	-	61.35
PET Far Eastern (Holding) Ltd. (PETH)	49	Far Eastern Industries (Wuxi) Ltd.	Fiber and textile production	100.00	100.00
Oriental Textile (Holding) Ltd. (OTTI)	50	Oriental Industries (Suzhou) Ltd.	Production and sales of polyester resins and industrial fabrics	100.00	100.00
FEDP (Holding) Ltd. (FEDP)	51	Far Eastern Industries (Suzhou) Ltd.	Production and sales of polyester products	100.00	100.00
Far Eastern Polytex (Holding) Ltd.	52	Wuhan Far Eastern New Material Ltd.	Production and sales of PET sheet, chip, filament, staple fibers, and apparel	100.00	100.00
	53	Far Eastern Apparel (Suzhou) Ltd.	Garment production	100.00	100.00
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	54	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PTA and by-product production and sale	60.00	60.00
	55	Far Eastern New Century (China) Investment Co., Ltd.	Investment	100.00	100.00
Far Eastern Innovation Apparel (Anhui) Co., Ltd.	56	Far Eastern Innovation Apparel (Anhui) Co., Ltd.	Garment production	100.00	100.00
	57	Shanghai Yuan Zi Information Technology Co., Ltd.	Internet Software development services	100.00	100.00
Far Eastern New Century (China) Investment Co., Ltd.	58	Yuan Ding Enterprise (Shanghai) Limited (Note 1)	Real estate leasing	40.00	40.00
	59	Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	100.00	100.00
Sino Belgium (Holding) Ltd.	60	Martens Beers Trading (Shanghai) Ltd.	Beer sale	100.00	100.00
	61	Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	100.00	100.00
Oriental Petrochemical (Shanghai) Corporation					

(Continued)



Investor	No.	Investee	Nature of Activities	Proportion of Ownership	
				December 31	
				2022	2021
Yuan Ding Co., Ltd.	62	Ding Hotel Co., Ltd.	Hotel	99.26	99.26
	63	YDT Technology International Co., Ltd.	Electronic materials and by-product sale	100.00	100.00
	64	Far Eastern Technical Consultants Co., Ltd.	Real estate development business consulting and management	100.00	100.00
FET Consulting Engineers Co., Ltd.	65	FET Consulting Engineers Co., Ltd.	Investment	100.00	100.00
	66	Ding Integrated Marketing Services Co., Ltd.	Market research and general advertisement	80.00	80.00
	67	DDIM (Virgin Islands) Ltd.	Investment	100.00	100.00
YDT Technology International Co., Ltd.	68	YDC (Virgin Islands) Ltd.	Investment	100.00	100.00
YDC (Virgin Islands) Ltd.	69	Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products	100.00	100.00
DDIM (Virgin Islands) Ltd.	70	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	100.00	100.00
Malaysia Garment Manufactures Pte. Ltd.	71	PT Malaysia Garment Bintan (PTMG)	Clothing production	99.00	99.00
APG Polytech USA Holdings, Inc.	72	APG Polytech, LLC	Chemical fiber production	100.00	100.00
FE Oriental Investment Holding (Singapore) Pte. Ltd.	73	Phoenix Technologies International, LLC	Recycled PET production and sales	100.00	100.00
	74	Oriental Investment Holding (Netherlands) B.V.	Investment	100.00	100.00
	75	FE New Century Industry (Singapore) Pte. Ltd.	Textile sales	100.00	100.00
Oriental Investment Holding (Netherlands) B.V.	76	FE Green Pet (M) Sdn. Bhd. (Note 9)	Recycled PET production and sales	100.00	-
	77	Oriental Martens (Netherlands) B.V.	Investment	100.00	100.00
Far EasTone Telecommunications Co., Ltd.	78	New Century InfoComm Tech Co., Ltd.	Types I and II telecommunications services	100.00	100.00
	79	ARCOA Communication Co., Ltd. (Note 5)	Sale of communications products and office equipment	68.35	61.63
	80	KGEx.com Co., Ltd.	Type II telecommunications services	99.99	99.99
	81	Yuanshi Digital Technology Co., Ltd.	Electronic information providing services	99.51	98.20
	82	Yuan Cing Co., Ltd.	Call center services	100.00	100.00
	83	Far Eastern Info Service Holding Ltd. (FEIS)	Investment	100.00	100.00
	84	Far EasTone Property Insurance Agent Co., Ltd.	Property insurance agent	100.00	100.00
	85	IDEAWORKS Entertainment Co., Ltd. (Note 6)	Sale of communications products	50.00	-
ARCOA Communication Co., Ltd.	86	DataExpress Infotech Co., Ltd.	Sale of communications products	70.00	70.00
New Century InfoComm Tech Co., Ltd.	87	Information Security Service Digital United Inc.	Security and monitoring service via Internet	100.00	100.00
	88	Digital United (Cayman) Ltd.	Investment	100.00	100.00
	89	New Diligent Co., Ltd.	Investment	100.00	100.00
Digital United (Cayman) Ltd.	90	Prime EcoPower	Energy technology services	100.00	100.00
	91	Nextlink Technology Co., Ltd.	Electronic information services	70.00	70.00
	92	Digital United Information Technology (Shanghai) Ltd.	Design and research of computer system	100.00	100.00
New Diligent Co., Ltd.	93	Far East New Diligent Company Ltd. (Note 7)	Investment	-	100.00
Nextlink Technology Co., Ltd.	94	Sino Lead Enterprise Limited	Telecommunications services	100.00	100.00
	95	New Diligent Hong Kong Co., Ltd.	Investment	100.00	100.00
	96	Home Master Technology Ltd.	Sale of communications products	100.00	100.00
Nextlink (HK) Technology Co., Ltd.	97	Microfusion Technology Co., Ltd.	Electronic information service	100.00	100.00
	98	Nextlink (HK) Technology Co., Ltd.	Electronic information service	100.00	100.00
	99	Microfusion (HK) Technology Co., Ltd.	Electronic information service	100.00	100.00
IDEAWORKS Entertainment Co., Ltd.	100	Nextlink (SH) Technology Co., Ltd.	Electronic information service	100.00	100.00
	101	Mission International Co., Ltd. (Note 9)	Television and film production and distribution industry	100.00	-

(Concluded)

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

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

Note 3: Yuan Hsin Digital Payment Co., Ltd. raised \$120,000 thousand through the issuance of 12,000 thousand shares of common stock for cash at an issue price of NT\$10 per share in August 2021. The Group did not subscribe to share proportionately and decreased the shareholding ratio from 74.36% to 71.63%. Refer to Note 31. On December 20, 2022, Yuan Hsin Digital Payment Co., Ltd.'s shareholders held a meeting and approved its dissolution, and the date of dissolution was set on January 2, 2023.

Note 4: In February 2021, the Group purchased 0.04% ownership of subsidiary Far EasTone Telecommunications Co., Ltd. for \$63,905 thousand, and then increased its interest from 38.29% to 38.33%. Refer to Note 31.

Note 5: In March and June 2022, the Group purchased part of the non-controlling interest of ARCOA Communication Co., Ltd. by cash, leading to an increase in its shareholdings from 61.63% to 68.35%. Refer to Note 31.

Note 6: The Group established and held 100% shares of IDEAWORKS Entertainment Co., Ltd. in March 2022, and the Group subscribed for additional new shares of IDEAWORKS Entertainment Co., Ltd. at a percentage different from its existing ownership percentage, which decreased its ownership percentage from 100% to 50%. Refer to Note 31.

Note 7: Dissolved in April 2022 with the approval of the local government.

Note 8: In October 2022, the board of directors of Oriental Petrochemical (Shanghai) Corporation and Far Eastern Industries (Shanghai) Ltd. resolved to merge, and Oriental Petrochemical (Shanghai) Corporation was absorbed by Far Eastern Industries (Shanghai) Ltd. Refer to Note 31.

Note 9: In 2022, the Group established and held 100% shares of its subsidiary.

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

Far EasTone Telecommunications Co., Ltd. and its subsidiaries

Name of Subsidiary	Profit Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
	For the Year Ended		December 31	
	2022	2021	2022	2021
Far EasTone	<u>\$ 6,023,182</u>	<u>\$ 5,736,730</u>	<u>\$ 39,937,220</u>	<u>\$ 41,134,260</u>
			December 31	
			2022	2021
Current assets			\$ 26,182,722	\$ 26,174,565
Non-current assets			144,455,977	149,369,016
Current liabilities			(28,940,943)	(33,398,206)
Non-current liabilities			<u>(77,509,580)</u>	<u>(76,044,595)</u>
Equity			<u>\$ 64,188,176</u>	<u>\$ 66,100,780</u>

(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Equity attributable to:		
Owners of the Group	\$ 24,250,416	\$ 24,966,520
Non-controlling interests of Far EasTone	39,017,041	40,169,196
Non-controlling interests of Far EasTone's subsidiaries	<u>920,719</u>	<u>965,064</u>
	<u>\$ 64,188,176</u>	<u>\$ 66,100,780</u>
		(Concluded)
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Revenue	<u>\$ 89,151,365</u>	<u>\$ 85,320,008</u>
Net income for the year	\$ 9,705,888	\$ 9,233,881
Other comprehensive income for the year	<u>(836,480)</u>	<u>(710,716)</u>
Total comprehensive income for the year	<u>\$ 8,869,408</u>	<u>\$ 8,523,165</u>
Net income attributable to:		
Owners of the Group	\$ 3,682,706	\$ 3,497,151
Non-controlling interests of Far EasTone	5,925,189	5,626,644
Non-controlling interests of Far EasTone's subsidiaries	<u>97,993</u>	<u>110,086</u>
	<u>\$ 9,705,888</u>	<u>\$ 9,233,881</u>
Total comprehensive income attributable to:		
Owners of the Group	\$ 3,359,256	3,224,739
Non-controlling interests of Far EasTone	5,404,782	5,188,355
Non-controlling interests of Far EasTone's subsidiaries	<u>105,370</u>	<u>110,071</u>
	<u>\$ 8,869,408</u>	<u>\$ 8,523,165</u>
Net cash inflow from:		
Operating activities	\$ 27,079,052	\$ 35,315,268
Investing activities	(7,589,620)	(11,555,281)
Financing activities	(19,258,176)	(24,827,125)
Effect of exchange rate changes	<u>9,081</u>	<u>(1,063)</u>
Net cash inflow (outflow)	<u>\$ 240,337</u>	<u>\$ (1,068,201)</u>
Dividends paid to non-controlling interests of:		
Far EasTone	\$ 6,530,996	\$ 6,530,932
Far EasTone's subsidiaries	<u>\$ 74,459</u>	<u>\$ 78,522</u>

### 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

#### Investments in Associates

	December 31			
	2022		2021	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Material associate				
Listed company				
Asia Cement Corporation	\$ 26,750,360	26	\$ 26,227,431	26
Associates that are not individually material				
Listed companies				
Far Eastern Department Stores Co., Ltd.	11,771,333	35	11,566,521	35
Far Eastern International Bank	8,392,050	16	7,567,725	16
Oriental Union Chemical Corporation	4,983,135	31	5,559,428	31
Everest Textile Corporation	1,723,246	26	1,651,297	26
	<u>26,869,764</u>		<u>26,344,971</u>	
Unlisted companies				
Oriental Securities Corporation	4,630,283	47	5,106,782	47
Pacific Liu Tong Investment Co., Ltd.	4,778,684	40	4,669,380	40
Air Liquide Far Eastern Co., Ltd.	3,343,109	35	3,002,684	35
Yu Yuan Investment Co., Ltd.	3,116,947	44	3,168,231	44
Da Ju Fiber Co., Ltd.	2,755,803	42	2,444,058	42
Far Eastern Union Petrochemical (Yangzhou) Corporation	2,303,096	44	3,081,595	44
Far Eastern International Leasing Corporation	1,900,321	34	1,899,212	34
Yu Ding Industry Co., Ltd.	1,054,148	31	948,056	31
Freudenberg Far Eastern Spunweb Co., Ltd.	553,220	30	573,449	30
Kowloon Cement Corporation	490,895	49	446,736	49
Yuan Ding Leasing Corporation	400,020	46	398,361	46
Drive Catalyst SPC-SP Tranche One	274,172	50	223,380	50
Drive Catalyst SPC-SP Tranche Two	509,016	50	233,748	50
Drive Catalyst SPC-SP Tranche Three	498,208	50	472,780	50
FEDS Asia Pacific Development Ltd.	138,458	5	132,390	5
Yue Ming Trading Corporation	59,994	47	61,348	47
Juan Long-Age Co., Ltd	14,257	25	15,861	25
Opas Fund Segregated Portfolio Company	1,739	34	1,544	34
Drive Catalyst SPC	539	34	482	34
	<u>26,822,909</u>		<u>26,880,077</u>	
	<u>\$ 80,443,033</u>		<u>\$ 79,452,479</u>	

#### a. Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31	
			2022	2021
Asia Cement Corporation	Cement production	Taiwan	26%	26%

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

Name of Associate	December 31	
	2022	2021
Asia Cement Corporation	<u>\$ 37,086,033</u>	<u>\$ 40,063,033</u>

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

	December 31	
	2022	2021
Current assets	\$ 111,449,752	\$ 105,955,718
Non-current assets	212,793,375	211,100,351
Current liabilities	(70,962,661)	(71,082,366)
Non-current liabilities	<u>(69,047,221)</u>	<u>(65,700,817)</u>
Equity	184,233,245	180,272,886
Non-controlling interests	<u>(23,416,398)</u>	<u>(23,345,963)</u>
	<u>\$ 160,816,847</u>	<u>\$ 156,926,923</u>
Proportion of the Group's ownership	25.51%	25.50%
Equity attributable to the Group	\$ 41,024,378	\$ 40,016,365
Cross shareholdings	<u>(14,274,018)</u>	<u>(13,788,934)</u>
Carrying amount	<u>\$ 26,750,360</u>	<u>\$ 26,227,431</u>

	For the Year Ended December 31	
	2022	2021
Operating revenue	<u>\$ 90,340,503</u>	<u>\$ 89,654,713</u>
Net income for the year	\$ 12,597,136	\$ 17,527,770
Other comprehensive income	<u>4,417,882</u>	<u>(396,550)</u>
Total comprehensive income for the year	<u>\$ 17,015,018</u>	<u>\$ 17,131,220</u>
Dividends received from Asia Cement Corporation	<u>\$ 3,075,119</u>	<u>\$ 3,127,141</u>

The Group holds 26% of the voting rights in Asia Cement Corporation and is the single largest shareholder. After considering the amount and distribution of voting rights relative to other shareholders, the voting pattern of the previous shareholders meeting shows that other shareholders are not passive, and the Group is not yet able to lead the vital activities of Asian Cement Corporation having no control over it. The management of the Group believes that it has only significant influence on Asia Cement Corporation, so it is listed as an associate of the Group.

b. Aggregate information of associates that are not individually material

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
The Group's share of:		
Net income for the year	\$ 1,701,330	\$ 3,647,964
Other comprehensive income	<u>(483,458)</u>	<u>66,917</u>
Total comprehensive income for the year	<u>\$ 1,217,872</u>	<u>\$ 3,714,881</u>

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

#### 14. JOINT OPERATIONS

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Assets		
Current assets	\$ 533,883	\$ 145,334
Non-current assets	14,097,671	11,884,302
Liabilities		
Current liabilities	(409,978)	(162,620)
Non-current liabilities	<u>(105,806)</u>	<u>(99,390)</u>
	<u>\$ 14,115,770</u>	<u>\$ 11,767,626</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Losses	<u>\$ 58,823</u>	<u>\$ 58,090</u>
Share of joint operating commitments	33.33%	33.33%

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amount</u>		
Property, plant and equipment	\$ 172,053,588	\$ 165,089,960
Prepayments for equipment	<u>2,747,703</u>	<u>803,961</u>
	<u>\$ 174,801,291</u>	<u>\$ 165,893,921</u>

	Land	Buildings	Machinery and Equipment	Telecommunications Equipment	Computer Equipment	Leasehold Improvements	Operating and Miscellaneous Equipment	Construction-in-progress and Prepayments for Equipment	Total
<b>Cost</b>									
Balance at January 1, 2022	\$ 22,480,326	\$ 42,004,650	\$ 156,076,714	\$ 93,721,604	\$ 15,706,524	\$ 6,091,982	\$ 22,792,055	\$ 28,890,496	\$ 387,764,351
Additions	680	38,540	462,641	-	31,673	30,713	311,006	22,373,662	23,248,915
Disposals	(2,741)	(26,468)	(2,382,568)	(2,890,562)	(888,595)	(174,912)	(470,076)	(43,997)	(6,879,919)
Reclassification	(48,112)	595,678	1,882,828	8,057,968	434,174	111,902	1,235,895	(13,334,358)	(1,064,025)
Effect of exchange rate differences	140,008	688,022	1,799,394	-	131,375	9,444	280,991	1,889,808	4,939,042
Balance at December 31, 2022	<u>\$ 22,570,161</u>	<u>\$ 43,300,422</u>	<u>\$ 157,839,009</u>	<u>\$ 98,889,010</u>	<u>\$ 15,415,151</u>	<u>\$ 6,069,129</u>	<u>\$ 24,149,871</u>	<u>\$ 39,775,611</u>	<u>\$ 408,008,364</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2022	\$ (59,857)	\$ (18,228,642)	\$ (98,533,471)	\$ (68,691,755)	\$ (13,822,333)	\$ (4,844,911)	\$ (17,667,033)	\$ (22,428)	\$ (221,870,430)
Disposals	-	25,063	2,223,364	2,572,231	883,317	171,794	454,568	-	6,330,337
Impairment loss	-	-	(32,376)	-	-	-	-	-	(32,376)
Depreciation expense	-	(1,225,345)	(6,014,533)	(7,361,752)	(570,082)	(250,731)	(1,227,174)	-	(16,649,617)
Reclassification	-	47,663	(44,284)	-	(2,395)	32,195	5,357	-	38,536
Effect of exchange rate differences	-	(137,822)	(707,774)	-	(28,125)	(3,768)	(146,034)	-	(1,023,523)
Balance at December 31, 2022	<u>\$ (59,857)</u>	<u>\$ (19,519,083)</u>	<u>\$ (103,109,074)</u>	<u>\$ (73,481,276)</u>	<u>\$ (13,539,618)</u>	<u>\$ (4,895,421)</u>	<u>\$ (18,580,316)</u>	<u>\$ (22,428)</u>	<u>\$ (233,207,073)</u>
Carrying amount at January 1, 2022/December 31, 2021	<u>\$ 22,420,469</u>	<u>\$ 23,776,008</u>	<u>\$ 57,543,243</u>	<u>\$ 25,029,849</u>	<u>\$ 1,884,191</u>	<u>\$ 1,247,071</u>	<u>\$ 5,125,022</u>	<u>\$ 28,868,068</u>	<u>\$ 165,893,921</u>
Carrying amount at December 31, 2022	<u>\$ 22,510,304</u>	<u>\$ 23,781,339</u>	<u>\$ 54,729,935</u>	<u>\$ 25,407,734</u>	<u>\$ 1,875,533</u>	<u>\$ 1,173,708</u>	<u>\$ 5,569,555</u>	<u>\$ 39,753,183</u>	<u>\$ 174,801,791</u>
<b>Cost</b>									
Balance at January 1, 2021	\$ 19,962,169	\$ 40,923,385	\$ 153,379,842	\$ 85,622,093	\$ 15,366,877	\$ 6,231,782	\$ 22,338,515	\$ 29,348,613	\$ 373,173,276
Additions	-	18,305	585,638	8,800	36,852	29,065	311,646	19,649,844	20,308,536
Disposals	(1,108,211)	(1,093,795)	(643,269)	(2,671,988)	(219,566)	(423,448)	(627,463)	(51,720)	(6,839,460)
Reclassification	3,686,563	2,550,157	3,976,098	10,762,699	556,470	256,422	881,887	(19,394,004)	3,276,292
Effect of exchange rate differences	(60,195)	(393,402)	(889,981)	-	(34,109)	(1,839)	(112,530)	(662,237)	(2,154,293)
Balance at December 31, 2021	<u>\$ 22,480,326</u>	<u>\$ 42,004,650</u>	<u>\$ 156,076,714</u>	<u>\$ 93,721,604</u>	<u>\$ 15,706,524</u>	<u>\$ 6,091,982</u>	<u>\$ 22,792,055</u>	<u>\$ 28,890,496</u>	<u>\$ 387,764,351</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2021	\$ (95,894)	\$ (17,732,031)	\$ (92,702,663)	\$ (63,874,932)	\$ (13,457,733)	\$ (5,000,960)	\$ (17,058,333)	\$ (22,428)	\$ (209,944,974)
Disposals	36,037	484,470	585,638	2,271,621	219,338	403,739	609,176	-	4,610,019
Impairment loss	-	-	(764,783)	-	-	-	-	-	(764,783)
Depreciation expense	-	(1,183,757)	(5,964,815)	(7,088,444)	(584,566)	(250,557)	(1,264,284)	-	(16,336,423)
Reclassification	-	112,108	640	-	(4,549)	1,989	(3,683)	-	106,505
Effect of exchange rate differences	-	90,568	312,512	-	5,177	878	50,091	-	459,226
Balance at December 31, 2021	<u>\$ (59,857)</u>	<u>\$ (18,228,642)</u>	<u>\$ (98,533,471)</u>	<u>\$ (68,691,755)</u>	<u>\$ (13,822,333)</u>	<u>\$ (4,844,911)</u>	<u>\$ (17,667,033)</u>	<u>\$ (22,428)</u>	<u>\$ (221,870,430)</u>
Carrying amount at January 1, 2021/December 31, 2020	<u>\$ 19,866,275</u>	<u>\$ 23,191,354</u>	<u>\$ 60,677,179</u>	<u>\$ 21,747,161</u>	<u>\$ 1,909,144</u>	<u>\$ 1,230,822</u>	<u>\$ 5,280,182</u>	<u>\$ 29,376,185</u>	<u>\$ 163,228,302</u>
Carrying amount at December 31, 2021	<u>\$ 22,420,469</u>	<u>\$ 23,776,008</u>	<u>\$ 57,543,243</u>	<u>\$ 25,029,849</u>	<u>\$ 1,884,191</u>	<u>\$ 1,247,071</u>	<u>\$ 5,125,022</u>	<u>\$ 28,868,068</u>	<u>\$ 165,893,921</u>

The Group expects that there are no future cash flows of the property, plant and equipment. Therefore, the recoverable amount was less than the carrying amount. In 2022 and 2021, the Group recognized the impairment loss amounting to \$32,376 thousand and \$764,783 thousand, respectively. The impairment loss was recognized in the comprehensive income statements under the impairment loss account.

In September 2021, the Group leased its buildings in Pudong New Area, Shanghai (originally recognized as buildings with carrying amount of \$35,943 thousand) under various operating leases. The Group reclassified the leased buildings to investment property at fair value and recognized gain on property revaluation of \$259,444 thousand; refer to Note 17 for more information.

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

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

The board of directors of NCIC, Far EasTone's subsidiary, resolved on February 25, 2021 that NCIC would sell a part of its properties and equipment located in the Neihu District of Taipei City. In July 2021, NCIC completed the transaction amounting to \$3,242,924 thousand, with MediaTek Inc., a non-related party, and derecognized property, plant and equipment and investment property with carrying amount of \$1,857,022 thousand. Net of related expenses, the Group recognized a gain on disposal of non-financial assets \$1,281,483 thousand.

As of December 31, 2022 and 2021, the farmland that was recognized as property, plant and equipment amounted to \$241,797 thousand, and the recognized investment properties were \$46,220 thousand and \$42,182 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmland belongs to the Group or the land have been pledged to the Group.

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amount</u>		
Land	\$ 7,755,713	\$ 7,471,782
Buildings	9,165,021	9,148,286
Machinery	16,949	15,578
Operating and other equipment	<u>652,398</u>	<u>646,814</u>
	<u>\$ 17,590,081</u>	<u>\$ 17,282,460</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Additions to right-of-use assets	<u>\$ 4,192,024</u>	<u>\$ 3,482,958</u>
Depreciation charge for right-of-use assets		
Land	\$ 280,733	\$ 320,345
Buildings	3,740,977	3,711,500
Machinery	7,375	6,453
Operating and other equipment	<u>267,276</u>	<u>259,298</u>
	<u>\$ 4,296,361</u>	<u>\$ 4,297,596</u>

### b. Lease liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amount</u>		
Current	<u>\$ 3,213,996</u>	<u>\$ 3,218,502</u>
Non-current	<u>\$ 6,491,971</u>	<u>\$ 6,447,007</u>



Range of discount rates for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Land	0.76%-4.13%	0.62%-4.13%
Buildings	0.51%-4.75%	0.51%-4.75%
Machinery	0.76%-0.90%	0.76%-1.00%
Operating and other equipment	0.55%-8.00%	0.51%-8.00%
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest expense from lease liabilities	<u>\$ 108,580</u>	<u>\$ 110,455</u>

c. Material leasing activities and terms

The Group leases certain operating and other equipment for operating uses with lease terms of 2 to 16 years. These arrangements do not contain renewal or purchase options.

The Group also leases land and buildings for the use of plants, offices, operating lands and cell sites with lease terms of 1 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 17.

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Expenses relating to short-term leases	<u>\$ 449,920</u>	<u>\$ 382,591</u>
Expenses relating to low-value asset leases	<u>\$ 2,596</u>	<u>\$ 3,116</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 40,503</u>	<u>\$ 35,583</u>
Total cash outflow for leases	<u>\$ (4,572,495)</u>	<u>\$ (4,522,415)</u>

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

## 17. INVESTMENT PROPERTIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Completed investment properties	<u>\$ 115,498,368</u>	<u>\$ 117,236,910</u>

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Year 1	\$ 1,312,960	\$ 1,294,336
Year 2	1,205,928	1,195,936
Year 3	1,033,612	1,110,106
Year 4	719,310	951,489
Year 5	446,524	640,125
Year 5 onwards	<u>2,399,466</u>	<u>2,564,091</u>
	<u><u>\$ 7,117,800</u></u>	<u><u>\$ 7,756,083</u></u>

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

	<b>Completed Investment Properties</b>
Balance at January 1, 2022	\$ 117,236,910
Additions	1,308,040
Disposals	(3,593,907)
Reclassification	148,125
Recognized in profit (gain arising from the change in fair value of investment property)	341,971
Recognized in other comprehensive income (exchange differences on translation of foreign operations)	<u>57,229</u>
Balance at December 31, 2022	<u><u>\$ 115,498,368</u></u>
Balance at January 1, 2021	\$ 136,853,033
Additions	21,258
Disposals	(197,318)
Reclassification	(19,593,512)
Recognized in profit (gain arising from the change in fair value of investment property)	161,912
Recognized in other comprehensive income (exchange differences on translation of foreign operations)	<u>(8,463)</u>
Balance at December 31, 2021	<u><u>\$ 117,236,910</u></u>

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

In June 2022, the Group approved the exchange of part of the lands in New Taipei City for the lands held by Asia Eastern School with its legal person. The fair value of land exchanges were both \$1,277,755 thousand and were completed on June 30, 2022. On August 10, 2022, the board of directors of Far Eastern Resources Development Co., Ltd. approved to dispose of the exchanged land mentioned above and the other land to other related party, Far Eastern Medical Foundation, for \$2,289,615 thousand, and the disposal of lands were completed on December 6, 2022.

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

The construction of a building (Mega City) located in the Banqiao district, Xin Ban section was completed in 2011, and the building was leased to Far Eastern Department Stores Co., Ltd. (FEDS) as its department store space. A portion of the rental income generated from the operating lease was recognized over the lease term on a straight-line basis and the rest of the income was recognized as a percentage of FEDS's gross operating income. The lease of FEDS will expire in December 2026. The construction of Banqiao Zhong Ben commercial building (Mega Tower) was completed in the first half year of 2015 and recognized as inventories (available-for-sale - buildings and land). For the year ended December 31, 2021, a portion of the floors which had been rented out to others were reclassified from inventories to investment properties at their fair value of \$159,196 thousand, and a gain on the transfers from inventories to investment properties amounting to \$87,908 thousand (recognized as gain on change in fair value of investment properties), was recognized.

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

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

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

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

In September 2021, the Groups' properties located in the Pudong New Area, Shanghai was leased out under one or more operating leases. The properties were reclassified to investment properties at their fair value of \$295,387 thousand; refer to Note 15.

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

The construction project - Taipei Far Eastern Telecom Park, investment property located in Banqiao, was in accordance with the enforcement rules of the Act for Promotion of Private Participation in Infrastructure Projects, and the market rentals were valued according to similar comparable subjects in the area.

The fair values of investment properties were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Independent valuation	<u>\$ 115,498,368</u>	<u>\$ 117,236,910</u>

The fair value of the main investment properties as of December 31, 2021 and 2022 were based on the valuations carried out on February 15, 2023 and January 28, 2022, respectively, by independent qualified professional valuers, Mr. Chia-ho Tsai and Ms. Chun-Chun Hu, from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

The fair value of investment properties, except for undeveloped land, was measured using the income approach. The significant assumptions used were stated below. An increase in estimated future net cash inflows or a decrease in discount rates would result in an increase in the fair value

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Expected future cash inflows	\$ 73,855,267	\$ 70,989,436
Expected future cash outflows	<u>(3,344,264)</u>	<u>(3,219,453)</u>
Expected future cash inflows, net	<u>\$ 70,511,003</u>	<u>\$ 67,769,983</u>
Discount rate intervals	2.22%-2.85%	1.60%-2.35%

The expected future cash inflows/outflows of investment properties in Banqiao disclosed above was based on parts of different types of investment properties located in Banqiao. The fair value was extrapolated using the comparative market rentals in the area of approximately \$0.8 thousand to \$6.8 thousand per ping per month.

Part of the investment properties had been leased out under operating leases. The rental income generated for the years ended December 31, 2022 and 2021 was \$1,493,238 thousand and \$1,484,988 thousand, respectively.

The expected future cash inflows generated by investment properties referred to rental income, interest income on rental deposits, loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals, excluding too-high and too-low values, taking into account the annual rental growth rate. However, when the investment properties had a specific rental period, the rental income was extrapolated on that rental period with no more than 10 years. The interest income on rental deposits was extrapolated using the market practice of 3-6 months' rent as a deposit with reference to the average one-year deposit interest rate of the five major banks which was announced by the Central Bank of the R.O.C (Taiwan). Loss on a vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, and the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment property included expenditures such as land value taxes, house taxes, insurance premiums, maintenance costs, replacement allowance and depreciation. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Estimated total sale price	<u>\$ 29,003,658</u>	<u>\$ 27,846,163</u>
Rate of return	15%	14%-15%
Overall capital interest rate intervals	3.37%-5.30%	2.04%-4.02%

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

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

## 18. GOODWILL

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Cost</u>		
Balance at January 1	\$ 12,285,871	\$ 12,287,387
Effect of exchange rate differences	<u>4,110</u>	<u>(1,516)</u>
Balance at December 31	<u>\$ 12,289,981</u>	<u>\$ 12,285,871</u>

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

In order to enhance the Group's operating effectiveness and integrate its telecommunications resources, the Group was divided into four identifiable cash-generating units in 2022 and 2021, which are the mobile telecommunications service business, telecommunications equipment business, integrated network business and cloud service business.

As of December 31, 2022 and 2021, the carrying amount of the property, plant and equipment, right-of-use assets, intangible assets and the incremental costs of obtaining a contract used by the Group's telecommunication department was \$130,820,884 thousand and \$136,163,527 thousand, respectively. The Group's management estimated the recoverable amounts of core assets based on their value in use and considered the expected useful lives and thus based the cash flow forecast on the following discount rates as of December 31, 2022 and 2021: Mobile telecommunications service business - 6.69% and 6.87%, respectively; telecommunications equipment business - 6.29% and 6.49%, respectively; integrated network business - 8.63% and 7.60%, respectively; cloud service business - 16.30% and 19.83%, respectively. The operating revenue forecast was based on the expected effective customer base, expected sales and the Group's operating strategies and goals, taking into account the expected future growth rate of the telecom industry along with the projected advancement of the Group's own businesses. The Group's management believes that any reasonable change in the principal assumptions used in the calculation of the recoverable amounts would not result in the carrying amounts exceeding the recoverable amounts. The principal assumptions and the relevant measurement of the recoverable amounts of the Group are summarized as follows:

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

The Group's management believes that any reasonable change in the principal assumptions used in the calculation of the recoverable amounts would not result in the carrying amounts exceeding the recoverable amounts. For the years ended December 31, 2022 and 2021, there was no indication of impairment loss after comparing the recoverable amounts with the carrying amounts of the Group's operating assets and goodwill in accordance with the principal assumptions.

## 19. CONCESSIONS AND OTHER INTANGIBLE ASSETS

		December 31		
		2022	2021	
Carrying amount each category				
Concessions		\$ 66,899,173		\$ 71,801,775
Other intangible assets				
Computer software		2,296,576		2,650,475
Others		610,325		834,821
		<u>2,906,901</u>		<u>3,485,296</u>
		<u>\$ 69,806,074</u>		<u>\$ 75,287,071</u>

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

Concessions	21 years
Computer software	10 years
Others	24 years

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

The exchange of Far EasTone's 2600 D6 spectrum with the 700 A3 spectrum held by APTC was approved by NCC on May 30, 2022. The book value of the swap out concession was \$1,803,690 thousand, and additional cash \$299,630 thousand was paid; Therefore, the swap in concession amounted to \$2,103,320 thousand. The right to use the 700 A3 spectrum is valid through December 31, 2030.

## 20. BORROWINGS

### a. Short-term borrowings

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Bank credit loans	\$ 45,391,748	\$ 40,567,164
Secured and pledged bank loans	<u>200,000</u>	<u>556,021</u>
	<u>\$ 45,591,748</u>	<u>\$ 41,123,185</u>

The range of interest rates for bank loans were from 0.2% to 6.15% and from 0.10% to 3.65% as of December 31, 2022 and 2021, respectively.

### b. Short-term bills payable

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Commercial paper	\$ 32,276,400	\$ 5,910,600
Less: Unamortized discount on commercial paper	<u>106,218</u>	<u>2,902</u>
	<u>\$ 32,170,182</u>	<u>\$ 5,907,698</u>

The short-term bills payable outstanding were issued at interest rates ranging from 0.53% to 2.55% and 0.81% to 1.70% as of December 31, 2022 and 2021, respectively.

### c. Long-term borrowings

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Bank loans	\$ 78,649,416	\$ 37,563,279
Long-term commercial paper	18,500,000	59,518,824
Less: Unamortized discount on commercial paper	<u>15,824</u>	<u>49,032</u>
	<u>18,484,176</u>	<u>59,469,792</u>
	97,133,592	97,033,071
Less: Current portion	<u>4,086,409</u>	<u>1,018,518</u>
	<u>\$ 93,047,183</u>	<u>\$ 96,014,553</u>



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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Maturity	January 2023- April 2031	January 2022- April 2031
Bank interest rate intervals	0.36%-5.52%	0.10%-4.18%

FENC's subsidiary, FECC, entered into a credit agreement with Hua Nan Bank. FECC pledged its land and construction pertaining to the Xin Ben project (Ban Qiao - New Section No. 8) amounting to \$8,880,000 thousand as first mortgage to the creditor banks. Other agreement terms were divided into four lines: Line A, Line B, Line C and Line D. Line A refers to the date when the loan was drawn (April 12, 2011); the borrowing interest rate is based on Hua Nan Bank's periodic savings interest rate plus 0.4% then divided by 0.946%, and no revolving credit but batch credit available within 5 years; no repayment in the first 5 years; quarterly repayments of \$30,000 thousand from the sixth year and final repayment on maturity. Line B is 5 years after approval of the credit (July 1, 2021); the borrowing interest rate is based on reference interest rate (Note) plus 0.83011% and no revolving credit but partial draw down available before April 1, 2026; credit will be paid every 6 months from April 1, 2026 after each drawdown date. The first 8 installments should repay 5% of the loan, and the last installment should repay 60% of loan. Line C is 5 years after approval of the credit (April 1, 2021); the borrowing interest rate is based on reference interest rate (Note) plus 0.84011% (negotiated by each loan), and revolving credit within the period; no longer than 6 months, interest is paid monthly; lump sum repayment on maturity. Line D is after signing the contract (March 30, 2015); the borrowing interest rate is based on reference interest rate plus 0.804%, and no revolving credit but partial drawdown available before March 30, 2021; credit will be paid every 6 months from March 30, 2021 after each drawdown date. The first 8 installments should repay 5% of the loan, and the last installment should repay 60% of loan.

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

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

In August 2021, FENC's subsidiary, Oriental Petrochemicals (Taiwan) Corporation (OPTC), received a five-year syndicated loan in a total amount of \$20,000,000 thousand from multiple banks and Mega International Commercial Bank as the leading bank. The syndicated loan agreement was first used to repay all outstanding loan of joint loan in 2017. During the contract period, OPTC needs to maintain its liability ratio within a certain range, which is calculated based on the recent audited non-consolidated financial statements. If OPTC fails to meet the requirement, it should readjust the liability ratio to the required range in 5 months from June 1 next year. Otherwise, starting from November 1, OPTC has to pay extra 0.125% interest on the outstanding amounts until the day before the liability ratio has met the range requirement. The repayment method of this credit is divided into three lines. Line A: The first period is 24 months after the first drawdown date, and every 6 months is a period. It is divided into seven installments. The repayment amount from the first period to the sixth period is 5% of the loan amount, and the full amount will be repaid on the maturity date. Line B: The loan can be resolved within the credit amount, and the first period for payment is 48 months after the first drawdown date, and every 6 months is a period, the credit will be paid \$500,000 thousand each in the first two periods, and the remaining amount will be repaid on the maturity date. According to the agreement, payment of the existing loan can be repaid by a new loan. Line C: The loan can be resolved within the credit amount, and the first period for payment is 48 months after the first drawdown date, and every 6 months is a period, the credit will be paid US\$300 thousand each in the first two periods, and the remaining amount will be repaid on the maturity date. According to the agreement, payment of the existing loan can be repaid by a new loan.

In order to construct a freeway taximeter system infrastructure, an FENC subsidiary, Far Eastern Electronic Toll Collection Corporation (FETC), entered into a syndicated loan agreement with Cathay United bank and three other financial institutions. The agreement terms are as follows:

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

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

Another requirement in the syndicated loan agreement was for FETC to open special bank accounts and to place appropriate payments to these bank accounts through deposits and time deposits. The bank accounts pertaining to the loan reserve and time deposits that had been pledged to Cathay United Bank were accounted for under other financial assets - non-current. The terms of loans B further included a requirement for FETC to keep its loan capital and interest coverage ratio at more than 1.10 during the interest accrual period after November 10, 2014. In addition, FETC should get prior written consent from Cathay United Bank based on the schedule and amount of the ETC project shown in FETC's annual budget before FETC disposes of the pledged deposits and should replace these deposits with other operating assets as collateral. The value of the operating assets should be the lower of the value of newly built operating assets for ETC's operations or the value of other assets that had not been provided to Cathay United Bank as collateral. As of December 31, 2022 and 2021, the amount of operating assets with pledged rights was \$1,120,284 thousand and \$1,344,783 thousand (refer to Note 35).

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

## 21. BONDS PAYABLE

	December 31	
	2022	2021
Nonconvertible domestic bonds	\$ 113,500,000	\$ 126,200,000
Discount of nonconvertible domestic bonds	(84,600)	(111,690)
	113,415,400	126,088,310
Less: Current portion	20,995,415	22,195,480
	<u>\$ 92,419,985</u>	<u>\$ 103,892,830</u>

### Bonds

Period	Maturity	Annual Rate (%)	Issued Amount	December 31		Repayment
				2022	2021	
				Outstanding Balance	Outstanding Balance	
<u>Company</u>						
Unsecured bonds						
106-1	2017.05.17-2022.05.17	1.15	\$ 5,000,000	\$ -	\$ 2,500,000	(Note 1)
106-2	2018.01.08-2023.01.08	0.95	3,000,000	3,000,000	3,000,000	(Note 2)
107-1	2018.05.18-2023.05.18	0.92	6,000,000	3,000,000	6,000,000	(Note 1)
107-2	2018.07.18-2023.07.18	0.90	8,000,000	4,000,000	8,000,000	(Note 1)
108-1	2019.04.29-2024.04.29	0.93	8,000,000	8,000,000	8,000,000	(Note 2)
108-2	2019.08.08-2024.08.08	0.79	6,000,000	6,000,000	6,000,000	(Note 2)
109-1	2020.04.22-2025.04.22	0.66	6,000,000	6,000,000	6,000,000	(Note 2)
109-2-A	2020.06.10-2025.06.10	0.77	2,200,000	2,200,000	2,200,000	(Note 2)
109-2-B	2020.06.10-2027.06.10	0.85	3,000,000	3,000,000	3,000,000	(Note 2)
109-3	2020.09.17-2027.09.17	0.83	5,500,000	5,500,000	5,500,000	(Note 2)
109-4	2020.12.21-2025.12.21	0.54	3,800,000	3,800,000	3,800,000	(Note 2)
110-1	2021.04.28-2026.04.28	0.67	9,500,000	9,500,000	9,500,000	(Note 2)
110-2	2021.05.24-2026.05.24	0.52	1,200,000	1,200,000	1,200,000	(Note 2)
110-3	2021.09.27-2026.09.27	0.63	6,500,000	6,500,000	6,500,000	(Note 2)
111-1	2022.09.14-2027.09.14	1.75	2,500,000	2,500,000	-	(Notes 1 and 6)
111-2-A	2022.10.26-2025.10.26	1.70	1,600,000	1,600,000	-	(Note 2)
111-2-B	2022.10.26-2027.10.26	1.80	900,000	900,000	-	(Note 2)
Subsidiary Yuan						
<u>Ding Investment</u>						
Unsecured bonds						
106-1	2017.06.30-2022.06.30	1.15	3,000,000	-	3,000,000	(Note 2)
107-1	2018.06.29-2023.06.29	0.92	3,000,000	3,000,000	3,000,000	(Note 2)
108-1	2019.10.03-2024.10.03	0.77	3,000,000	3,000,000	3,000,000	(Note 2)
109-1	2020.05.08-2023.05.08	0.70	5,000,000	5,000,000	5,000,000	(Note 2)
109-2	2020.11.26-2025.11.26	0.67	3,000,000	3,000,000	3,000,000	(Note 2)
110-1	2021.06.29-2026.06.29	0.65	3,000,000	3,000,000	3,000,000	(Note 2)
Subsidiary Far						
<u>EasTone</u>						
Unsecured bonds						
105-1	2017.01.05-2022.01.05	1.17	5,200,000	-	5,200,000	(Note 2)
106-1	2017.04.26-2022.04.26	1.17	4,500,000	-	4,500,000	(Note 2)
106-2	2017.09.04-2024.09.04	1.17	2,000,000	2,000,000	2,000,000	(Note 2)
106-3-A	2017.12.20-2023.06.20	0.95	1,500,000	1,500,000	1,500,000	(Note 2)
106-3-B	2017.12.20-2024.12.20	1.09	1,500,000	1,500,000	1,500,000	(Note 2)
107-1-A	2018.05.07-2023.05.07	0.85	1,500,000	1,500,000	1,500,000	(Note 2)
107-2-B	2018.05.07-2025.05.07	1.01	3,500,000	3,500,000	3,500,000	(Note 2)

(Continued)

Period	Maturity	Annual Rate (%)	Issued Amount	December 31		Repayment
				2022	2021	
				Outstanding Balance	Outstanding Balance	
108-1-A	2019.06.25-2024.06.25	0.75	\$ 3,200,000	\$ 3,200,000	\$ 3,200,000	(Note 2)
108-1-B	2019.06.25-2026.06.25	0.81	1,800,000	1,800,000	1,800,000	(Note 2)
108-2-A	2019.12.20-2026.12.20	0.80	2,600,000	2,600,000	2,600,000	(Note 3)
108-2-B	2019.12.20-2029.12.20	0.85	500,000	500,000	500,000	(Note 4)
109-1-A	2020.03.16-2025.03.16	0.67	1,500,000	1,500,000	1,500,000	(Note 2)
109-1-B	2020.03.16-2027.03.16	0.70	2,500,000	2,500,000	2,500,000	(Note 2)
109-1-C	2020.03.16-2030.03.16	0.77	1,000,000	1,000,000	1,000,000	(Note 2)
109-2-A	2020.06.02-2027.06.02	0.73	1,000,000	1,000,000	1,000,000	(Note 2)
110-1	2021.06.04-2028.06.04	0.55	1,200,000	1,200,000	1,200,000	(Note 2)
111-1	2022.03.29-2027.03.29	0.88	2,700,000	2,700,000	-	(Note 5)
111-2	2022.09.08-2027.09.08	1.70	1,800,000	1,800,000	-	(Note 2)
Total outstanding balance				<u>\$ 113,500,000</u>	<u>\$ 126,200,000</u>	

(Concluded)

- Note 1: These bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.
- Note 2: These bonds are repayable in lump sum on maturity. The interest is calculated by the simple fix interest method (based on the outstanding balance) starting from the issuance date and is payable annually.
- Note 3: These bonds are repayable at 50% of the total amount at the end of the sixth year and the other 50% at the end of the seventh year of bond issuance. The interest is calculated by the simple interest method and is payable annually.
- Note 4: These bonds are repayable at 50% of the total amount at the end of the ninth year and the other 50% at the end of the tenth year of bond issuance. The interest is calculated by the simple interest method and is payable annually.
- Note 5: These bonds are repayable at 50% of the total amount at the end of the sixth month of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method and is payable annually.
- Note 6: These bonds are repayable sustainability-linked bond (SLB) at 1.75%. Interest payment terms are subject to adjustment if there is a triggering event at the target measurement date. Trigger events have two key performance indicators (KPIs) for observing sustainable development whether sustainability performance targets (SPTs) were achieved at the target measurement date (December 31, 2025). This includes (a) a 20% reduction in greenhouse gas emissions (Scope 1 + Scope 2) by 2025 compared to 2020; and (b) an 80% increase in green product revenue by 2025 compared to 2015. For information on the sustainable development link bond, visit the Market Observation Post System.

## 22. PROVISIONS

	December 31	
	2022	2021
Dismantling obligation	\$ 1,583,721	\$ 1,535,615
Warranties	159,315	121,786
Onerous contract	<u>6,098</u>	<u>558</u>
	<u>\$ 1,749,134</u>	<u>\$ 1,657,959</u>
Current	\$ 301,143	\$ 256,684
Non-current	<u>1,447,991</u>	<u>1,401,275</u>
	<u>\$ 1,749,134</u>	<u>\$ 1,657,959</u>

	Dismantling Obligation	Warranties	Onerous Contracts	Total
Balance at January 1, 2022	\$ 1,535,615	\$ 121,786	\$ 558	\$ 1,657,959
Additions	60,479	50,077	6,098	116,654
Reductions	(8,855)	(12,548)	(558)	(21,961)
Discount amortization	4,642	-	-	4,642
Foreign exchange net gain or loss	<u>(8,160)</u>	<u>-</u>	<u>-</u>	<u>(8,160)</u>
Balance at December 31, 2022	<u>\$ 1,583,721</u>	<u>\$ 159,315</u>	<u>\$ 6,098</u>	<u>\$ 1,749,134</u>
Balance at January 1, 2021	\$ 1,182,389	\$ 99,531	\$ 16,674	\$ 1,298,594
Additions	373,189	31,959	558	405,706
Reductions	(7,689)	(9,704)	(16,674)	(34,067)
Discount amortization	3,288	-	-	3,288
Foreign exchange net gain or loss	<u>(15,562)</u>	<u>-</u>	<u>-</u>	<u>(15,562)</u>
Balance at December 31, 2021	<u>\$ 1,535,615</u>	<u>\$ 121,786</u>	<u>\$ 558</u>	<u>\$ 1,657,959</u>

## 23. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

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

The pension costs recognized in total comprehensive income under the defined contribution plan amounted to \$943,178 thousand and \$856,650 thousand for the years ended December 31, 2022 and 2021, respectively.

b. Defined benefit plans

The defined benefit plan adopted by the Company and its subsidiaries established in Republic of China in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. These companies contribute amounts corresponding to certain percentages of monthly salaries to their respective pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in the Bank of Taiwan. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Present value of defined benefit obligation	\$ 6,997,575	\$ 7,391,129
Fair value of plan assets	<u>(8,150,522)</u>	<u>(7,927,491)</u>
(Surplus) deficit	(1,152,947)	(536,362)
Recognized in net defined benefit assets	<u>1,684,780</u>	<u>1,409,774</u>
Net defined benefit liabilities	<u>\$ 531,833</u>	<u>\$ 873,412</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Deficit (Surplus)</b>
Balance at January 1, 2022	<u>\$ 7,391,129</u>	<u>\$ (7,927,491)</u>	<u>\$ (536,362)</u>
Service cost			
Current service cost	50,158	-	50,158
Past service cost and loss on settlements	347	-	347
Interest expense (income)	<u>50,758</u>	<u>(55,653)</u>	<u>(4,895)</u>
Recognized in profit or loss	<u>101,263</u>	<u>(55,653)</u>	<u>45,610</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(311,102)	(311,102)
Actuarial (gain) loss - changes in demographic assumptions	(1,299)	-	(1,299)
Actuarial (gain) loss - changes in financial assumptions	(332,143)	-	(332,143)
Actuarial (gain) loss - experience adjustments	<u>281,213</u>	<u>-</u>	<u>281,213</u>
Recognized in other comprehensive income	<u>(52,229)</u>	<u>(311,102)</u>	<u>(363,331)</u>
Contributions from the employer	-	(239,054)	(239,054)
Benefits paid	<u>(442,588)</u>	<u>382,778</u>	<u>(59,810)</u>
Balance at December 31, 2022	<u>\$ 6,997,575</u>	<u>\$ (8,150,522)</u>	<u>\$ (1,152,947)</u>

(Continued)

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

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

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rate(s)	1.13%-2.00%	0.35%-0.75%
Expected rate(s) of salary increase	1.00%-4.00%	1.25%-4.00%

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rate(s)		
0.50% increase	<u>\$ (232,459)</u>	<u>\$ (227,200)</u>
0.50% decrease	<u>\$ 204,204</u>	<u>\$ 238,952</u>
Expected rate(s) of salary increase		
0.50% increase	<u>\$ 202,204</u>	<u>\$ 234,931</u>
0.50% decrease	<u>\$ (195,625)</u>	<u>\$ (225,386)</u>

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
The expected contributions to the plan for the next year	<u>\$ 526,339</u>	<u>\$ 366,668</u>
The average duration of the defined benefit obligation	1.9-11 years	3.1-11 years

## 24. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

	<b>December 31, 2022</b>		
	<b>Within One Year</b>	<b>Over One Year</b>	<b>Total</b>
<u>Assets</u>			
Notes and accounts receivable	\$ 370,869	\$ 60,750	\$ 431,619
Inventories - construction and real estate	2,544,768	20,107,163	22,651,931
Contract assets - current	1,245,849	401,609	1,647,458
Other financial assets - current	922,366	1,173,091	2,095,457
Refundable deposits - current	2,510	5,710	8,220
<u>Liabilities</u>			
Notes and accounts payable (including payable to related parties)	2,004,232	66,287	2,070,519
Contract liabilities - current	712,071	285,090	997,161
Provisions - current	5,000	113,818	118,818



	<b>December 31, 2021</b>		
	<b>Within One Year</b>	<b>Over One Year</b>	<b>Total</b>
<u>Assets</u>			
Notes and accounts receivable	\$ 939,290	\$ -	\$ 939,290
Inventories - construction and real estate	2,069,234	20,026,560	22,095,794
Contract assets - current	1,569,500	-	1,569,500
Other financial assets - current	674,930	917,030	1,591,960
Refundable deposits - current	5,712	3,491	9,203
<u>Liabilities</u>			
Notes and accounts payable (including payable to related parties)	2,386,933	53,939	2,440,872
Contract liabilities - current	113,522	285,836	399,358
Provisions - current	32,217	35,217	67,434

## 25. EQUITY

### a. Share capital

#### 1) Common stock

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Number of authorized shares (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>
Amount of authorized shares	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>5,352,875</u>	<u>5,352,875</u>
Amount of issued and fully paid shares	<u>\$ 53,528,751</u>	<u>\$ 53,528,751</u>

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

#### 2) Global depositary receipt

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

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)		
Difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 2,604,860	\$ 2,604,860
Treasury share transactions	18,859	17,690
May be used to offset a deficit only (2)		
Arising from changes in percentage of ownership interests in subsidiaries and associates	631,411	627,118
May not be used for any purpose		
Others	153,411	153,335
	<u>\$ 3,408,541</u>	<u>\$ 3,403,003</u>

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the net profit after tax plus the items other than the net profit after tax which is included in the current year's retained earnings, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used as the basis for proposing a distribution plan. After adding prior years' unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the distribution of dividends evenly by all of the shares. When capital increase, the amount of dividend for new shares of that year would be according to resolution of the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration to directors, refer to Note 27, e. "Employees' compensation and remuneration of directors".

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

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

Under Rules issued by the FSC and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs”, the Company should appropriate or reverse to a special reserve.

The appropriations from the 2021 and 2020 earnings were approved in the shareholders’ meetings on June 30, 2022 and July 29, 2021, respectively. The appropriations and dividends per share were as follows:

	<b>Appropriation and Earnings</b>		<b>Dividend Per Share (NT\$)</b>	
	<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Legal reserve	\$ 1,017,807	\$ 730,754		
Special reserve	779,995	2,109,237		
Cash dividends	8,029,313	7,226,382	\$ 1.50	\$ 1.35

The appropriation of earnings for 2022 were proposed by the Company’s board of directors on March 8, 2023. The appropriations and dividends per share were as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 817,564	
Special reserve	271,822	
Cash dividends	7,226,382	\$ 1.35

The appropriation of earnings for 2022 are subject to resolution in the shareholders’ meeting to be held on June 28, 2023.

d. Special reserve

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

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Beginning balance	\$ 21,552,496	\$ 21,552,496
Reversals:		
Disposal of investment properties	(534,089)	-
Ending balance	<u>\$ 21,018,407</u>	<u>\$ 21,552,496</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Beginning balance	\$ 94,723,258	\$ 92,614,722
Appropriation in respect of:		
Application of the fair value method to investment properties	780,268	2,108,536
Reversals:		
Disposal of investment properties	<u>(554,845)</u>	<u>-</u>
Ending balance	<u>\$ 94,948,681</u>	<u>\$ 94,723,258</u>

e. Other equity items

The changes in other equity items were as follows:

	<b>Exchange Differences on Translation of Foreign Operations</b>	<b>Unrealized Gain (Loss) on Financial Assets at FVTOCI</b>	<b>Gain (Loss) on Hedging Instruments</b>	<b>Gain on Property Revaluation</b>	<b>Total</b>
Balance at January 1, 2022	\$ (8,719,525)	\$ 2,195,786	\$ 23,392	\$ 2,574,951	\$ (3,925,396)
Exchange differences arising on translation of foreign operations	3,115,800	-	-	-	3,115,800
Unrealized gain (loss) on financial assets at FVTOCI	-	(633,063)	-	-	(633,063)
Gain (loss) on hedging instruments	-	-	1,194	-	1,194
Gain on property revaluation	-	-	-	18,462	18,462
Share of the other comprehensive gain (loss) of associates	1,031,101	(751,849)	(2)	3	279,253
Change in ownership interest of subsidiaries	-	(142)	-	(6)	(148)
Associates disposed the investment in equity instruments designated as at FVTOCI	<u>-</u>	<u>26,382</u>	<u>-</u>	<u>-</u>	<u>26,382</u>
Balance at December 31, 2022	<u>\$ (4,572,624)</u>	<u>\$ 837,114</u>	<u>\$ 24,584</u>	<u>\$ 2,593,410</u>	<u>\$ (1,117,516)</u>
Balance at January 1, 2021	\$ (7,218,941)	\$ 1,995,447	\$ 19,480	\$ 2,293,619	\$ (2,910,395)
Exchange differences arising on translation of foreign operations	(1,210,428)	-	-	-	(1,210,428)
Unrealized gain (loss) on financial assets at FVTOCI	-	229,440	-	-	229,440
Gain (loss) on hedging instruments	-	-	4,146	-	4,146
Gain on property revaluation	-	-	-	249,143	249,143
Disposal of equity instruments measured at fair value through other comprehensive income	-	(125,315)	-	-	(125,315)
Share of the other comprehensive gain (loss) of associates	(290,156)	180,440	(234)	33,920	(76,030)
Change in ownership interest of associates	-	(50,869)	-	(1,731)	(52,600)
Associates disposed the investment in equity instruments designated as at FVTOCI	<u>-</u>	<u>(33,357)</u>	<u>-</u>	<u>-</u>	<u>(33,357)</u>
Balance at December 31, 2021	<u>\$ (8,719,525)</u>	<u>\$ 2,195,786</u>	<u>\$ 23,392</u>	<u>\$ 2,574,951</u>	<u>\$ (3,925,396)</u>

f. Non-controlling interests

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Beginning balance	\$ 63,366,183	\$ 65,395,453
Attributable to non-controlling interests:		
Net income	5,180,858	5,159,901
Cash dividends distributed by subsidiaries	(5,290,167)	(4,705,450)
Cash dividends distributed by subsidiaries from capital surplus	(1,464,953)	(2,041,690)
Exchange differences on translation of foreign operations	551,320	(103,853)
Unrealized gain (loss) on financial assets at FVTOCI	(660,861)	(400,384)
Gain on hedging instruments	2,269	7,879
Remeasurement on defined benefit plans	84,066	(13,936)
Gain on property revaluation	34,645	5,854
Actual obtain or dispose of partial equity of the subsidiary	-	(27,167)
Share of other comprehensive income of associates accounted for using the equity method	(19,221)	39,746
Changes in associates accounted for using the equity method	(7,585)	1,134
Issuance of ordinary shares for cash from subsidiary cause increase in non-controlling interests from subsidiary	679,871	-
Effect on changes in percentage of ownership in subsidiaries	207,051	48,696
Share-based payment transaction	<u>123</u>	<u>-</u>
Ending balance	<u>\$ 62,663,599</u>	<u>\$ 63,366,183</u>

g. Treasury shares

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

<b>Name of Subsidiary</b>	<b>Number of Shares Held (In Thousands)</b>	<b>Carrying Amount</b>	<b>Market Price</b>
<u>December 31, 2022</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 24,862</u>
<u>December 31, 2021</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 22,836</u>

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

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

## 26. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Revenue from contracts with customers		
Revenue from sale of goods	\$ 191,973,405	\$ 169,280,929
Telecommunications service revenue	46,149,939	45,333,985
Construction revenue	4,861,293	7,297,098
Other operating revenue	<u>20,959,888</u>	<u>16,894,205</u>
	<u>\$ 263,944,525</u>	<u>\$ 238,806,217</u>

### a. Description of customer contract

Refer to Note 4 the summary of significant accounting policies.

### b. Contract balances

	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>January 1, 2021</b>
Notes and accounts receivable (Note 10)	<u>\$ 29,095,332</u>	<u>\$ 29,336,993</u>	<u>\$ 26,788,957</u>
Long-term receivables	<u>\$ 162,111</u>	<u>\$ 93,134</u>	<u>\$ 129,598</u>
Contract assets			
Bundle sale of goods	\$ 7,987,037	\$ 7,570,619	\$ 7,274,473
Real estate construction	1,274,113	1,106,190	952,972
Retentions receivable	373,345	463,310	304,606
Others	989,209	1,209,396	924,052
Less: Allowance for impairment loss	<u>(145,515)</u>	<u>(148,515)</u>	<u>(135,925)</u>
	<u>\$ 10,478,189</u>	<u>\$ 10,201,000</u>	<u>\$ 9,320,178</u>
Current	\$ 6,807,718	\$ 6,838,329	\$ 6,098,262
Non-current	<u>3,670,471</u>	<u>3,362,671</u>	<u>3,221,916</u>
	<u>\$ 10,478,189</u>	<u>\$ 10,201,000</u>	<u>\$ 9,320,178</u>
Contract liabilities			
Sale of goods and services	\$ 15,787,642	\$ 15,053,216	\$ 4,103,947
Sale of real estate	205,652	57	34,663
Real estate construction	<u>791,509</u>	<u>399,301</u>	<u>469,634</u>
	<u>\$ 16,784,803</u>	<u>\$ 15,452,574</u>	<u>\$ 4,608,244</u>
Current	\$ 6,408,943	\$ 4,833,211	\$ 4,418,922
Non-current	<u>10,375,860</u>	<u>10,619,363</u>	<u>189,322</u>
	<u>\$ 16,784,803</u>	<u>\$ 15,452,574</u>	<u>\$ 4,608,244</u>

For notes and accounts receivable, refer to Note 10.

The changes in the balance of contract assets and contract liabilities primarily resulted from the timing difference between the Group's performance of obligations and the respective customer's payment, contract liability is recognized as revenue until performance obligations are satisfied.

The Group provides frequency and network sharing services for APTC through a part of 5G spectrum and related cell sites. The consideration received from APTC is included in contract liabilities and revenue is recognized over the useful lives of the assets used in providing frequency and network sharing services.

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Expected credit loss rate	0.06%-8.61%	0.05%-8.93%
Gross carrying amount	\$ 8,976,246	\$ 8,780,015
Allowance for impairment loss (Lifetime ECLs)	<u>(145,515)</u>	<u>(148,515)</u>
	<u>\$ 8,830,731</u>	<u>\$ 8,631,500</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 148,515	\$ 135,925
Add: Net remeasurement of loss allowance	<u>(3,000)</u>	<u>12,590</u>
Balance at December 31	<u>\$ 145,515</u>	<u>\$ 148,515</u>

c. Assets related to contract costs

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Non-current		
Incremental costs of obtaining a contract	<u>\$ 3,702,294</u>	<u>\$ 3,908,968</u>

Incremental costs of obtaining a contract

The Group considered its past experience and believes the commission and subsidies paid for obtaining contracts are wholly recoverable. Total expense recognized in 2022 and 2021 was \$2,962,513 thousand and \$3,091,447 thousand, respectively.

d. Disaggregation of revenue

Refer to Note 41 for information about disaggregation of revenue.

e. Partially completed contracts

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Telecommunication service contracts		
Fulfillment in 2022	\$ -	\$ 15,536,377
Fulfillment in 2023	14,729,243	8,519,891
Fulfillment in 2024 and beyond	<u>10,723,911</u>	<u>2,378,216</u>
	<u>\$ 25,453,154</u>	<u>\$ 26,434,484</u>

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

## 27. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Capitalized interests on properties	\$ 228,327	\$ 63,831
Capitalization rates	0.50%-7.10%	0.10%-3.25%

b. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Property, plant and equipment	\$ 16,649,617	\$ 16,336,423
Right-of-use assets	4,296,361	4,297,596
Intangible assets	<u>6,778,942</u>	<u>6,916,743</u>
	<u>\$ 27,724,920</u>	<u>\$ 27,550,762</u>
An analysis of depreciation by function		
Operating costs	\$ 18,890,371	\$ 18,546,139
Operating expenses	2,009,879	2,020,225
Other expense	<u>45,728</u>	<u>67,655</u>
	<u>\$ 20,945,978</u>	<u>\$ 20,634,019</u>
An analysis of amortization by function		
Operating costs	\$ 5,743,944	\$ 5,496,892
Operating expenses	<u>1,034,998</u>	<u>1,419,851</u>
	<u>\$ 6,778,942</u>	<u>\$ 6,916,743</u>



c. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Post-employment benefits		
Defined contribution plans	\$ 943,178	\$ 856,650
Defined benefit plans	45,610	61,551
Other employee benefits	<u>23,715,524</u>	<u>22,400,268</u>
Total employee benefits expense	<u>\$ 24,704,312</u>	<u>\$ 23,318,469</u>
Analysis of employee benefit expense by function		
Operating costs	\$ 13,108,039	\$ 11,791,134
Operating expenses	<u>11,596,273</u>	<u>11,527,335</u>
	<u>\$ 24,704,312</u>	<u>\$ 23,318,469</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Gain/(losses) on disposal of property, plant and equipment	\$ (337,688)	\$ 1,052,223
Loss on disposal of concessions	(158,882)	(21,150)
Loss on disposal of investment properties	(34,894)	(4,436)
Loss on disposal of intangible assets	<u>-</u>	<u>(22,597)</u>
	<u>\$ (531,464)</u>	<u>\$ 1,004,040</u>

e. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of 2.0% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. However, the Company has to first offset losses from the previous years. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 8, 2023 and March 8, 2022, respectively, are as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Employees' compensation	3.30%	3.30%
Remuneration of directors	1.78%	1.73%

Amount

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Employees' compensation	\$ 285,617	\$ 345,347
Remuneration of directors	153,878	180,847

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

There was no difference between the actual appropriated amounts of employees' compensation and remuneration of directors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020. The Company offered to settle employee's compensation in cash.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 28. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ 3,792,158	\$ 3,031,307
Income tax on unappropriated earnings	1,472	937
Adjustments for prior years	<u>(124,751)</u>	<u>(113,425)</u>
	3,668,879	2,918,819
Deferred tax	<u>139,601</u>	<u>64,001</u>
Income tax expense recognized in profit or loss	<u>\$ 3,808,480</u>	<u>\$ 2,982,820</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit before tax from continuing operations	<u>\$ 17,149,630</u>	<u>\$ 17,827,305</u>
Income tax expense calculated at the statutory rate (20%)	\$ 3,429,926	\$ 3,565,461
Adjustment items effect of income tax	362,232	(534,154)
Adjustments for prior years' income tax	(124,751)	(113,425)
Income tax on unappropriated earnings	<u>1,472</u>	<u>937</u>
Current tax	3,668,879	2,918,819
Deferred tax	<u>139,601</u>	<u>64,001</u>
Income tax expense recognized in profit or loss	<u>\$ 3,808,480</u>	<u>\$ 2,982,820</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Deferred tax benefit (expense)</u>		
In respect of the current period		
Remeasurement of defined benefit plans	\$ 66,653	\$ 61,286
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	3,673	129
Gains on property revaluation	<u>(422)</u>	<u>17,455</u>
	<u>\$ 69,904</u>	<u>\$ 78,870</u>

- c. Deferred tax assets and liabilities

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

For the year ended December 31, 2022

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Derecognized due to Disposal of Investment Properties</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>					
Allowance for doubtful accounts	\$ 341,623	\$ (2,192)	\$ -	\$ -	\$ 339,431
Loss carryforwards	1,210,693	(255,860)	-	-	954,833
Impairment loss	393,539	(27,141)	-	-	366,398
Others	<u>821,052</u>	<u>177,261</u>	<u>(70,326)</u>	<u>-</u>	<u>927,987</u>
	<u>\$ 2,766,907</u>	<u>\$ (107,932)</u>	<u>\$ (70,326)</u>	<u>\$ -</u>	<u>\$ 2,588,649</u>
<u>Deferred tax liabilities</u>					
Share of profit of associates	\$ 1,661,726	\$ 170,377	\$ -	\$ -	\$ 1,832,103
Amortization of goodwill	2,056,606	-	-	-	2,056,606
Provision of land value incremental tax	13,447,117	(242,483)	-	(202,967)	13,001,667
Investment properties	857,519	63,224	(422)	-	920,321
Others	<u>545,669</u>	<u>40,551</u>	<u>-</u>	<u>-</u>	<u>586,220</u>
	<u>\$ 18,568,637</u>	<u>\$ 31,669</u>	<u>\$ (422)</u>	<u>\$ (202,967)</u>	<u>\$ 18,396,917</u>

For the year ended December 31, 2021

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 312,339	\$ 29,284	\$ -	\$ 341,623
Loss carryforwards	1,253,471	(42,778)	-	1,210,693
Impairment loss	476,891	(83,352)	-	393,539
Others	<u>657,589</u>	<u>224,878</u>	<u>(61,415)</u>	<u>821,052</u>
	<u>\$ 2,700,290</u>	<u>\$ 128,032</u>	<u>\$ (61,415)</u>	<u>\$ 2,766,907</u>

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax liabilities</u>				
Share of profit of associates	\$ 1,342,757	\$ 318,969	\$ -	\$ 1,661,726
Amortization of goodwill	2,056,606	-	-	2,056,606
Provision of land value incremental tax	13,930,720	(483,603)	-	13,447,117
Investment properties	750,296	89,768	17,455	857,519
Others	<u>278,770</u>	<u>266,899</u>	<u>-</u>	<u>545,669</u>
	<u>\$ 18,359,149</u>	<u>\$ 192,033</u>	<u>\$ 17,455</u>	<u>\$ 18,568,637</u>
				(Concluded)

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

	<u>December 31</u>	
	2022	2021
Loss carryforwards	<u>\$ 22,189,939</u>	<u>\$ 22,695,077</u>
Expiry year	2023-2032	2022-2031
Deductible temporary differences	<u>\$ 6,929,973</u>	<u>\$ 8,118,622</u>

- e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2022 comprised:

Unused Amount	Expiry Year
<u>\$ 26,952,747</u>	2023-2032

- f. Income tax assessments

	<u>Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared</u>
Far Eastern New Century Corporation	2019
Far Eastern Resources Development Co., Ltd.	2019
Oriental Petrochemical (Taiwan) Corporation	2019
Fu Kwok Knitting & Garment Co., Ltd.	2020
Yuan Tong Investment Co., Ltd.	2019
Kai Yuan International Investment Co., Ltd.	2020
Ding Yuan International Investment Co., Ltd.	2020
An Ho Garment Co., Ltd.	2020
Far Eastern Textile Ltd.	2020
Far Eastern Construction Co., Ltd.	2020
Far Eastern General Contractor Inc.	2020

(Continued)

**Latest Year of Income  
Tax Return That Tax  
Authorities Had  
Examined and Cleared**

Yuan Ding Investment Co., Ltd.	2020
Far Eastern Fibertech Co., Ltd.	2020
Oriental Green Materials Limited	2020
Oriental Resources Development Co., Ltd.	2020
Far Eastern Apparel Co., Ltd.	2020
Yuan Faun Co., Ltd.	2020
Yuan Cheng Human Resources Consultant Corporation	2019
Yuan Ding Co., Ltd.	2020
Far Eastern Technical Consultants Co., Ltd.	2019
YDT Technology International Co., Ltd.	2020
FET Consulting Engineers Co., Ltd.	2020
Ding Ding Integrated Marketing Service Co., Ltd.	2020
Ding Ding Hotel Co., Ltd.	2020
Far Eastern Electronic Toll Collection Co., Ltd.	2021
FETC International Co., Ltd.	2020
Yuan Hsin Digital Payment Co., Ltd.	2020
Far EasTone Telecommunications Co., Ltd	2020
ARCOA Communication Co., Ltd.	2020
Information Security Service Digital United Inc.	2020
DataExpress Infotech Co., Ltd.	2020
Yuan Cing Co., Ltd.	2020
New Diligent Co., Ltd.	2020
KGEx.com Co., Ltd.	2020
Home Master Technology Ltd.	2020
Yuanshi Digital Technology Co., Ltd.	2020
New Century InfoComm Tech Corporation	2020
Nextlink Technology Co., Ltd.	2020
Microfusion Technology Co., Ltd.	2020
Prime EcoPower Co., Ltd.	2020
Yuanbao Financial Technology Co., Ltd.	2021
Far EasTone Property Insurance Agent Co., Ltd.	2020

(Concluded)

## 29. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Basic earnings per share	\$ 1.63	\$ 1.94
Diluted earnings per share	\$ 1.63	\$ 1.94

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

### Net Income for the Year

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Net income for the period attributable to owners of the Company	<u>\$ 8,160,292</u>	<u>\$ 9,684,584</u>

### Weighted Average Number of Common Stock Outstanding

	<b>Unit: In Thousand Shares</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Weighted average number of common stock used in the computation of basic earnings per share	5,001,002	4,986,743
Effect of potentially dilutive common stock:		
Employees' compensation	<u>10,905</u>	<u>13,868</u>
Weighted average number of common stock used in the computation of diluted earnings per share	<u>5,011,907</u>	<u>5,000,611</u>

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

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

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the years ended December 31, 2022 and 2021, the Company's basic EPS were \$1.52 and \$1.81, respectively.

## 30. SHARE-BASED PAYMENT ARRANGEMENTS

In October 2022 Information Security Service Digital United Inc. approved 787 thousand units of stock options for employees, each of which entitles them to subscribe for 1,000 ordinary shares. To whom it is given includes Information Security Service Digital United Inc employees with specific conditions. The duration of the stock options is 3 years and the certificate holders of the certificate can exercise a certain percentage of the granted stock options after 9 months from the date of issuance. The exercise price of the stock options is not less than the net value per share of the most recent audited financial statements as of the date of issue. The exercise price of stock options shall be adjusted in accordance with the prescribed formula in the event of a change in the number of shares of the ordinary shares of the subsidiary after the stock options are issued.

Employee stock options relevant information is as follows:

	<b>For the Year Ended December 31, 2022</b>	
	<b>Number of Options (In Thousands of Units)</b>	<b>Weighted- average Exercise Price (\$)</b>
Balance at January 1	-	\$ -
Options granted	787	12.35
Options forfeited	<u>(28)</u>	-
Balance at December 31	<u>759</u>	12.35
Options exercisable, end of the year	<u>-</u>	-

The Black-Scholes option evaluation model was used to calculate the fair value of employee subscriptions for cash capital increase in October 2022. Relevant information is as follows:

	<b>For the Year Ended December 31, 2022</b>
Grant-date share price (\$)	\$11.18
Exercise price (\$)	\$12.35
Expected volatility	30.33%-33.63%
Expected life	1.88-2.88 years
Risk-free interest rate	1.34%-1.43%

The Cooperation losses recognized were NT\$199 thousand for the year ended December 31, 2022.

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

#### For the year ended December 31, 2022

The Group formerly owned 100% shares of Far Eastern Industries (Shanghai) Ltd and 61.35% shares of Oriental Petrochemical (Shanghai) Corporation. Oriental Petrochemical (Shanghai) Corporation was absorbed by Far Eastern Industries (Shanghai) Ltd. on December 31, 2022. Far Eastern Industries (Shanghai) Ltd. was the surviving company, and Oriental Petrochemical (Shanghai) Corporation was the dissolved company. After merging, the Group's interest in Far Eastern Industries (Shanghai) Ltd. is 90.03%.

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

	<b>Amounts</b>
Cash consideration paid	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>(296,065)</u>
Difference recognized from equity transactions	<u>\$ (296,065)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earnings	<u>\$ (296,065)</u>

In December 2022, the Group subscribed for additional new shares of Yuanshi Digital Technology Co., Ltd. in cash at a percentage different from its existing ownership percentage, increasing its interest from 98.20% to 99.51%.

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

	<b>Amounts</b>
Cash consideration received	\$ (14,546)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>9,230</u>
Differences recognized from equity transactions	<u>\$ (5,316)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earnings	<u>\$ (5,316)</u>

In March and June 2022, the Group purchased partial shareholders' equity of ARCOA Communication Co., Ltd. from non-controlling interest by cash, leading to an increase in its interest from 61.63% to 68.35%.

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

	<b>Amounts</b>
Cash consideration received	\$ (116,885)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>121,360</u>
Differences recognized from equity transactions	<u>\$ 4,475</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between consideration received or paid and carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>\$ 4,475</u>

In March 2022, the Group subscribed for additional new shares of IDEAWORKS Entertainment Co., Ltd. in cash at a percentage different from its existing shareholdings, leading to a decrease acquisition interests from 100% to 50%.



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

	<b>Amounts.</b>
Cash consideration received	\$ 41,250
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>(41,250)</u>
Differences recognized from equity transactions	<u>\$ -</u>

For the year ended December 31, 2021

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

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

	<b>Amounts</b>
Cash consideration paid	\$ (77,239)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>27,167</u>
Differences recognized from equity transactions	<u>\$ (50,072)</u>

Line items adjusted for equity transactions

Capital surplus - difference between consideration received or paid and carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>\$ (50,072)</u>
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In August 2021, the Group subscribed for additional new shares of Yuan Hsin Digital Payment Co., Ltd. in cash at a percentage different from its existing ownership percentage, decreasing its interest from 74.36% to 71.63%.

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

	<b>Amounts</b>
Cash consideration received	\$ 49,403
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>(48,696)</u>
Differences recognized from equity transactions	<u>\$ 707</u>

Line items adjusted for equity transactions

Capital surplus - changes on percentage of ownership interest in subsidiary	<u>\$ 707</u>
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### 32. CAPITAL MANAGEMENT

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

### 33. FINANCIAL INSTRUMENTS

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

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

	December 31			
	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>				
Financial liabilities measured at amortized cost				
Bonds payable	<u>\$ 113,415,400</u>	<u>\$ 112,288,240</u>	<u>\$ 126,088,310</u>	<u>\$ 126,661,842</u>

##### 2) Fair value hierarchy

###### December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 112,288,240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,288,240</u>

###### December 31, 2021

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

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

##### 1) Fair value hierarchy

###### December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Open-end mutual funds - beneficial certificates	\$ 3,697,069	\$ -	\$ -	\$ 3,697,069
Foreign mutual funds - benefit certificates	-	2,100,156	-	2,100,156
Domestic listed shares	166,100	-	-	166,100
Forward exchange contracts	-	-	6,466	6,466
Trade fair investment agreement	-	-	3,840	3,840
	<u>\$ 3,863,169</u>	<u>\$ 2,100,156</u>	<u>\$ 10,306</u>	<u>\$ 5,973,631</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares	\$ 3,745,673	\$ -	\$ -	\$ 3,745,673
Unlisted shares	-	-	1,329,772	1,329,772
Real estate investment trust mutual funds - beneficial certificates	486,559	-	-	486,559
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>742,016</u>	<u>742,016</u>
	<u>\$ 4,232,232</u>	<u>\$ -</u>	<u>\$ 2,071,788</u>	<u>\$ 6,304,020</u>
Financial liabilities for hedging				
Cash flow hedges - interest forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,980</u>	<u>\$ 6,980</u>
Financial liabilities at FVTPL				
Rate swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,382</u>	<u>\$ 28,382</u> (Concluded)

December 31, 2021

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

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

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

For the year ended December 31, 2022

	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at FVTOCI	Financial Instruments for Hedging	Total
Balance at January 1, 2020	\$ 27,057	\$ 2,132,857	\$ 3,517	\$ 2,163,431
Acquisition	3,840	-	-	3,840
Capital reduction and refund	-	(15,769)	-	(15,769)
Recognized in profit or loss	(196,422)	-	-	(196,422)
Recognized in other comprehensive income	-	(60,890)	3,463	(57,427)
Settlements and effect of exchange rate differences	<u>147,449</u>	<u>15,590</u>	<u>-</u>	<u>163,039</u>
Balance at December 31, 2020	<u>\$ (18,076)</u>	<u>\$ 2,071,788</u>	<u>\$ 6,980</u>	<u>\$ 2,060,692</u>

For the year ended December 31, 2021

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

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

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

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

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

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 5,973,631	\$ 5,973,798
Financial assets for hedging	6,980	3,517
Financial assets at amortized cost (Note 1)	94,249,446	78,170,400
Financial assets at FVTOCI	6,304,020	7,591,448
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	28,382	372
Amortized cost (Note 2)	329,738,231	310,512,837

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

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

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
5% change in profit or loss		
USD	<u>\$ (268,752)</u>	<u>\$ (329,269)</u>

b) Interest rate risk

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Fair value interest rate risk		
Financial assets	\$ 31,556,387	\$ 18,598,979
Financial liabilities	243,311,878	243,538,512
Cash flow interest rate risk		
Financial assets	14,029,776	14,578,478
Financial liabilities	54,705,011	36,279,261

Sensitivity analysis

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

If interest rates had been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial assets with fixed interest rate for the years ended December 31, 2022 and 2021 would have decreased/increased by NT\$78,694 thousand and NT\$46,381 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decrease by \$35,074 thousand and \$36,446 thousand, respectively.

If interest rates had been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial liabilities with fixed interest rate for the years ended December 31, 2022 and 2021 would have decreased/increased by \$606,763 thousand and \$607,328 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased/increased by \$136,763 thousand and \$90,698 thousand, respectively.

Hedge accounting

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

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

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

December 31, 2022

Hedging Instruments	Notional Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change In Value Used for Calculating Hedge Ineffectiveness
						Asset	Liability	
Cash flow hedge Interest rate swaps	NTS 3,294,000 thousand	November 2025	0%-4.8%	0.60%-4.90%	Financial liabilities for hedging	\$ 6,980	\$ -	\$ -

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Balance in Other Equity Continuing Hedges	Carrying Amount Hedge Accounting No Longer Applied
Cash flow hedge Interest expense from long-term debt	\$ -	\$ 6,980	\$ -

For the year ended December 31, 2022

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Which Hedge Ineffectiveness Is Included	Amount Reclassified to P/L and the Adjusted Line Item Due to Hedged Item Affecting P/L
Cash flow hedge Interest expense from long-term debt	\$ 3,463	\$ -	-	\$ 2,762 Increase in interest expense

December 31, 2021

Hedging Instruments	Notional Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change In Value Used for Calculating Hedge Ineffectiveness
						Asset	Liability	
Cash flow hedge Interest rate swaps	NTS 3,294,000 thousand	November 2025	0%-4.8%	0.60%-4.9%	Financial liabilities for hedging	\$ 3,517	\$ -	\$ -

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Balance in Other Equity Continuing Hedges	Carrying Amount Hedge Accounting No Longer Applied
Cash flow hedge Interest expense from long-term debt	\$ -	\$ 3,517	\$ -

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



For the year ended December 31, 2021

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

c) Other price risks

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

Sensitivity analysis

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

If equity prices had been 5% lower, the fair value of financial assets at FVTPL and fair value of financial assets at FVTOCI as of December 31, 2022 and 2021 would have decreased by NT\$613,367 thousand and NT\$676,891 thousand.

2) Credit risk

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

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

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

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

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

3) Liquidity risk

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

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

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>December 31, 2022</u>				
Long-term borrowings	\$ 46,520,133	\$ 19,273,967	\$ 27,253,083	\$ 93,047,183
Bonds payable	<u>23,700,000</u>	<u>21,600,000</u>	<u>47,200,000</u>	<u>92,500,000</u>
	<u>\$ 70,220,133</u>	<u>\$ 40,873,967</u>	<u>\$ 74,453,083</u>	<u>\$ 185,547,183</u>
<u>December 31, 2021</u>				
Long-term borrowings	\$ 42,501,004	\$ 28,847,740	\$ 24,665,809	\$ 96,014,553
Bonds payable	<u>21,000,000</u>	<u>23,700,000</u>	<u>59,300,000</u>	<u>104,000,000</u>
	<u>\$ 63,501,004</u>	<u>\$ 52,547,740</u>	<u>\$ 83,965,809</u>	<u>\$ 200,014,553</u>

Additional information about the maturity analysis for lease liabilities

	1-5 Years	5-10 Years	10-15 Years	15-20 Years	Over 20 Years
<u>December 31, 2022</u>					
Lease liabilities	<u>\$ 6,034,197</u>	<u>\$ 427,276</u>	<u>\$ 77,540</u>	<u>\$ 73,019</u>	<u>\$ 145,311</u>
<u>December 31, 2021</u>					
Lease liabilities	<u>\$ 5,967,137</u>	<u>\$ 448,958</u>	<u>\$ 77,954</u>	<u>\$ 74,674</u>	<u>\$ 161,030</u>

e. Financial asset transfer information

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

The Group's maximum exposure to loss on its continuing participation in the excluded bankers' acceptances is the denomination of the transferred bankers' acceptances of \$488,478 thousand and \$823,779 thousand as of December 31, 2022 and 2021, respectively, which will mature within 12 months after the balance sheet date. Considering the credit risk of the excluded bankers' acceptances, the Group assessed that the fair value of its continuing participation was not material.

### 34. TRANSACTIONS WITH RELATED PARTIES

The Group had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2022 and 2021 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 2, 3 and 4.

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Other financial assets - current	\$ 2,618,740	\$ 2,231,896
Financial assets at amortized cost - non-current	500,000	500,000
Property, plant and equipment, net	25,877,049	26,973,257
Investment properties	23,064,769	19,808,784
Investments accounted for using the equity method	3,138,969	3,194,371
Concessions	1,120,284	1,344,783
Other financial assets - non-current	<u>1,435,787</u>	<u>1,850,976</u>
	<u>\$ 57,755,598</u>	<u>\$ 55,904,067</u>

As of December 31, 2022 and 2021, the Group had provided 60,657 thousand shares of the common stock of Far EasTone Telecommunications Co., Ltd. and 10,000 thousand shares of common stock of Yuan Ding Co., Ltd. as of both dates as collateral for short-term borrowings, short-term bills payable and long-term borrowings.

### 36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2022 and 2021 were as follows:

- The Group issued but unused letters of credit aggregated at approximately \$842,034 thousand and \$963,275 thousand as of December 31, 2022 and 2021, respectively.
- The Group (except for Far EasTone Telecommunications Co., Ltd. and its subsidiaries) had unpaid construction contracts and property, plant, and equipment amounting to \$2,635,882 thousand and \$3,946,463 thousand, as of December 31, 2022 and 2021, respectively.

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Unpaid acquisition of property, plant and equipment and intangible asset under contracts	<u>\$ 11,957,889</u>	<u>\$ 17,104,556</u>
Unpaid acquisition of inventories under contract	<u>\$ 8,040,670</u>	<u>\$ 5,134,425</u>

- There were undelivered cotton contracts that were unable to be canceled amounting to \$81,865 thousand and \$158,429 thousand as of December 31, 2022 and 2021, respectively.
- Project contracts' costs already signed by Far Eastern General Contractor Inc. (FEGC) amounted to \$67,467,331 thousand and \$38,078,799 thousand as of December 31, 2022 and 2021, respectively.

- e. A subsidiary of FENC, Far Eastern Electronic Toll Collection Co., Ltd. (FETC), was entrusted by the Taiwan Area National Freeway Bureau (TANFB) to collect electronic tolls on freeways and had signed a third-party benefit trust contract with Far Eastern International Bank Corporation (FEIB) to manage the tolls collected. The trust property for this agreement amounted to \$4,272,826 thousand and \$4,104,190 thousand as of December 31, 2022 and 2021, respectively.
- f. Endorsements and guarantees provided to related parties are shown in Table 6 (attached).
- g. As of June 30, 2011, the usage rate of electronic toll collection (ETC) services had not reached the requirement as stated in the contract of the Electronic Toll Collection BOT Project (“ETC Project”). Thus, Far Eastern Electronic Toll Collection Co., Ltd. (FETC) filed a lawsuit against Taiwan Area National Freeway Bureau (TANFB), and the Supreme Court remanded this case to the Taipei District Court Civil Division in September 2015. FETC accrued the related penalties, and on October 19, 2018, the Taipei District Court pronounced the judgment in FETC’s favor. The TANFB filed an appeal on November 9, 2018. The High Court overruled the TANFB’s appeal on June 11, 2019. On July 8, 2019, the TANFB filed another appeal to the Supreme Court. On January 21, 2021, the Supreme Court reversed the original judgment made by the High Court on June 11, 2019 and remanded the case to the High Court; the case is currently under trial in the High Court. The High Court pronounced the judgment on November 15, 2022. FETC should pay the compensation for breach of contract of \$17,000 thousand. Neither party brought up the appeal again, and this judgment was confirmed on December 21, 2022.

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

- h. In order to maximize the efficiency of utilizing Far EasTone’s network and spectrum resources, and to enhance Far EasTone’s competitiveness in the 5G markets, on September 4, 2020, the board of directors of Far EasTone resolved to enter into a business cooperation agreement with APTC, which includes issuing new common stock in exchange for part of APTC’s shares held by Hon Hai Precision Industry Co., Ltd. (HHPI) under a share swap arrangement on June 30, 2022 after obtaining approval from the competent authority.

In order to enhance the competitiveness, expand the business scale and achieve the operating synergy, on February 25, 2022, Far EasTone’s board of directors resolved to sign a merger agreement with APTC. Far EasTone will be the surviving company. The tentative record date of the merger is September 30, 2022 and the share exchange ratio is one share of APTC for 0.0934406 share of Far EasTone. Far EasTone expects to issue 356,681 thousand shares to complete the merger. The record date of the merger and the related adjustments, if any, to the agreement will be decided after obtaining approval from the competent authority. The merger was approved by the NCC on January 18, 2022, but is yet to be approved by the Fair Trade Commission. After Far EasTone and APTC have completed the merger, the aforementioned share swap contract with HHPI was signed on September 4, 2020 will be terminated.

### 37. OTHER ITEMS

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

### 38. SUBSEQUENT EVENTS AFTER REPORTING PERIOD

On March 8, 2023, the Parent Company's board of directors decided to participate in the issuance of new shares of cash of the subsidiary, PET Far Eastern Holding Ltd., and reinvest in the investments accounted for using the equity method, Far Eastern Union Petrochemical (Yangzhou) Corporation, with a transaction amount of US\$26,520 thousand.

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

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

#### December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 439,961	30.710 (USD:NTD)	\$ 13,511,202
USD	85,243	6.967 (USD:RMB)	2,617,813

#### Financial liabilities

Monetary items			
USD	300,628	30.710 (USD:NTD)	9,232,286
USD	49,550	6.967 (USD:RMB)	1,521,681

#### December 31, 2021

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

#### Financial liabilities

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

For the years ended December 31, 2022 and 2021, (realized and unrealized) net foreign exchange gains (losses) were \$1,375,481 thousand and \$(207,822) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of functional currencies of the Group entities.

#### 40. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees

- 1) Financing provided to others: Table 5 (attached)
- 2) Endorsements/guarantees provided: Table 6 (attached)
- 3) Marketable securities held: Table 7 (attached)
- 4) Marketable securities acquired and disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: Table 8 (attached)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: Table 9 (attached)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: Table 10 (attached)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 11 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 12 (attached)
- 9) Trading in derivative instruments: Notes 7 and 33
- 10) Intercompany relationships and significant intercompany transactions: Table 13 (attached)
- 11) Information on investees: Table 14 (attached)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Tables 15 and 15-1 (attached)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Tables 3, 4, 5, 11, 12 and 13 (attached)
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

- e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information on major shareholders: Shareholders' name holding amounts and ratio whose holding ratio exceed 5%: Schedules 16 (attached)

## 41. SEGMENT INFORMATION

### Industry Information

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

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

#### a. Segments revenue and results

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

	Segment Revenue		Segment Profit	
	For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021
Petrochemical business			\$ (3,261,143)	\$ (2,746,964)
Revenue generated from external customers	\$ 19,129,640	\$ 17,280,123		
Intersegment revenue	<u>32,607,651</u>	<u>28,067,644</u>		
	<u>51,737,291</u>	<u>45,347,767</u>		
Polyster business			4,860,653	4,785,016
Revenue generated from external customers	103,948,809	87,693,046		
Intersegment revenue	<u>1,648,706</u>	<u>1,735,330</u>		
	<u>105,597,515</u>	<u>89,428,376</u>		
Textile business			825,102	858,205
Revenue generated from external customers	40,101,122	35,799,168		
Intersegment revenue	<u>47,191</u>	<u>40,116</u>		
	<u>40,148,313</u>	<u>35,839,284</u>		
Telecommunication services business			12,633,523	10,361,121
Revenue generated from external customers	88,834,958	84,980,541		
Intersegment revenue	<u>316,407</u>	<u>339,467</u>		
	<u>89,151,365</u>	<u>85,320,008</u>		
Property development			1,506,388	1,454,780
Revenue generated from external customers	6,386,816	8,870,152		
Intersegment revenue	<u>827,793</u>	<u>770,551</u>		
	<u>7,214,609</u>	<u>9,640,703</u>		

(Continued)

	Segment Revenue		Segment Profit	
	For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021
Investment and other			\$ 2,501,869	\$ 4,269,639
Revenue generated from external customers	\$ 10,120,880	\$ 11,870,658		
Intersegment revenue	<u>366,965</u>	<u>354,030</u>		
	<u>10,487,845</u>	<u>12,224,688</u>		
Adjustment and elimination	<u>(35,827,152)</u>	<u>(31,685,513)</u>	<u>(151,332)</u>	<u>38,837</u>
	<u>\$ 268,509,786</u>	<u>\$ 246,115,313</u>	18,915,060	19,020,634
Interest revenue			441,709	266,179
Exchange gain (loss)			1,375,481	(207,822)
Interest expense			(3,340,022)	(2,691,754)
Other income and (loss)			<u>(242,598)</u>	<u>1,440,068</u>
Profit before tax			<u>\$ 17,149,630</u>	<u>\$ 17,827,305</u>
				(Concluded)

Note: The main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profit and dividend incomes. For the year ended December 31, 2022, the amounts are \$4,416,876 thousand and \$148,385 thousand, respectively. For the year ended December 31, 2021, the amounts are \$7,221,766 thousand and \$87,330 thousand, respectively.

b. Segment total assets and liabilities

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

c. Geographical information

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

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2022	2021	2022	2021
Taiwan	\$ 159,324,982	\$ 153,081,268	\$ 314,497,249	\$ 321,040,158
China	40,137,735	40,083,692	33,303,020	33,469,831
Overseas	<u>64,481,808</u>	<u>45,641,257</u>	<u>50,149,865</u>	<u>41,407,843</u>
	<u>\$ 263,944,525</u>	<u>\$ 238,806,217</u>	<u>\$ 397,950,134</u>	<u>\$ 395,917,832</u>

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

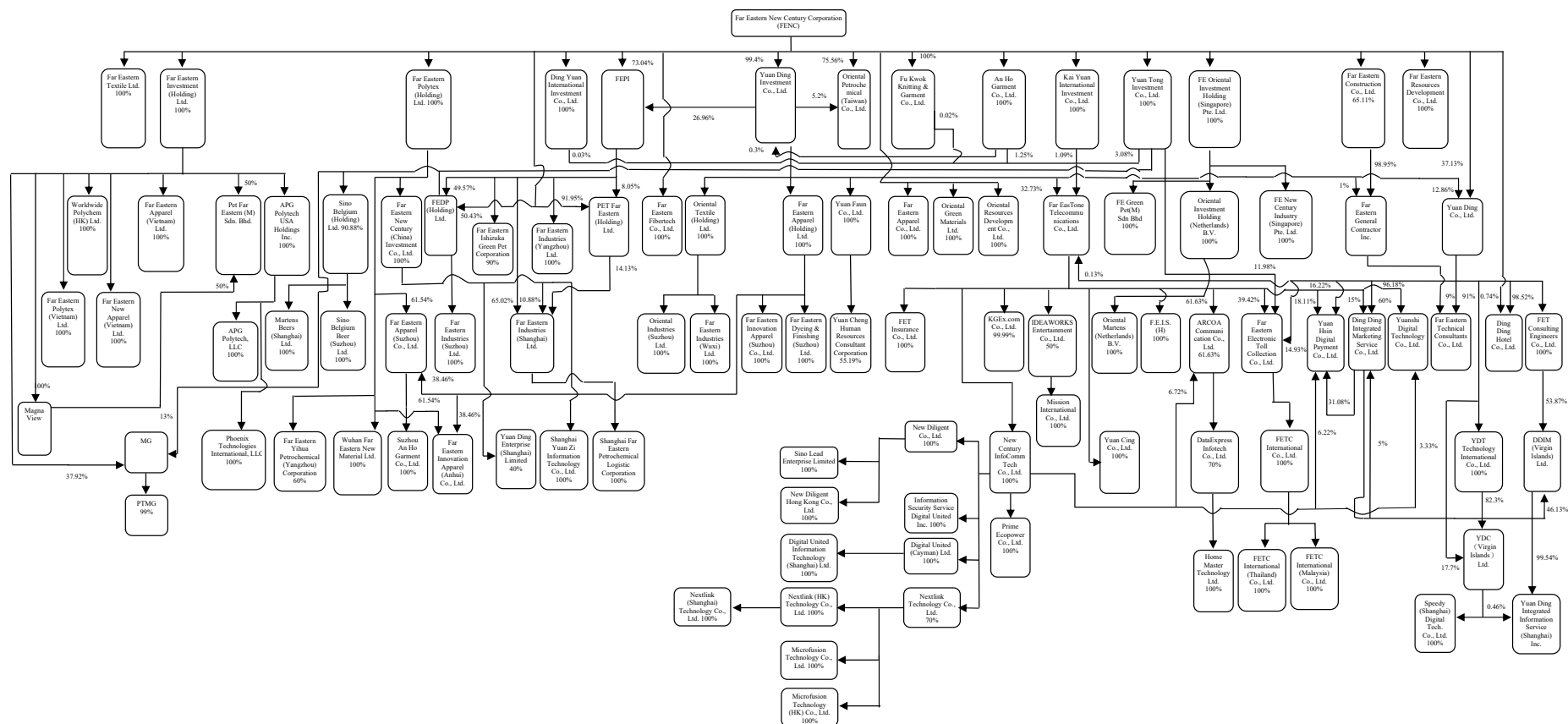
d. Information about major customers

No single customers contributed 10% or more to the Group's revenue for both 2022 and 2021.



**TABLE 1****FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP**  
**DECEMBER 31, 2022**



**TABLE 2****FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****RELATED PARTY NAMES AND CATEGORIES  
DECEMBER 31, 2022**

<b>Related Party Name</b>	<b>Related Party Category</b>
Asia Cement Corporation	Associate
Oriental Union Chemical Corporation	Associate
Far Eastern Department Stores Co., Ltd.	Associate
Everest Textile Corporation	Associate
Far Eastern International Bank	Associate
Oriental Securities Corporation	Associate
Kowloon Cement Corporation	Associate
Da Ju Fiber Co., Ltd.	Associate
Liquid Air Far East Co., Ltd.	Associate
Freudenberg Far Eastern Spunweb Co., Ltd.	Associate
Yu Yuan Investment Co., Ltd.	Associate
Yue Ming Corporation	Associate
Yu Ding Industry Co., Ltd.	Associate
Far Eastern Union Petrochemical (Yangzhou) Corporation	Associate
Yuan Ding Leasing Corporation	Associate
Far Eastern International Leasing Corporation	Associate
Pacific Liu Tong Investment Co., Ltd.	Associate
OPAS Fund Segregated Portfolio Company	Associate
Drive Catalyst SPC-SP Tranche Two	Associate
Drive Catalyst SPC-SP Tranche Three	Associate
Everest Textile USA, LLC	Associate
FYN Green PET Corporation	Other related party (the subsidiary of FENC's associate)
Shanghai Pacific Department Store Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Pacific Dept Stores (Dalian) Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Pacific SOGO Department Stores Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Shanghai BaiDing Business Management. Consulting Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chubei New Century Shopping Mall Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Everest Textile (Shanghai) Ltd.	Other related party (the subsidiary of FENC's associate)
Shanghai Yali Cement Produce Ltd.	Other related party (the subsidiary of FENC's associate)
Nanchang Yali Concrete Produce Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Sichuan Yali Concrete Produce Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chengdu Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Wuhan Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Sichuan Yali Transport Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Jiangxi Yali Transport Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Hubei Yali Transport Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Sichuan Lanfeng Cement Co., Ltd	Other related party (the subsidiary of FENC's associate)
Ya-Li Precast Prestressed Concrete Industries Corporation	Other related party (the subsidiary of FENC's associate)
Ya Li Transportation Corporation	Other related party (the subsidiary of FENC's associate)

(Continued)

Related Party Name	Related Party Categories
Sichuan Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Jiangxi Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Wuhan Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Nanchang Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Yangzhou Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Hubei Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Huanggang Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Oriental Petrochemical (YangZhou) Corporation	Other related party (the subsidiary of FENC's associate)
Taizhou Yadong Building Material Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Ya Tung Department Store Ltd.	Other related party (the subsidiary of FENC's associate)
Ya Tung Ready-mixed Concrete Corporation	Other related party (the subsidiary of FENC's associate)
Oriental Securities Investment Consultant Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Asia Cement (China) Holdings Corporation	Other related party (the subsidiary of FENC's associate)
Asia Cement (Singapore) Private Ltd.	Other related party (the subsidiary of FENC's associate)
Asia Investment Corporation	Other related party (the subsidiary of FENC's associate)
Ya Sing Ready-Mixed Concrete Corporation	Other related party (the subsidiary of FENC's associate)
Wuhan Yaxin Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Nan Hwa Cement Corporation	Other related party (the subsidiary of FENC's associate)
FEDS Development Ltd.	Other related party (the subsidiary of FENC's associate)
Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Fu Ming Transport Corporation	Other related party (the subsidiary of FENC's associate)
Fu-Da Transport Corporation	Other related party (the subsidiary of FENC's associate)
Chiahui Power Co., Ltd	Other related party (the subsidiary of FENC's associate)
Far Eastern Ai Mai Co., Ltd	Other related party (the subsidiary of FENC's associate)
Far Eastern Big City Shopping Malls Co., Ltd	Other related party (the subsidiary of FENC's associate)
Chongqing FEDS Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Yuan Bo Asset Management Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern Leasing Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern Asset Management Corporation	Other related party (the subsidiary of FENC's associate)
Der Ching Investment Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern City Super Ltd.	Other related party (the subsidiary of FENC's associate)
Oriental Holdings Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Pacific (China) Investment Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Feib Financial Leasing Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Telecommunication & Transportation Foundation	Other related party (Far EasTone's donation is over one third of the foundation's fund)
Yuan Ze University	Other related party (the same chairman)
Asia Eastern University of Science and Technology (oriental Institute of Technology)	Other related party (the same chairman)
Far Eastern Memorial Hospital	Other related party (the same chairman)
Far Eastern Medical Foundation	Other related party (the same chairman)
Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Other related party (the same chairman)
U-Ming Marine Transport Corporation	Other related party (the same chairman)
Tranquil Enterprise Ltd.	Other related party (the same chairman)
Far Eastern Polyclinic	Other related party (the same chairman)
Mr. Xu Yuanzhi Memorial Foundation	Other related party (related party in substance)
TECO Electric & Machinery Co., Ltd.	Other related party (related party in substance)
Kaohsiung Rapid Transit Corporation	Other related party (related party in substance)
U-Ming Marine Transport (Singapore) Private Limited	Other related party (related party in substance)

(Continued)

Related Party Name	Related Party Categories
Ding&Ding Management Consultants Co., Ltd SYSTEX Corporation Deutsche Far Eastern Asset Management Co., Ltd. (DFEAMC) U-Ming Marine Offshore Company Limited Ishizuka Glass Co., Ltd. Mitac Incorporated Co., Ltd. U-Ming Marine (Hong Kong) Transport Corporation Taiwan Chang Cheng (H) Co., Ltd. Hsu Shih Shih Ya Bin  Bai Pei Chi	Other related party (related party in substance) Other related party (related party in substance) Other related party (related party in substance)  Other related party (related party in substance) Other related party (related party in substance) Other related party (related party in substance) Other related party (related party in substance) Other related party (related party in substance) Other related person (related party in substance) Other related person (Spouse of a director of the Company) Other related person (Spouse of a director of the Company)

(Concluded)

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating revenue		
Associates	\$ 1,331,410	\$ 1,486,807
Other related parties	<u>918,111</u>	<u>771,683</u>
	<u>\$ 2,249,521</u>	<u>\$ 2,258,490</u>
Operating costs		
Associates	\$ 1,226,410	\$ 1,874,351
Other related parties	<u>820,547</u>	<u>856,770</u>
	<u>\$ 2,046,957</u>	<u>\$ 2,731,121</u>
Operating expenses		
Associates	\$ 35,533	\$ 31,827
Other related parties	<u>979,428</u>	<u>926,014</u>
	<u>\$ 1,014,961</u>	<u>\$ 957,841</u>
Other expenses		
Mr. Xu Yuanzhi Memorial Foundation	\$ 24	\$ 38,230
Other related parties	<u>1,651</u>	<u>4,295</u>
	<u>\$ 1,675</u>	<u>\$ 42,525</u>

The Group had purchased the software, equipment and construction contracts from other related parties amounted to \$110,925 thousand, \$179,513 thousand, for the years ended December 31, 2022 and 2021, respectively.

For the year ended December 31, 2022, the Group disposed of the equipment to associates, amounting to \$1,815 thousand, and recognized gain on disposal amounted to \$311 thousand.

For the year ended December 31, 2022, the Group exchanged part of the land in New Taipei City with the land held by other related party, Asian Eastern School Legal Person. The exchange amount was \$1,277,755 thousand, and the land transfer was completed on June 30, 2022. On August 10, 2022, the subsidiary FERD's board of directors approved to dispose of the exchanged land mentioned above together with the other land to other related party, Far Eastern Medical Foundation, for \$2,289,615 thousand. As of December 31, 2022, the Group have received the amount of disposal of \$89,615 thousand in cash, and recognized other receivables of \$220,000 thousand and long-term receivables of \$1,980,000 thousand.

For the year ended December 31, 2022, the Group sold building and parking space to other related party, which amounted to \$74,050 thousand. As of December 31, 2022, the remaining amount of \$7,410 thousand has been paid (recognized as contract liabilities); however, the land transfer has not been completed.

(Continued)

The fund transaction between the Group and Opas Fund Segregated Portfolio Company (“Opas Company”) was carried out by investment to acquire the overseas fund through the trading platform of Opas Company. The decisions on overseas mutual funds with different tranches were made by the investment committee which is formed with the Group and other investors. For the years ended December 31, 2022, the Group acquired funds including OPAS Fund Segregated Portfolio Tranche “C” which amounted to \$138,050 thousand. For the year ended December 31, 2021, the Group acquired funds including Opas Fund Segregated Portfolio Tranche “A”, “B” and “C” which amounted to \$567,324 thousand.

For the year ended December 31, 2022, the Group disposed of OPAS Fund Segregated Portfolio Tranche “A” which amounted to \$139,125 thousand, and recognized the gain on disposal which amounted to \$11,847 thousand was recognized as gain on financial assets at FVTPL. For the year ended December 31, 2021, the Group disposed of OPAS Fund Segregated Portfolio Tranche “C” which amounted to \$420,477 thousand, and the gain on disposal which amounted to \$58,550 thousand was recognized as gain on financial assets at FVTPL.)

For the year ended December 2022, the Group invested in associate, Drive Catalyst SPC-SP Tranche Two, amounting to \$221,360 thousand. In April 2021, the Group invested in associates, Drive Catalyst SPC-SP Tranche Two and Tranche Three, amounting to \$456,560 thousand.

For the year ended December 31, 2022, the Group participated in the insurance of new shares by cash of the associates, Far East International Commercial Bank and other related parties, FYN Green PET Corporation, with the amounts of \$629,724 thousand and \$128,812 thousand, respectively. As of December 31, 2022, the issuance of new shares of FYN Green PET Corporation has not been completed, and the recognized prepayment for investments was accounted for as other non-current assets).

In December 2022, the Group purchased the shares of the subsidiary Yuanshi Digital Technology Co., Ltd., and the purchased shares amounted to \$3,124 thousand from other related party Pacific SOGO Department Stores Co., Ltd.

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

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

Lease arrangements - Group is lessee

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Acquisitions of right-of-use assets		
Associates	\$ 32,590	\$ 11,726
Other related parties	<u>284,833</u>	<u>-</u>
	<u>\$ 317,423</u>	<u>\$ 11,726</u>
	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Lease liabilities		
Associates	\$ 249,777	\$ 411,404
Other related parties	<u>1,002,935</u>	<u>847,052</u>
	<u>\$ 1,252,712</u>	<u>\$ 1,258,456</u>

(Continued)

	<b><u>For the Year Ended December 31</u></b>	
	<b>2022</b>	<b>2021</b>
Interest expense		
Associates	\$ 3,921	\$ 5,947
Other related parties		
Yuan Bo Asset Management Corporation	10,131	11,606
Other	<u>1,421</u>	<u>36</u>
	<u>\$ 15,473</u>	<u>\$ 17,589</u>
Lease expense		
Associates	\$ 11,905	\$ 11,974
Other related parties	<u>18,166</u>	<u>16,764</u>
	<u>\$ 30,071</u>	<u>\$ 28,738</u>

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

Lease arrangement - Group is lessor

	<b><u>December 31</u></b>	
	<b>2022</b>	<b>2021</b>
Operating lease receivable		
Associates	\$ 78,269	\$ 75,493
Other related parties	<u>37,995</u>	<u>22,307</u>
	<u>\$ 116,264</u>	<u>\$ 97,800</u>
Future lease receivable		
Associates	\$ 950,022	\$ 1,267,457
Other related parties	<u>3,450,560</u>	<u>3,769,923</u>
	<u>\$ 4,400,582</u>	<u>\$ 5,037,380</u>
	<b><u>For the Year Ended December 31</u></b>	
	<b>2022</b>	<b>2021</b>
Lease revenue		
Associates	\$ 372,916	\$ 338,553
Other related parties	<u>354,013</u>	<u>352,914</u>
	<u>\$ 726,929</u>	<u>\$ 691,467</u>

The Group leases the plants and spaces for operation and business to associates and other related parties as operating lease. The lease period is 3 to 30 years.

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

(Continued)

Compensation of key management personnel:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term benefits	\$ 465,525	\$ 460,791
Post-employment benefits	<u>1,290</u>	<u>1,141</u>
	<u>\$ 466,815</u>	<u>\$ 461,932</u>

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

(Concluded)



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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Notes and accounts receivable		
Associates	\$ 435,661	\$ 542,642
Other related parties	<u>603,759</u>	<u>494,760</u>
	<u>\$ 1,039,420</u>	<u>\$ 1,037,402</u>
Notes and accounts payable - related parties		
Associates		
Oriental Union Chemical Corporation	\$ 57,160	\$ 103,206
Others	13,948	30,144
Other related parties		
Ya Tung Ready-mixed Concrete Corporation	94,304	61,452
Fu-Da Transport Corporation	49,859	58,925
Others	<u>53,759</u>	<u>74,109</u>
	<u>\$ 269,030</u>	<u>\$ 327,836</u>
Progress billings (Note)		
Other related parties	<u>\$ 363,759</u>	<u>\$ 953,210</u>
Guarantee deposits received		
Associates	\$ 61,909	\$ 60,824
Other related parties	<u>88,752</u>	<u>84,552</u>
	<u>\$ 150,661</u>	<u>\$ 145,376</u>
Deferred credit - gains on related parties transactions		
Associates		
Oriental Securities Corporation	\$ 108,929	\$ 109,484
Others	2,810	2,810
Other related parties	<u>9,122</u>	<u>9,122</u>
	<u>\$ 120,861</u>	<u>\$ 121,416</u>

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

(Continued)

Financing to related parties

Loans to related parties (recognized as other receivables):

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates		
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 3,129,680	\$ 1,781,040
Da Ju Fiber Co., Ltd.	300,000	530,000
Yu Ding Industry Co., Ltd.	<u>800,000</u>	<u>300,000</u>
	<u>\$ 4,229,680</u>	<u>\$ 2,611,040</u>

Interests income from loans to related parties:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates		
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 62,709	\$ 70,761
Other	<u>9,381</u>	<u>8,116</u>
	<u>\$ 72,090</u>	<u>\$ 78,877</u>

Interests expense from loans from related parties:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Far Eastern International Bank	<u>\$ 1,112</u>	<u>\$ 1,127</u>

Bank deposits, time deposits and other financial assets

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Far Eastern International Bank	<u>\$ 13,010,657</u>	<u>\$ 10,464,088</u>

The Group had bank deposits and time deposits (recognized as cash and cash equivalents, financial assets at amortized cost and other financial assets in Far Eastern International Bank. In addition, the deposits included the proceeds of sale of prepaid cards, sale of international calling cards and highway toll fees which were consigned to Far Eastern International Bank as trust assets (recognized as other financial assets). The interest income was \$57,042 thousand and \$35,644 thousand for the years ended December 31, 2022 and 2021, respectively.

(Continued)

Financial assets (liabilities) at FVTPL - current

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Far Eastern International Bank	<u>\$ (14,398)</u>	<u>\$ 1,947</u>

The Group signed derivative financial instruments contracts which is recognized as financial assets (liabilities) at fair value through profit or loss with Far Eastern International Bank. The gain or (loss) of financial assets (liabilities) at FVTPL was \$88,666 thousand and \$41,106 thousand for the years ended December 31, 2022 and 2021, respectively.

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

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

## FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2022

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
1	Yuan Ding Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	Receivables from related parties	Yes	\$ 1,500,000	\$ 1,500,000	\$ 470,000	0.9504-0.9823	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,361,147	\$ 21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Kai Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	1,100,000	1,100,000	340,000	0.9823	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	600,000	600,000	100,000	0.9097-0.9823	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Ding Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	600,000	600,000	300,000	0.9097-0.9823	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Yu Ding Industry Co., Ltd.	Receivables from related parties	Yes	1,000,000	1,000,000	800,000	0.9097-0.9823	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Da Ju Fiber Co., Ltd.	Receivables from related parties	Yes	1,200,000	1,200,000	300,000	0.9097-0.9823	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Far Eastern Resources Development Co., Ltd.	Receivables from related parties	Yes	2,300,000	2,300,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Oriental Green Materials Limited	Receivables from related parties	Yes	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Oriental Resources Development Co., Ltd.	Receivables from related parties	Yes	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
2	Yuan Tong Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Receivables from related parties	Yes	400,000	200,000	90,000	1.3596-1.5444	2	-	For revolving fund	-	Promissory note	-	916,217	4,581,086	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Far East Tone Telecommunications Co., Ltd.	Receivables from related parties	Yes	1,800,000	1,800,000	1,800,000	0.7580-0.9120	1	2,036,483	Business transaction	-	-	-	2,036,483	12,509,927	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note E)
3	New Century InfoComm Tech Co., Ltd.	Far East Tone Telecommunications Co., Ltd.	Receivables from related parties	Yes	9,200,000	9,200,000	8,700,000	0.7573-1.3053	2	-	For revolving fund	-	-	-	10,007,942	12,509,927	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E)
		Ding Ding Hotel Co., Ltd.	Receivables from related parties	Yes	600,000	600,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,569,598	3,923,995	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
5	Far Eastern Investment (Holding) Ltd.	Far Eastern New Apparel (Vietnam) Ltd.	Receivables from affiliates	Yes	\$ 614,200	\$ 614,200	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 20,496,895	\$ 61,490,684	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		FILSYN Corporation	Receivables from affiliates	Yes	276,390	276,390	-	-	2	-	For revolving fund	-	Promissory note	-	16,397,516	16,397,516	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
		FYN Green PET Corporation	Receivables from affiliates	Yes	92,130	92,130	-	-	2	-	For revolving fund	-	Promissory note	-	16,397,516	16,397,516	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
6	Far Eastern Polytex (Holding) Limited	Sino Belgium (Holding) Ltd.	Receivables from affiliates	Yes	184,260	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,869,766	3,869,766	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
7	FEDP (Holding) Ltd.	Sino Belgium (Holding) Ltd.	Receivables from affiliates	Yes	168,905	168,905	168,905	-	2	-	For revolving fund	-	Promissory note	-	620,378	620,378	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
8	APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	Receivables from affiliates	Yes	153,550	-	-	-	2	-	For revolving fund	-	Promissory note	-	10,455,441	31,366,324	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
9	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	2,600,720	2,600,720	2,380,320	2.37-2.61	2	-	For revolving fund	-	Promissory note	-	2,652,859	5,895,241	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
10	Far Eastern Apparel (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,317,992	1,102,000	533,368	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	1,354,300	3,009,555	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
11	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	559,816	495,768	495,768	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	1,493,642	3,319,205	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	793,440	793,440	781,230	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	1,493,642	3,319,205	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
12	Oriental Industries (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	220,400	220,400	-	-	2	-	For revolving fund	-	Promissory note	-	6,383,530	14,185,622	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	44,080	44,080	-	-	2	-	For revolving fund	-	Promissory note	-	6,383,530	14,185,622	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to related parties	Yes	220,400	220,400	-	2.61-2.76	2	-	For revolving fund	-	Promissory note	-	\$ 6,383,530	\$ 14,185,622	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	220,400	220,400	-	-	2	-	For revolving fund	-	Promissory note	-	6,383,530	14,185,622	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	\$ 44,080	\$ 44,080	\$ 533	2.61-2.76	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 6,383,530	\$ 14,185,622	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	1,278,320	1,278,320	1,278,320	2.75	2	-	For revolving fund	-	Promissory note	-	2,837,124	2,837,124	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
13	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	220,400	220,400	53,302	2.20-2.32	2	-	For revolving fund	-	Promissory note	-	2,298,373	5,107,495	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
14	Suzhou An Ho Apparel Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	39,672	39,672	39,672	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	52,444	116,542	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
15	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	176,320	176,320	176,320	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	1,007,310	2,238,467	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	969,760	969,760	926,081	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	1,007,310	2,238,467	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
16	Far Eastern Industries (Shanghai) Ltd.	Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	220,400	-	-	2.66-2.97	2	-	For revolving fund	-	Promissory note	-	4,351,986	4,351,986	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Notes D and L)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	1,150,488	-	-	2.94-3.04	1	8,035,643	Business transaction	-	Promissory note	-	5,439,982	5,439,982	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Notes E and L)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	1,322,400	1,322,400	1,322,400	3.01-3.26	2	-	For revolving fund	-	Promissory note	-	4,351,986	4,351,986	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
17	Far Eastern New Century (China) Investment Co., Ltd.	Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	88,160	-	-	1.21	2	-	For revolving fund	-	Promissory note	-	1,451,851	1,451,851	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Notes D and L)
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to related parties	Yes	88,160	88,160	88,160	1.21	2	-	For revolving fund	-	Promissory note	-	9,074,070	12,703,698	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note J)
18	Far Eastern Industries (Yangzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	308,560	308,560	308,560	2.50	2	-	For revolving fund	-	Promissory note	-	1,262,882	2,806,404	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	528,960	528,960	528,960	2.50	2	-	For revolving fund	-	Promissory note	-	561,281	561,281	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)

Notes: A. Reasons for financing are as follows:

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

B. The limitation is 10% of the net value of the financier based on audited financial statements as of December 31, 2022.

C. The limitation is 20% of the net value of the financier based on audited financial statements as of December 31, 2022.

(Continued)

- D. The limitation is 40% of the net value of the financier based on audited financial statements as of December 31, 2022.
- E. The limitation is 50% of the net value of the financier based on audited financial statements as of December 31, 2022.
- F. The limitation is 90% of the net value of the financier based on audited financial statements as of December 31, 2022.
- G. The limitation is 150% of the net value of the financier based on audited financial statements as of December 31, 2022.
- H. The limitation is 200% of the net value of the financier based on audited financial statements as of December 31, 2022.
- I. The limitation is 250% of the net value of the financier based on audited financial statements as of December 31, 2022.
- J. The limitation is 350% of the net value of the financier based on audited financial statements as of December 31, 2022.
- K. Where New Century InfoComm Tech Co., Ltd. (NCIC) provides loans for business transactions and short-term financing needs, the amount of loans is limited to 50% of NCIC's net worth. A) For business transactions: The individual loan amount should not exceed the business transaction amount between the two parties. The business transaction amounts refer to the estimated amount in the year, and the loan contract was signed or the prior year's actual transaction amount. B) For loans provided due to short-term financing needs, both the financing limit for each borrower and the aggregate financing limit should not exceed 40% of NCIC's net worth.
- L. Oriental Petrochemical (Shanghai) Corporation is absorbed and merged by Far Eastern Industries (Shanghai) Ltd. on December 31, 2022.; Far Eastern Industries (Shanghai) Ltd. was the surviving company, Oriental Petrochemical (Shanghai) Corporation was dissolved.

(Concluded)

TABLE 6

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Each Counterparty's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsements/ Guarantees to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsements/ Guarantees Given by Parent on Behalf of Subsidiaries (Note L)	Endorsements/ Guarantees Given by Subsidiaries on Behalf of Parent (Note L)	Endorsements/ Guarantees Given on Behalf of Companies in Mainland China (Note L)	Note
		Name	Relationship											
1	Yuan Ding Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	(Note A)	\$ 21,805,736	\$ 328,000	\$ 316,000	\$ 48,000	\$ -	0.72	\$ 43,611,473	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		APG Polytech, LLC	(Note B)	20,900,847	1,494,720	-	-	-	-	20,900,847	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		APG Polytech USA Holdings, Inc.	(Note B)	20,900,847	2,383,910	2,272,540	-	-	5.21	20,900,847	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Phoenix Technologies International, LLC	(Note B)	20,900,847	1,932,900	1,842,600	1,205,736	-	4.23	20,900,847	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
2	Far Eastern Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note C)	13,994,427	106,448	-	-	-	-	27,988,855	-	Yes	-	Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
3	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	(Note D)	3,923,994	1,850,000	1,850,000	395,000	350,000	0.89	7,847,989	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		Ding Ding Integrated Marketing Services Co., Ltd.	(Note D)	3,923,994	200,000	-	-	-	-	7,847,989	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
4	Far Eastern Investment (Holding) Ltd.	APG Polytech, LLC	(Note D)	104,504,239	1,617,193	1,541,642	527,389	-	0.74	209,008,478	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note I); maximum amounts allowed for the period (Note J)
		APG Polytech USA Holdings, Inc.	(Note D)	104,504,239	6,667,431	6,355,946	204,733	-	3.04	209,008,478	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note I); maximum amounts allowed for the period (Note J)
5	APG Polytech USA Holdings, Inc.	APG Polytech, LLC	(Note D)	104,504,239	64,430	61,420	15,678	-	0.03	209,008,478	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note I); maximum amounts allowed for the period (Note J)

- Notes: A. Companies that are endorsed and guaranteed by all capital shareholders based on their shareholding ratio due to a joint investment relationship.
- B. Companies in which the Company directly or indirectly holds more than 90% of the voting shares.
- C. Companies that directly and indirectly hold more than 50% of the voting rights in the Company.
- D. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
- E. The amount of the collateral/guarantees is based on 50% of the net value of the guarantor from the latest audited financial statements.
- F. The amount of the collateral/guarantees is based on the net value of the guarantor from the latest audited financial statements.
- G. The amount of the collateral/guarantees is based on the lower of 10% of the net value of the ultimate parent company, and 50% of the net value of Yuan Ding Investment Co., Ltd. from the latest audited financial statements.
- H. The amount of the collateral/guarantees is based on the lower of 10% of the net value of the ultimate parent company, and the net value of Yuan Ding Investment Co., Ltd. from the latest audited financial statements.
- I. The amount of the collateral/guarantees is based on 50% of the net value of the ultimate parent company from the latest audited financial statements.

(Continued)



- J. The amount of the collateral/guarantees is based on the net value of the ultimate parent company from the latest audited financial statements.
- K. The ratio of accumulated endorsements/guarantees to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.
- L. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in mainland China.

(Concluded)

TABLE 7

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2022

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 20,370,209	21.17	\$ 30,770,964	19,900 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	5,137,442	17.06	5,198,049	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,018,610	9.17	1,510,618	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	108	1,214	0.02	767	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	141,961	1,901,195	19.65	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	135,000	2,088,859	16.83	-	(Note F)
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	103,816	1,341,657	2.55	1,141,981	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	43,004,479	99.40	-	
	Far Eastern Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	775,836	107,669,917	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	173	9,721,893	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,415,878	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	744,410	8,866,769	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	371,671	5,647,439	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	6,851	40,993,789	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	397	3,015,403	91.95	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,938,893	8,309,214	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	270,412	10,521,112	65.11	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,213,931	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	76,629	2,179,991	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	258,756	3,203,985	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	782,142	50.43	-	
	Fu Kwok Knitting & Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,000	299,154	100.00	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	769	11,369	0.74	-	
	Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	1,300	14,055	100.00	-	
	FE Oriental Investment Holding (Singapore) Pte. Ltd.	(Note A)	Investments accounted for using the equity method	50	199,638	100.00	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	44,772	209,543	100.00	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,285,633	100.00	-	
	Oriental Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,739	146,265	100.00	-	
	Oriental Green Materials Limited	(Note A)	Investments accounted for using the equity method	66,116	776,543	100.00	-	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	54,202	2,341,329	1.53	2,222,262	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	70,818	1,064,257	8.00	1,317,209	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	139,785	3,389,346	9.87	3,005,377	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	164,614	1,541,103	23.70	1,167,111	
	Far EastTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	20,643,180	32.73	70,292,737	8,807 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	141,238	1,824,748	3.47	1,553,615	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,737,296	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	5,206,827	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	74,886	2,755,803	41.86	-	
	Yuan Faun Co., Ltd.	(Note A)	Investments accounted for using the equity method	6,675	189,283	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	4,745	59,492	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	400,020	46.20	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	189,283	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	33,003	59,492	29.80	-	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	187,470	2,617,270	25.96	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,759	1,122,624	12.86	-	31,600 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	75,268	949,695	16.87	-	10,000 thousand shares pledged or mortgaged as collateral for loans.

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern Investment (Holding) Ltd.	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	\$ 8,583,122	100.00	\$	(Note F)
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	119,653	1,765,241	14.92		
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	98,198	1,021,379	18.96		
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	1,803	31,224	1.00		
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	133,334	586,552	5.20		
	Chung Nan Textile Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	2,985	110,619	5.27		
	Overseas Investment and Development Co., Ltd.	-	Financial asset at FVTOCI - non-current	1,000	8,530	1.11		
	Universal Venture Capital Investment Corporation	-	Financial asset at FVTOCI - non-current	1,400	10,990	1.16		
	China Investment and Development Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	1,287	15,894	0.80		
	Taiwan Stock Exchange Corporation	-	Financial asset at FVTOCI - non-current	1,598	71,246	0.16		
	Oriental Securities Investment Consultant Co., Ltd.	(Note I)	Financial asset at FVTOCI - non-current	1	11	-		
	Dah Chung Bills Finance Corporation	-	Financial asset at FVTOCI - non-current	2,311	30,036	0.50		
	U-Ming Marine Transport Corporation	(Note B)	Financial asset at FVTOCI - non-current	8,869	431,033	1.05		
	Financial assets under asset management contracts (Note E)	-						
	Yuanta Daily CSI 300 Bull 2X ETF	-	Financial assets at fair value through profit or loss - current	440	6,807	-		
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	50	4,340	-		
	China General Plastics Corporation	-	Financial assets at fair value through profit or loss - current	55	1,452	-		
	Grand Pacific Petrochemical Corporation	-	Financial assets at fair value through profit or loss - current	282	5,316	-		
	Chung-Hsin Electric & Machinery Mfg. Corp.	-	Financial assets at fair value through profit or loss - current	225	15,120	-		
	Fortune Electric Co., Ltd	-	Financial assets at fair value through profit or loss - current	150	7,245	-		
	Walsin Lihwa Corporation	-	Financial assets at fair value through profit or loss - current	185	8,732	-		
	Panion & BF Biotech Inc.	-	Financial assets at fair value through profit or loss - current	35	6,265	-		
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	2	573	-		
	Hon Hai Precision Ind. Co., Ltd.	-	Financial assets at fair value through profit or loss - current	80	7,992	-		
	Micro-Star International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	5	597	-		
	VIA Technologies, Inc.	-	Financial assets at fair value through profit or loss - current	145	9,759	-		
	Nanya Technology Corporation	-	Financial assets at fair value through profit or loss - current	25	1,280	-		
	EVA Airways Corporation	-	Financial assets at fair value through profit or loss - current	5	815	-		
	Asia Vital Components Co., Ltd.	-	Financial assets at fair value through profit or loss - current	45	5,040	-		
	Taiwan Semiconductor Co., Ltd.	-	Financial assets at fair value through profit or loss - current	100	7,420	-		
	Waffer Technology Corporation	-	Financial assets at fair value through profit or loss - current	250	8,725	-		
	Oriental Petrochemical (Taiwan) Corporation 2020 First Term Unsecured Privately Placed Corporate Bonds	-	Financial liabilities for hedging - current	0.03	3,000,000	-		
Far Eastern Investment (Holding) Ltd.	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	45,066	-	21.85		
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000	148,978	50.00		
	Com2B	(Note A)	Investments accounted for using the equity method	Preferred stock 3,000	-	20.00		
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,175,368	100.00		
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	80,098	100.00		
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note G)	1,739	34.00		
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	14,349,714	100.00		
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	443,278	100.00		
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	149,429	100.00		
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	488,545	37.92		
	Drive Catalyst SPC	(Note A)	Investments accounted for using the equity method	(Note G)	539	34.00		
	APG Polytech USA Holdings, Inc.	(Note A)	Investments accounted for using the equity method	6	20,910,883	100.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	137,086	25.00	-	
	Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	8	249,104	25.00	-	
	Drive Catalyst SPC-SP Tranche Two	(Note A)	Investments accounted for using the equity method	4	254,508	25.00	-	
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(12,650)	41.00	-	
	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(11,738)	50.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	4	134,076	-	134,076	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	151,970	-	151,970	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	5	266,617	-	266,617	
APG Polytech USA Holdings, Inc.	Corpus Christi Polymers LLC	(Note N)	Investments accounted for using the equity method	(Note G)	14,116,324	33.33	-	
	APG Polytech, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	6,176,612	100.00	-	
	Phoenix Technologies International, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	412,638	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000 Preferred stock 3,000	\$ 148,978	50.00	\$ -	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	12,369	482,067	0.35	507,117	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,983	281,952	0.85	257,635	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	6,447	64,172	0.93	45,709	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	27,365	579,415	3.09	508,998	
	Far EastTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	40,194	0.03	60,605	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	260,023	2.24	-	(Note F)
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	17,121	490,519	13.20	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	104,951	1,355,147	2.58	1,154,456	5,000 thousand shares pledged or mortgaged as collateral for loans.
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - non-current	1,684	81,842	0.20	81,842	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	25,312	1,035,279	0.71	1,037,812	
	Far EastTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	35,558	1,089,670	1.09	2,343,274	13,950 thousand shares pledged or mortgaged as collateral for loans.
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	4,211	46,086	0.61	29,856	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	32,474	567,643	3.67	604,020	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	602,281	1.46	444,452	
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method	1,127	490,895	49.00	-	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	74,970	950,626	16.80	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	260,225	2.24	-	(Note F)
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	127,414	1,645,815	3.13	1,401,558	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - non-current	1,425	69,255	0.17	69,255	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,074,153	65.02	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	263,991	8.05	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	768,804	49.57	-	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,403,202	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	3,578	1,612,792	90.00	-	
	Nippon Parison Co., Ltd	-	Financial asset at FVTOCI - non-current	4	137,163	10.00	137,163	
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	632,111	0.50	726,771	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	178,370	2,874,769	98.95	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	1,590	77,264	0.19	77,264	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	578,737	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,947,621	100.00	-	
	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,119,233	100.00	-	
	Far Eastern Innovation Apparel (Anhui) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	15,547	38.46	-	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	4	118,464	-	118,464	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	4	219,542	-	219,542	
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	16,864	0.01	19,229	
	Far EastTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	5,916	-	5,931	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	12	179	0.01	-	
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	450	7,473	9.00	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	746	36,279	0.09	36,279	
	Kaohsiung Rapid Transit Corporation	(Note J)	Financial asset at FVTOCI - non-current	9,687	52,020	3.48	52,020	
	Ya-Li Precast Prestressed Concrete Industries Corporation	(Note I)	Financial asset at FVTOCI - non-current	3,106	23,758	16.03	23,758	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	1,484	22,365	-	22,365	
	CTBC Hwa-Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	32,225	360,229	-	360,229	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	13,620	223,158	-	223,158	
	Hwa Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,367	154,746	-	154,746	
	TCB Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,289	54,475	-	54,475	
	Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	16,298	218,657	-	218,657	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,405	114,331	-	114,331	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Malaysia Garment Manufactures Pte. Ltd.	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	20,513	\$ -	9.95	\$ -	
	Arpeggio International Resources Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	-	40.00	-	
	PT Malaysia Garment Bintan	(Note A)	Other liabilities - other	(Note G)	(37)	99.00	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	967,479	1.25	2,689,879	8,200 thousand shares pledged or mortgaged as collateral for loans.
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	263,751	0.17	249,841	(Note F)
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	225,287	1.26	208,394	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	12,140	0.03	7,951	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	8,754	111,818	1.21	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,324	483,808	15.66	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	9,681	145,310	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	173,491	0.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	26,134	337,981	0.64	287,478	
Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	12,099	55.19	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	5,538	71,582	0.14	60,917	
	Yi Tong Fiber Co., Ltd.	-	Financial asset at FVTOCI - non-current	1,577	65,569	3.56	65,569	
Fu Kwok Knitting & Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	18,398	0.02	34,268	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,549,498	3.08	6,605,620	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	79,250	2,248,412	5.59	1,703,865	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	6,460	69,805	0.93	45,804	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,905	1,527,923	5.63	928,240	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	32,465	1,386,108	0.92	1,331,081	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	259,026	2.24	-	(Note F)
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	35,934	610,091	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	48	-	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Other liabilities - other	36	(835,147)	90.88	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	3	51	-	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	10	167,486	13.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	127,159	1,641,959	3.12	1,398,753	
	Ding Shen Investment Co., Ltd.	(Note M)	Financial asset at FVTOCI - non-current	40,329	309,724	18.00	309,724	
	Bockhold N.V - stock	-	Financial asset at FVTOCI - non-current	1	269,220	12.51	269,220	
	Financial assets under asset management contracts (Note E)	-						
	Yuanta Taiwan 50 ETF	-	Financial assets at fair value through profit or loss - current	400	6,188	-	6,188	
	元大滬深 300 正 2	-	Financial assets at fair value through profit or loss - current	30	2,604	-	2,604	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	90	2,376	-	2,376	
	China General Plastics Corporation	-	Financial assets at fair value through profit or loss - current	130	8,736	-	8,736	
	Chung-Hsin Electric & Machinery Mfg. Corp.	-	Financial assets at fair value through profit or loss - current	100	4,830	-	4,830	
	Fortune Electric Co., Ltd.	-	Financial assets at fair value through profit or loss - current	95	4,484	-	4,484	
	Walsin Lihwa Corporation	-	Financial assets at fair value through profit or loss - current	40	7,160	-	7,160	
	Panion & BF Biotech Inc.	-	Financial assets at fair value through profit or loss - current	50	4,995	-	4,995	
	Hon Hai Precision Ind. Co., Ltd.	-	Financial assets at fair value through profit or loss - current	90	6,057	-	6,057	
	VIA Technologies, Inc.	-	Financial assets at fair value through profit or loss - current	40	4,480	-	4,480	
	Asia Vital Components Co., Ltd.	-	Financial assets at fair value through profit or loss - current	66	6,250	-	6,250	
	Taiwan Mobile Co., Ltd.	-	Financial assets at fair value through profit or loss - current	150	5,235	-	5,235	
	Waffer Technology Corporation	-	Financial assets at fair value through profit or loss - current	59	5,227	-	5,227	
Far Eastern Apparel (Suzhou) Co., Ltd.	Suzhou An Ho Apparel Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	58,271	100.00	-	
PET Far Eastern (Holding) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,537,339	14.13	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	2,303,096	44.20	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,553,747	100.00	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,092,811	100.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	8	280,945	-	280,945	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	5	309,267	-	309,267	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,322,793	100.00	-	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
FE Oriental Investment Holding (Singapore) Pte. Ltd.	FE New Century Industrial (Singapore) Pte. Ltd. Oriental Investment Holding (Netherlands) B.V. FE Green PET (M) Sdn. Bhd.	(Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Prepaid for investment (other liabilities - other)	49 - -	\$ 197,585 - -	100.00 100.00 100.00	\$ - - -	(Note O) (Note S)
Oriental Investment Holding (Netherlands) B.V.	Oriental Martens (Netherlands) B.V.	(Note A)	Investments accounted for using the equity method	-	138,195	8.26	-	(Note Q)
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd. Far Eastern Apparel (Suzhou) Co., Ltd. Far Eastern New Century (China) Investment Co., Ltd. Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A) (Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	(Note G) (Note G) (Note G) (Note G)	972,879 926,040 3,629,628 4,220,256	100.00 61.54 100.00 60.00	- - - -	(Note P)
	Far Eastern Innovation Apparel (Anhui) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	24,876	61.54	-	
Far Eastern New Century (China) Investment Co., Ltd.	Far Eastern Industries (Shanghai) Ltd. Shanghai Yuan Zi Information Technology Co., Ltd. Yuan Ding Enterprise (Shanghai) Limited	(Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	(Note G) (Note G) (Note G)	1,183,740 59,417 2,681,696	10.88 100.00 40.00	- - -	
Sino Belgium (Holding) Ltd.	Sino Belgium Beer (Suzhou) Ltd. Martens Beers (Shanghai) Ltd.	(Note A) (Note A)	Other liabilities - other Investments accounted for using the equity method	(Note G) (Note G)	(766,054) 12,926	100.00 100.00	- -	
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	158,807	100.00	-	
Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	-	-	-	-	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	578,291	2,549,108	-	2,549,108	
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd. Far Eastern Technical Consultants Co., Ltd. YDC (Virgin Islands) Ltd. FET Consulting Engineers Co., Ltd. Asia Cement Corporation Far EasTone Telecommunications Co., Ltd. Yu Yuan Investment Co., Ltd.	(Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	13,992 21,787 4,550 (Note G) 2,500 5,329 4,164 129,637	264,671 109,476 74,354 10,400 44,444 220,156 102,885 2,135,231	100.00 60.00 91.00 17.70 100.00 0.15 0.13 25.02	- - - - - 218,474 274,375 -	119,000 thousand shares pledged or mortgaged as collateral for loans.
	Yue Ming Corporation Yu Ding Industry Co., Ltd. FEDES Asia Pacific Development Co., Ltd.	(Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	104 3,363 10,650	502 79,642 138,458	1.00 2.59 5.00	- - -	10,236 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Electronic Toll Collection Co., Ltd. Far Eastern International Bank Yuan Hsin Digital Payment Co., Ltd. Ding Ding Hotel Co., Ltd. Far Eastern New Century Corporation	(Note A) (Note A) (Note A) (Note A) (Note D)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial assets at fair value through profit or loss - current	44,796 9,880 11,052 102,509 779	755,027 127,911 39,340 572,641 24,862	14.93 0.24 16.22 98.52 -	- 108,676 - - 24,862	
Ding Ding Integrated Marketing Service Co., Ltd.	Yuan Hsin Digital Payment Co., Ltd. DDIM (Virgin Islands) Ltd. Pacific SOGO Department Stores Co., Ltd.	(Note A) (Note A) (Note J)	Investments accounted for using the equity method Investments accounted for using the equity method Financial asset at FVTOCI - non-current	21,180 (Note G) 1	75,382 17,946 38	31.08 46.13 -	- - 38	
Far Eastern Technical Consultants Co., Ltd.	Cosmos Foreign Exchange Intl. Co., Ltd.	-	Financial asset at FVTOCI - non-current	480	8,837	4.00	8,837	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	20,958	53.87	-	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc. Speedy (Shanghai) digital Tech. Co., Ltd.	(Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method	(Note G) (Note G)	179 36,889	0.46 100.00	- -	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	38,809	99.54	-	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
YDT Technology International Co., Ltd.	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	101	\$ 866	0.01	\$ 715	5,000 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	99,760	0.20	59,423	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,486	-	2,482	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	48,358	82.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	3,474	45,250	0.09	38,217	
Far Eastern Electronic Toll Collection Co., Ltd.	Oriental Securities Investment Consultant Co., Ltd.	(Note J)	Financial asset at FVTOCI - non-current	1	11	-	11	
	FETC International Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,000	(12,730)	100.00	-	
	Millerful No.1 REIT	-	Financial asset at FVTOCI - non-current	47,010	486,559	-	486,559	
	Subordinated perpetual corporate bonds of Cathy Life Insurance Co., Ltd.	-	Financial assets at amortized cost	5,000	500,000	-	-	
	FETC International (Thailand) Co., Ltd.	(Note A)	Investments accounted for using the equity method	8,200	87,910	100.00	-	
Far EasTone Telecommunications Co., Ltd.	FETC International (Malaysia) Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	-	100.00	-	
	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	26,433,250	100.00	-	
	ARCOA Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	686,655	61.63	-	
	KGEx.com Co., Ltd.	(Note A)	Investments accounted for using the equity method	68,897	910,643	99.99	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	10,821	(445,664)	96.18	-	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,000	46,262	100.00	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1	5,433	100.00	-	
	IDEAWORKS Entertainment Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,125	37,542	50.00	-	
	Far EasTone Property Insurance Agent Co., Ltd.	(Note A)	Investments accounted for using the equity method	500	94,297	100.00	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,251	1,481,494	39.42	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,447	27,210	15.00	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,342	34,622	18.11	-	
	App Works Fund II Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	5,355	52,105	11.11	52,105	
	CDIB Capital Innovation Accelerator Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	9,000	149,228	10.71	149,228	
	LINE Bank Taiwan Limited	-	Financial asset at FVTOCI - non-current	37,500	334,236	2.50	334,236	
ARCOA Communication Co., Ltd.	LI TV (Taiwan) Inc.	-	Financial asset at FVTOCI - non-current	1,250	21,043	2.50	21,043	
	Asia Pacific Telecom Co., Ltd.	-	Financial asset at FVTOCI - non-current	500,000	3,050,000	11.58	3,050,000	
	DataExpress Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	17,043	309,813	70.00	-	
	THI consultants	(Note L)	Financial asset at FVTOCI - non-current	1,214	12,190	18.32	12,190	
	Web Point Co., Ltd.	-	Financial asset at FVTOCI - non-current	161	1,618	0.63	1,618	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	54,000	83,899	100.00	-	47,569
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	12,029	149,423	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	10,320	440,428	100.00	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	375	(15,443)	3.33	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,816	9,070	5.00	-	
	Prime EcoPower Co., Ltd.	(Note A)	Investments accounted for using the equity method	16,000	126,125	100.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	137,086	25.00	-	
	Drive Catalyst SPC-SP Tranche Two	(Note A)	Investments accounted for using the equity method	8	254,508	25.00	-	
	Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	8	249,104	25.00	-	
	Nextlink Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,164	488,446	70.00	-	
	Ju An Long-Age Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,000	14,257	25.00	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,236	11,882	6.22	-	
	ARCOA Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	9,026	126,754	6.72	-	
	Kaohsiung Rapid Transit Corporation	(Note K)	Financial asset at FVTOCI - non-current	8,858	47,569	3.18	47,569	
	Bank Pro E-service Technology Co., Ltd.	-	Financial asset at FVTOCI - non-current	600	4,500	3.33	4,500	
IDEAWORKS Entertainment Co., Ltd.	Changing.ai Inc.	-	Financial asset at FVTOCI - non-current	500	27,311	2.27	27,311	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	10	332,663	-	332,663	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	158,119	-	158,119	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	2	128,493	-	128,493	
	Mission International Co., Ltd.	(Note A)	Investments accounted for using the equity method	8,000	72,709	-	-	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	30	409	100.00	-	-
	New Diligent Hong Kong Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,391	100.00	-	
DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	58,471	100.00	-	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,495	\$ 63,508	100.00	\$ -	
	Nextlink (HK) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	37,565	100.00	-	
	Microfusion (HK) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	281	100.00	-	
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Ltd.	(Note A)	Other liabilities - other	(Note G)	16,289	100.00	-	
	TBCASoft, Inc.	-	Financial asset at FVTOCI - non-current	727	308,322	4.59	308,322	
Nextlink (HK) Technology Co., Ltd.	Nextlink (Shanghai) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,503	70.00	-	

Notes: A. Equity-method investee.

B. Investor and investee have the same chairman.

C. The chairman of investee is the chairman of FENC.

D. Parent company.

E. Financial assets under asset management contracts can be sold in the open market investee, Oriental Securities Investment Consultant Co., Ltd.

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

G. Company limited.

H. The fair value of unlisted equity investments held by the Group was not disclosed due to it cannot be reliably measured.

I. The subsidiary of the invested company accounted for using the equity method.

J. The subsidiary of FENC's associate.

K. Related party in substance.

L. The investor is the corporate director of the investee.

M. The investor is the corporate supervisor of the investee.

N. Joint operation entity.

O. Oriental Investment Holding (Netherlands) B.V. was established and registered on January 23, 2020, but as of December 31, 2022, the relevant investment funds have not been remitted.

P. Oriental Martens (Netherlands) B.V. was established and registered on February 12, 2020, but as of December 31, 2022, the relevant investment funds have not been remitted.

Q. As of December 31, 2022, the procedure of cash capital increase has not completed, therefore recognized it as prepayment for investments (accounting for other non-current assets).

R. YUAN TO TRADING CORP. (Malaysia) was established and registered on September 23, 2022, but as of December 31, 2022, the relevant investment funds have not been remitted.

S. FE Green PET (M) Sdn. Bhd was established and registered on October 26, 2022, but as of December 31, 2022, the relevant investment funds have not been remitted

(Concluded)



TABLE 8

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation	Far Eastern Polytex (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note B)	168	\$ 9,415,124	6	\$ 345,300	1	\$ -	\$ 39,984 (Note E)	\$ -	\$ 1,453	173	\$ 9,721,893
	Far Eastern Investment (Holding) Ltd.'s common stock	Investments accounted for using the equity method	Cash capital increase	(Note B)	5,461	28,278,359	1,390	8,325,100	-	-	-	-	4,390,330	6,851	40,993,789
	Oriental Petrochemical (Taiwan) Corporation	Investments accounted for using the equity method	Cash capital increase	(Note B)	1,712,218	7,683,250	226,675	2,266,745	-	-	-	-	(1,640,781)	1,938,893	8,309,214
	Far Eastern Fibertech Co., Ltd.	Investments accounted for using the equity method	Yuan Ding Investment Co., Ltd.	(Note B)	-	-	91,000	1,380,326	-	-	-	-	(94,693)	91,000	1,285,633
	Oriental Green Materials Limited	Investments accounted for using the equity method	Yuan Ding Investment Co., Ltd.	(Note B)	-	-	66,116	825,569	-	-	-	-	(49,026)	66,116	776,543
Yuan Ding Investment Co., Ltd.	Far Eastern Fibertech Co., Ltd.	Investments accounted for using the equity method	Far Eastern New Century Corporation	(Note A)	91,000	1,477,768	-	-	91,000	1,380,326	1,285,633	(Note H)	(192,135)	-	-
	Oriental Green Materials Limited	Investments accounted for using the equity method	Far Eastern New Century Corporation	(Note A)	59,936	678,459	6,180 (Note F)	-	66,116	825,569	776,543	(Note H)	98,084	-	-
Far Eastern Investment (Holding) Ltd.	Far Eastern Polytex (Vietnam) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note B)	(Note D)	US\$ 345,162	(Note D)	US\$ 100,000	-	-	-	-	US\$ 22,103	(Note C)	US\$ 467,265
APG Polytech USA Holdings, Inc.	Corpus Christi Polymers LLC	Investments accounted for using the equity method	Cash capital increase	(Note C)	(Note D)	US\$ 425,149	(Note D)	US\$ 36,487	-	-	-	-	US\$ (1,971)	(Note C)	US\$ 459,655
Far Eastern General Contractor Inc.	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	11,878	132,171	66,331	740,000	45,984	512,540	512,171	369	229 (Note G)	32,225	360,229
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,998	114,039	45,516	744,000	38,894	635,566	635,039	527	158 (Note G)	13,620	223,158
	Union Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	36,004	481,000	19,706	263,044	263,000	44	657 (Note G)	16,298	218,657
Far Eastern Polytex (Holding) Ltd.	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Investments accounted for using the equity method	Cash capital increase	(Note B)	(Note D)	3,815,870	(Note D)	342,720	-	-	-	-	61,666	(Note C)	4,220,256
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	Financial assets at fair value through profit or loss - current	-	-	625,412	RMB 625,412	401,379	RMB 401,379	RMB 448,500	RMB 448,500	RMB 448,500		(Note G)	RMB 578,291	RMB 578,291
Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.'s common stock	Investments accounted for using the equity method	Cash capital increase	(Note A)	102,509	253,936	98,522	985,217	98,522	-	-	-	(666,512)	102,509	572,641

Notes: A. Parent company.

B. Subsidiary.

C. Joint operation entity.

D. Company limited.

E. Capital reduction and refund.

F. Using Dividends Received from Investee.

G. Gain or loss on financial asset at FVTPL.

H. There was no gain or loss on disposal because it was an equity transaction.

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2022

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

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Far Eastern Resources Development Co., Ltd.	Land in Yadong Section, Banqiao District, New Taipei City	May 10, 2022	\$ 1,277,755	Note	Asia Eastern School Legal Person	The same chairman	Far Eastern Resources Development Co., Ltd.	Subsidiary	February 2, 2015	\$ 1,080,748	Valuation report issued by Cushman & Wakefield Appraisers Valuation report issued by Colliers International Real Estate Appraisers Associates	In response to the overall planning of T park.	None

Note: Exchange out the investment properties - land amounted to \$1,277,755 thousand (referred to Table 10), and no additional cash was paid.

**TABLE 10****FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES**

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NTS300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Far Eastern Resources Development Co., Ltd.	Land in Yadong Section, Banqiao District, New Taipei City	May 10, 2022	September 2, 2003	\$ 1,277,755	\$ 1,277,755	(Note 1)	\$ -	Asia Eastern School Legal Person	The same chairman	In response to the needs of its campus development plans.	Valuation report issued by Cushman & Wakefield Appraisers Valuation report issued by Colliers International Real Estate Appraisers Associates	None
		August 10, 2022	June 10, 2004 June 30, 2022	2,289,615	2,289,615	(Note 2)	-	Far Eastern Medical Foundation	The same chairman	Far Eastern Medical Foundation considering the overall development plan in the future, it is planned to purchase adjacent land.	Valuation report issued by Cushman & Wakefield Appraisers Valuation report issued by Colliers International Real Estate Appraisers Associates Valuation report issued by Savills (Taiwan) Limited Valuation report issued by Xinyi Realty Inc.	

Note 1: Exchange in the investment properties - land amounted to \$1,277,755 thousand (referred to Table 9), and no additional cash was received.

Note 2: Contract price is collected in installments, as of December 31, 2022, the Group was received \$89,615 thousand and others are recognized as other receivables \$220,000 thousand and long-term receivables \$1,980,000 thousand.

TABLE 11

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Far Eastern New Century Corporation	Worldwide Polychem (HK) Limited	(Note A)	Sale	\$ (5,473,239)	(11)	Based on contract	-	-	\$ -	-	\$ 2,542,001	35	
	APG Polytech, LLC	(Note A)	Sale	(1,890,200)	(4)	Based on contract	-	-	-	-	430,906	6	
	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Sale	(896,502)	(2)	Based on contract	-	-	-	-	164,691	2	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Sale	(796,593)	(2)	Based on contract	-	-	-	-	32,330	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Purchase	790,176	2	Based on contract	-	-	-	-	(142,441)	(5)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Sale	(585,782)	(1)	Based on contract	-	-	-	-	73,227	1	
	Oriental Green Materials Limited	(Note A)	Sale	(300,137)	(1)	Based on contract	-	-	-	-	69,447	1	
	Phoenix Technologies International, LLC	(Note A)	Sale	(222,852)	-	Based on contract	-	-	-	-	-	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Sale	(173,820)	-	Based on contract	-	-	-	-	15,524	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Sale	(143,883)	-	Based on contract	-	-	-	-	1,951	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Sale	(115,025)	-	Based on contract	-	-	-	-	51,397	1	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note D)	Sale	(393,059)	(1)	Based on contract	-	-	-	-	82,427	1	
	Everest Textile Corporation	(Note D)	Sale	(216,281)	-	Based on contract	-	-	-	-	27,636	-	
	Oriental Union Chemical Corporation	(Note D)	Purchase	976,297	2	Based on contract	-	-	-	-	(55,159)	(2)	
	Oriental Green Materials Limited	(Note A)	Purchase	2,375,583	5	Based on contract	-	-	-	-	(162,100)	(6)	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Purchase	15,094,236	34	Based on contract	-	-	-	-	(924,942)	(33)	
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(15,094,236)	(40)	Based on contract	-	-	-	-	924,942	23	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Sale	(7,259,901)	(19)	Based on contract	-	-	-	-	1,278,180	32	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(114,277)	(0)	Based on contract	-	-	-	-	69,447	42	
Oriental Green Materials Limited	Far Eastern New Century Corporation	(Note B)	Sale	(2,375,583)	(97)	Based on contract	-	-	-	-	162,100	99	
	Far Eastern New Century Corporation	(Note B)	Purchase	300,137	13	Based on contract	-	-	-	-	-	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note C)	Purchase	300,317	13	Based on contract	-	-	-	-	(23,412)	(14)	
Far Eastern Fibertech Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(236,833)	(11)	Based on contract	-	-	-	-	17,320	31	
	Everest Textile Corporation	(Note D)	Sale	(248,418)	(11)	Based on contract	-	-	-	-	3,975	7	
Far Eastern General Contractor Inc.	Chubei New Century Shopping Mall Co., Ltd.	(Note D)	Construction revenue	(113,139)	(2)	Based on contract	-	-	-	-	140,111	31	
	Far Eastern Construction Co., Ltd.	(Note C)	Construction revenue	(423,691)	(7)	Based on contract	-	-	-	-	122,473	27	
	Far Eastern Resources Development Co., Ltd.	(Note C)	Construction revenue	(537,525)	(9)	Based on contract	-	-	-	-	134,561	30	
	Ya Tung Ready-mixed Concrete Corporation	(Note I)	Purchase	(150,226)	(3)	Based on contract	-	-	-	-	94,304	5	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	(Note C)	Purchase	416,559	98	Based on contract	-	-	-	-	(122,473)	(39)	
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(3,696,309)	(64)	Based on contract	-	-	-	-	572,678	66	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Sale	(418,612)	(7)	Based on contract	-	-	-	-	85,069	10	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	372,004	8	Based on contract	-	-	-	-	(12,342)	(2)	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Far Eastern Industries (Shanghai) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	\$ (1,174,426)	(5)	Based on contract	-	-	\$ -	-	\$ 188,715	9	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(899,167)	(4)	Based on contract	-	-	-	-	87,211	4	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(433,539)	(2)	Based on contract	-	-	-	-	84,406	4	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(372,004)	(2)	Based on contract	-	-	-	-	12,343	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Sale	(162,169)	(1)	Based on contract	-	-	-	-	19,486	1	
	Far Eastern New Century Corporation	(Note B)	Purchase	896,502	4	Based on contract	-	-	-	-	(164,691)	(22)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	114,277	1	Based on contract	-	-	-	-	-	-	
	Far Eastern Fibertech Ltd.	(Note C)	Purchase	236,833	1	Based on contract	-	-	-	-	(17,320)	(2)	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	386,875	2	Based on contract	-	-	-	-	(80,207)	(10)	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	10,014,906	46	Based on contract	-	-	-	-	-	-	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(10,014,906)	(70)	Based on contract	-	-	-	-	-	-	
Far Eastern Apparel (Suzhou) Co., Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(939,159)	(38)	Based on contract	-	-	-	-	423,923	5	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	418,612	18	Based on contract	-	-	-	-	(85,069)	(25)	
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(386,875)	(27)	Based on contract	-	-	-	-	80,207	26	
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(223,492)	(16)	Based on contract	-	-	-	-	74,194	24	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	899,167	66	Based on contract	-	-	-	-	(87,211)	(87)	
Oriental Industries (Suzhou) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(268,955)	(3)	Based on contract	-	-	-	-	37,867	1	
	Far Eastern New Century Corporation	(Note B)	Purchase	115,025	1	Based on contract	-	-	-	-	(51,397)	(6)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	433,539	5	Based on contract	-	-	-	-	(84,406)	(10)	
Far Eastern New Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(2,591,727)	(95)	Based on contract	-	-	-	-	340,648	91	
	Far Eastern New Century Corporation	(Note B)	Purchase	173,820	7	Based on contract	-	-	-	-	(15,524)	(100)	
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Purchase	116,124	4	Based on contract	-	-	-	-	(72,089)	(100)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	480,104	18	Based on contract	-	-	-	-	(75,721)	(100)	
Far Eastern Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(2,320,294)	(38)	Based on contract	-	-	-	-	224,819	42	
	Far Eastern New Century Corporation	(Note B)	Purchase	143,883	3	Based on contract	-	-	-	-	(1,951)	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	315,748	6	Based on contract	-	-	-	-	(44,258)	(11)	
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Purchase	1,142,676	21	Based on contract	-	-	-	-	(238,985)	(58)	
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	(Note C)	Sale	(2,358,175)	(12)	Based on contract	-	-	-	-	1,134,231	43	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Sale	(480,104)	(2)	Based on contract	-	-	-	-	75,721	3	
	APG Polytech, LLC	(Note C)	Sale	(270,918)	(1)	Based on contract	-	-	-	-	-	-	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	162,169	1	Based on contract	-	-	-	-	(19,486)	(1)	
	Far Eastern New Century Corporation	(Note B)	Purchase	585,782	3	Based on contract	-	-	-	-	(73,227)	(3)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	7,259,901	41	Based on contract	-	-	-	-	(1,278,180)	(45)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(315,748)	(2)	Based on contract	-	-	-	-	44,258	2	
Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(790,176)	(16)	Based on contract	-	-	-	-	142,441	25	
	Oriental Green Materials Limited	(Note C)	Sale	(300,317)	(6)	Based on contract	-	-	-	-	23,412	4	
	Far Eastern New Century Corporation	(Note B)	Purchase	796,593	20	Based on contract	-	-	-	-	(32,330)	(7)	
FE New Century Industrial (Singapore) Pte. Ltd.	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(1,142,676)	(10)	Based on contract	-	-	-	-	238,985	22	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(1,008,025)	(9)	Based on contract	-	-	-	-	112,210	10	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Sale	(116,124)	(1)	Based on contract	-	-	-	-	72,089	7	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	223,492	2	Based on contract	-	-	-	-	(72,640)	(5)	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Purchase	268,955	2	Based on contract	-	-	-	-	(37,542)	(3)	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Purchase	939,159	8	Based on contract	-	-	-	-	(42,928)	(3)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	1,174,426	10	Based on contract	-	-	-	-	(183,575)	(13)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,320,294	21	Based on contract	-	-	-	-	(224,819)	(15)	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,591,727	23	Based on contract	-	-	-	-	(342,093)	(23)	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	3,696,309	32	Based on contract	-	-	-	-	(560,387)	(38)	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Worldwide Polychem (HK) Ltd.	Phoenix Technologies International, LLC	(Note C)	Sale	\$ (335,364)	(4)	Based on contract	-	-	\$ -	-	\$ -	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	2,358,175	30	Based on contract	-	-	-	-	(1,134,231)	(31)	
	Far Eastern New Century Corporation	(Note B)	Purchase	5,473,239	70	Based on contract	-	-	-	-	(2,542,001)	(69)	
Phoenix Technologies International, LLC	APG Polytech, LLC	(Note C)	Sale	(295,695)	(15)	Based on contract	-	-	-	-	-	-	
	Far Eastern New Century Corporation	(Note B)	Purchase	222,852	11	Based on contract	-	-	-	-	-	-	(Note G)
	Worldwide Polychem (HK) Ltd.	(Note C)	Purchase	335,364	17	Based on contract	-	-	-	-	-	-	(Note E)
APG Polytech, LLC	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	270,918	2	Based on contract	-	-	-	-	-	-	
	Phoenix Technologies International, LLC	(Note C)	Purchase	295,695	2	Based on contract	-	-	-	-	-	-	
	Far Eastern New Century Corporation	(Note B)	Purchase	1,890,200	12	Based on contract	-	-	-	-	(430,906)	(30)	
Pet Far Eastern (M) Sdn. Bhd.	FE New Century Industrial (Singapore) Pte. Ltd	(Note C)	Purchase	1,008,025	78	Based on contract	-	-	-	-	(112,210)	(100)	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Operating cost and marketing expense	8,171,910	16	Based on contract	-	-	-	-	(448,355)	(2)	
	ARCOA Communication Co., Ltd.	(Note C)	Operating revenue	(846,632)	(1)	Based on contract	-	-	-	-	175,446	2	(Note G)
	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(130,388)	-	Based on contract	-	-	-	-	9,316	-	
	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating cost	1,906,095	4	Based on contract	-	-	-	-	(453,858)	(2)	(Note E)
	DataExpress Infotech Co., Ltd.	(Note C)	Operating cost and marketing expense	226,352	-	Based on contract	-	-	-	-	44,013	-	
	Yuanshi Digital Technology Co., Ltd.	(Note C)	Operating revenue	(798,510)	(1)	Based on contract	-	-	-	-	77,236	1	(Note G)
	FarEasTone Property Insurance Agent Co., Ltd.	(Note C)	Operating revenue	(378,285)	(1)	Based on contract	-	-	-	-	119,354	2	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(1,906,095)	(20)	Based on contract	-	-	-	-	453,858	32	(Note F)
	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating cost	130,388	2	Based on contract	-	-	-	-	9,316	1	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(8,171,910)	(69)	Based on contract	-	-	-	-	448,355	49	
	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating cost	846,632	8	Based on contract	-	-	-	-	175,446	16	(Note G)
	Home Master Technology Ltd.	(Note C)	Operating revenue	(664,592)	(6)	Based on contract	-	-	-	-	117,170	13	
DataExpress Infotech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(226,352)	(4)	Based on contract	-	-	-	-	44,013	8	
	Home Master Technology Ltd.	(Note C)	Operating revenue	(182,601)	(3)	Based on contract	-	-	-	-	17,785	3	
	Yuanshi Digital Technology Co., Ltd.	(Note C)	Operating revenue	(111,297)	(2)	Based on contract	-	-	-	-	-	-	(Note G)
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Operating cost	664,592	43	Based on contract	-	-	-	-	(117,170)	(62)	
	DataExpress Infotech Co., Ltd.	(Note C)	Operating cost	182,601	12	Based on contract	-	-	-	-	(17,785)	(9)	
Yuanshi Digital Technology Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating cost	798,510	28	Based on contract	-	-	-	-	(77,236)	(23)	(Note G)
	DataExpress Infotech Co., Ltd.	(Note C)	Operating cost	111,297	4	Based on contract	-	-	-	-	-	-	(Note G)
FarEasTone Property Insurance Agent Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating cost	378,285	85	Based on contract	-	-	-	-	(119,354)	(92)	

Notes: A. Subsidiary.

B. Parent company.

C. Same ultimate parent company.

D. The subsidiaries of the consolidated company's investee which accounted for using the equity method.

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

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

G. Part of the revenue from Yuanshi Digital Technology Co., Ltd. is collected by ARCOA Communication Co., Ltd. on behalf of Far EasTone Telecommunications Co., Ltd. and DataExpress Infotech Co., Ltd.

(Concluded)

TABLE 12

**FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	(Note B)	\$ 2,542,001	2.56	\$ -	-	\$ 1,008,695	\$ -
	APG Polytech, LLC	(Note B)	430,906	8.39	-	-	152,495	-
	Far Eastern Industries (Shanghai) Ltd.	(Note B)	164,691	4.27	-	-	143,448	-
Oriental Petrochemical (Taiwan) Corporation	Far Eastern Polytex (Vietnam) Ltd.	(Note D)	1,278,180	5.91	-	-	1,050,332	-
	Far Eastern New Century Corporation	(Note C)	924,942	16.75	-	-	924,942	-
Oriental Green Materials Limited	Far Eastern New Century Corporation	(Note C)	162,100	15.96	-	-	162,100	-
Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	(Note C)	142,441	7.53	-	-	142,441	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note D)	572,678	6.70	-	-	339,591	-
Far Eastern Industries (Shanghai) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note D)	188,715	3.20	-	-	188,715	-
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	(Note D)	1,134,231	1.98	-	-	213,295	-
Far Eastern New Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note D)	340,648	9.42	-	-	286,859	-
Far Eastern Apparel (Vietnam) Ltd	FE New Century Industrial (Singapore) Pte. Ltd.	(Note D)	224,819	7.87	-	-	-	-
	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	112,210	7.17	-	-	46,788	-
FE New Century Industrial (Singapore) Pte. Ltd.	Far Eastern Apparel (Vietnam) Ltd	(Note D)	238,985	4.34	-	-	18,026	-
Ding Ding Integrated Marketing Services Co., Ltd.	Pacific SOGO Department Stores Co., Ltd.	(Note E)	107,737	(Note F)	-	-	99,922	-
Far Eastern General Contractor Inc.	Chubei New Century Shopping Mall Co., Ltd.	(Note D)	140,111	(Note G)	-	-	-	-
	Far Eastern Construction Co., Ltd.	(Note D)	122,473	(Note G)	-	-	99,122	-
	Far Eastern Resources Development Co., Ltd.	(Note D)	134,561	(Note G)	-	-	134,561	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	178,129	9.22	-	-	135,319	-
	FarEasTone Property Insurance Agent Co., Ltd.	(Note D)	119,354	3.52	-	-	31,533	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	531,782	(Note H)	-	-	249,576	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	448,355	17.10	-	-	448,355	-
	Home Master Technology Ltd.	(Note D)	117,170	5.77	-	-	532	-

(Continued)

Notes: A. This table does not include the receivables from loans to related parties and receivable due to disposal of real estate. For more details, refer to Tables 3, 5 and 10.

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

E. The consolidated company's investee and the subsidiary of the consolidated company's investee which were accounted for using the equity method.

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

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

H. All interconnection revenue, costs and collection of revenue from international direct dialing between the Company and NCIC were settled in net amounts and included in accounts receivable/payable-related parties, and the turnover rate was unavailable.

(Concluded)



## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

No. (Note A)	Investee Company	Related Party	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Sales or Assets (Note C)
0	Far Eastern New Century Corporation	Worldwide Polychem (HK) Limited	1	Sales	\$ 5,473,239	Based on contract	2
		Worldwide Polychem (HK) Limited	1	Accounts receivable	2,542,001	Based on contract	-
		APG Polytech, LLC	1	Sales	1,890,200	Based on contract	1
		APG Polytech, LLC	1	Accounts receivable	430,906	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	1	Sales	896,502	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	1	Accounts receivable	164,691	Based on contract	-
		Far Eastern Ishizuka Green Pet Corporation	1	Sales	796,593	Based on contract	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Sales	585,782	Based on contract	-
		Oriental Green Materials Limited	1	Sales	300,137	Based on contract	-
		Phoenix Technologies International, LLC	1	Sales	222,852	Based on contract	-
		Far Eastern New Apparel (Vietnam) Ltd.	1	Sales	173,820	Based on contract	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Sales	143,883	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	1	Sales	115,025	Based on contract	-
1	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	2	Sales	15,094,236	Based on contract	6
		Far Eastern New Century Corporation	2	Accounts receivable	924,942	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	3	Sales	7,259,901	Based on contract	3
		Far Eastern Polytex (Vietnam) Ltd.	3	Accounts receivable	1,278,180	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	114,277	Based on contract	-
2	Oriental Green Materials Limited	Far Eastern New Century Corporation	2	Sales	2,375,583	Based on contract	1
		Far Eastern New Century Corporation	2	Accounts receivable	162,100	Based on contract	-
3	Far Eastern Fibertech Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Sales	236,833	Based on contract	-
4	FETC International Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	3	Sales	366,310	Based on contract	-
5	Far Eastern General Contractor Inc.	Far Eastern Construction Co., Ltd.	3	Construction revenue	423,691	Based on contract	-
		Far Eastern Construction Co., Ltd.	3	Accounts receivable	122,473	Based on contract	-
		Far Eastern Resources Development Co., Ltd.	3	Construction revenue	537,525	Based on contract	-
		Far Eastern Resources Development Co., Ltd.	3	Accounts receivable	134,561	Based on contract	-
6	Yuan Ding Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	3	Other receivables - financing	470,000	Based on contract	-
		Kai Yuan International Investment Co., Ltd.	3	Other receivables - financing	340,000	Based on contract	-
		An Ho Garment Co., Ltd.	3	Other receivables - financing	100,000	Based on contract	-
		Ding Yuan International Investment Co., Ltd.	3	Other receivables - financing	300,000	Based on contract	-
7	Yuan Tong Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	3	Other receivables - financing	90,000	Based on contract	-

(Continued)

No. (Note A)	Investee Company	Related Party	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Sales or Assets (Note C)
8	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	3	Sales	\$ 3,696,309	Based on contract	1
		FE New Century Industrial (Singapore) Pte. Ltd.	3	Accounts receivable	572,678	Based on contract	-
		Far Eastern Apparel (Suzhou) Co., Ltd.	3	Sales	418,612	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	2,380,320	Based on contract	-
9	Far Eastern Industries (Shanghai) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	3	Sales	1,174,426	Based on contract	-
		FE New Century Industrial (Singapore) Pte. Ltd.	3	Accounts receivable	188,715	Based on contract	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	899,167	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Sales	433,539	Based on contract	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales	372,004	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	3	Sales	162,169	Based on contract	-
10	Far Eastern Apparel (Suzhou) Co., Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	3	Sales	939,159	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	533,368	Based on contract	-
11	Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Sales	386,875	Based on contract	-
		FE New Century Industrial (Singapore) Pte. Ltd.	3	Sales	223,492	Based on contract	-
12	Oriental Industries (Suzhou) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	3	Sales	268,955	Based on contract	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Other receivables - financing	533	Based on contract	-
13	Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	3	Sales	10,014,906	Based on contract	-
14	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	495,768	Based on contract	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Other receivables - financing	781,230	Based on contract	-
15	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	53,302	Based on contract	-
16	Suzhou An Ho Apparel Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	39,672	Based on contract	-
17	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Other receivables - financing	176,320	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	926,081	Based on contract	-
18	Far Eastern Industries (Yangzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	308,560	Based on contract	-
19	Far Eastern New Century (China) Investment	Far Eastern Industries (Shanghai) Ltd.	3	Other receivables - financing	88,160	Based on contract	-
20	Far Eastern New Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	3	Sales	2,591,727	Based on contract	1
		FE New Century Industrial (Singapore) Pte. Ltd.	3	Accounts receivable	340,648	Based on contract	-
21	Far Eastern Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	3	Sales	2,320,294	Based on contract	1
		FE New Century Industrial (Singapore) Pte. Ltd.	3	Accounts receivable	224,819	Based on contract	-

(Continued)

No. (Note A)	Investee Company	Related Party	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Sales or Assets (Note C)
22	Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	3	Sales	\$ 2,358,175	Based on contract	1
		Worldwide Polychem (HK) Ltd.	3	Accounts receivable	1,134,231	Based on contract	-
		Far Eastern New Apparel (Vietnam) Ltd.	3	Sales	480,104	Based on contract	-
		APG Polytech, LLC	3	Sales	270,918	Based on contract	-
		Far Eastern Apparel (Vietnam) Ltd	3	Sales	315,748	Based on contract	-
23	Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	2	Sales	790,176	Based on contract	-
		Far Eastern New Century Corporation	2	Accounts receivable	142,441	Based on contract	-
		Oriental Green Materials Limited	3	Sales	300,317	Based on contract	-
24	FE New Century Industrial (Singapore) Pte. Ltd	Far Eastern Apparel (Vietnam) Ltd	3	Sales	1,142,676	Based on contract	-
		Far Eastern Apparel (Vietnam) Ltd	3	Accounts receivable	238,985	Based on contract	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales	1,008,025	Based on contract	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	112,210	Based on contract	-
		Far Eastern New Apparel (Vietnam) Ltd.	3	Sales	116,124	Based on contract	-
25	Worldwide Polychem (HK) Ltd.	Phoenix Technologies International, LLC	3	Sales	335,364	Based on contract	-
26	Phoenix Technologies International, LLC	APG Polytech, LLC	3	Sales	295,695	Based on contract	-
27	FEDP (Holding) Ltd.	Sino Belgium (Holding) Ltd.	3	Other receivables - financing	168,905	Based on contract	-
28	Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	3	Operating revenue	130,388	Based on contract	-
		ARCOA Communication Co., Ltd.	3	Accounts receivable	175,446	Based on contract	-
		ARCOA Communication Co., Ltd.	3	Operating revenue	846,632	Based on contract	-
		Yuanshi Digital Technology Co., Ltd.	3	Operating revenue	798,510	Based on contract	-
		FarEasTone Property Insurance Agent Co., Ltd.	3	Accounts receivable	119,354	Based on contract	-
		FarEasTone Property Insurance Agent Co., Ltd.	3	Operating revenue	378,285	Based on contract	-
29	ARCOA Communication Co., Ltd.	Home Master Technology Ltd.	3	Accounts receivable	117,170	Based on contract	-
		Home Master Technology Ltd.	3	Operating revenue	664,592	Based on contract	-
30	New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	3	Other receivables - financing	10,500,000	Based on contract	4
31	DataExpress Infotech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	3	Operating revenue	226,352	Based on contract	-
		Home Master Technology Ltd.	3	Operating revenue	182,601	Based on contract	-
		Yuanshi Digital Technology Co., Ltd.	3	Operating revenue	111,297	Based on contract	-

(Continued)

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

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

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

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

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

(Concluded)

TABLE 14

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2022	December 31, 2021	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern New Century Corporation	Asia Cement Corporation	Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	750,511	21.17	\$ 20,370,209	\$ 12,016,396	\$ 2,253,120	Investment gain or loss recognized under the treasury shares method (Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	5,137,442	1,930,174	329,288	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,018,610	38,873	(89,747)	Including the adjustments of the difference between investment properties and the translation between subsidiaries \$(93,212) (Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	108	0.02	1,214	21,844	4	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	159,823	159,823	141,961	19.65	1,901,195	(469,364)	(92,230)	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	810,000	810,000	135,000	16.83	2,088,859	1,092,494	183,867	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	906,237	805,598	103,816	2.55	1,341,657	3,677,502	113,942	Including the adjustments of the difference between cost and net worth obtained \$18,327 (Note A)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,052	100,052	1,822,822	99.40	43,004,479	5,271,752	5,221,095	Including the adjustments of the difference of investment properties between parent-company-only and consolidated and the transactions between subsidiaries \$(19,026) (Notes B and H)
	Far Eastern Resources Development Co., Ltd.	Taiwan	Real estate construction and sales	14,931,733	14,931,733	775,836	100.00	107,669,917	879,387	879,372	Including the adjustments of the transactions between subsidiaries \$(15) (Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	10,688,227	10,382,911	173	100.00	9,721,893	(124,890)	(124,890)	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment and sale of chemical fiber production	7,318,312	7,318,312	830,815	73.04	7,415,878	325,945	238,070	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	744,410	100.00	8,866,769	652,041	661,947	Including the adjustments of the transactions between subsidiaries \$9,906 (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	371,671	100.00	5,647,439	351,293	351,293	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment and sale of petrochemicals	34,628,533	26,303,433	6,851	100.00	40,993,789	1,599,422	1,599,422	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	6,626,110	6,626,110	397	91.95	3,015,403	(1,630,484)	(1,499,230)	(Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	PTA production and sales	18,475,783	16,209,038	1,938,893	75.56	8,309,214	(2,259,127)	(1,666,049)	Including the adjustments of the difference of investment properties between parent-company-only and consolidated and the transactions between subsidiaries \$40,947 (Notes B and H)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and sales	143,450	143,450	270,412	65.11	10,521,112	598,717	340,221	Including the adjustments of the transactions between subsidiaries \$(49,604) (Note B)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,213,931	20,745	12,644	(Notes B and I)
	An Ho Garment Co., Ltd.	Taiwan	Garment production and Investment	1,023	1,023	76,629	100.00	2,179,991	217,857	217,960	Including the adjustments of the transactions between subsidiaries \$103 (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	258,756	100.00	3,203,985	205,801	205,880	Including the adjustments of the transactions between subsidiaries \$79 (Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	782,142	19,686	9,928	(Note B)
	Fu Kwok Knitting & Garment Co., Ltd.	Taiwan	Garment production	9,205	9,205	4,000	100.00	299,134	88,399	88,399	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	415,824	408,433	769	0.74	11,369	(692,956)	(5,128)	(Note B)
	Far Eastern Textile Ltd.	Taiwan	Textile production	13,000	13,000	1,300	100.00	14,055	710	710	(Note B)
	FE Oriental Investment Holding (Singapore) Pte. Ltd.	Singapore	Investment	147,400	147,400	50	100.00	199,638	19,356	19,356	(Note B)
	Far Eastern Apparel Co., Ltd.	Taiwan	Sale of textiles, garments, and clothing	181,416	-	44,772	100.00	209,543	(12,929)	-	(Notes B and R)
	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	1,380,326	-	91,000	100.00	1,285,633	151,411	-	(Notes B and R)
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing	140,127	-	5,739	100.00	146,265	71,620	-	(Notes B and R)
	Oriental Green Materials Limited	Taiwan	waste recycling and processing	825,569	-	66,116	100.00	776,543	97,934	-	(Notes B and R)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2022	December 31, 2021	Shares (Thousands)	% of Ownership	Carrying Amount			
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	\$ 2,116,774	\$ 2,108,810	54,202	1.53	\$ 2,341,329	\$ 12,016,396	\$ -	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,085,488	1,085,488	70,818	8.00	1,064,257	38,873	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	3,288,166	3,288,166	139,785	9.87	3,389,346	1,930,174	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,120,654	1,120,654	164,614	23.70	1,541,103	21,844	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	20,643,180	9,607,895	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,232,896	1,095,981	141,238	3.47	1,824,748	3,677,502	-	(Note A)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment and sale of chemical fiber production	1,392,692	1,392,692	306,644	26.96	2,737,296	325,945	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment and sale of textile	2,179,442	2,179,442	111	100.00	5,206,827	449,407	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taiwan	Sale of polychemical products	263,790	263,790	74,886	41.86	2,755,803	564,204	-	(Note A)
	Far Eastern Apparel Co., Ltd.	Taiwan	Sale of textiles, garments, and clothing	-	587,984	-	-	-	(12,929)	-	(Notes B and R)
	Yuan Faun Co., Ltd.	Taiwan	Production management consulting	63,671	63,671	6,675	100.00	189,283	10,257	-	(Note B)
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	4,745	45.50	59,492	3,565	-	(Note A)
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and sales	319,380	319,380	36,706	46.20	400,020	19,402	-	(Note A)
	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	-	585,000	-	-	-	151,411	-	(Notes B and R)
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing	-	13,475	-	-	-	71,620	-	(Notes B and R)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	504,806	504,806	86,615	35.00	3,343,061	1,943,242	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	33,003	29.80	553,169	288,909	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	255,424	255,424	187,470	25.96	2,617,270	(469,364)	-	(Note A)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	12.86	1,122,624	20,745	-	(Note B)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	949,695	138,560	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment and sale of textile	7,142,602	7,142,602	110	100.00	8,583,122	76,600	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	796,491	796,491	119,653	14.92	1,765,241	1,092,494	-	(Notes A and E)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	673,704	673,704	98,198	18.96	1,021,379	744,574	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	14,682	14,682	1,803	1.00	31,224	542,038	-	(Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	PTA production and sales	935,279	779,399	133,334	5.20	586,552	(2,259,127)	-	(Note B)
	Oriental Green Materials Limited	Taiwan	waste recycling and processing	-	647,083	-	-	-	97,934	-	(Notes B and R)
Far Eastern Investment (Holding) Ltd.	Filsyn Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	-	-	(Note A)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	148,978	61,748	-	(Note B)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	-	-	-	(Note A)
	Far Eastern Apparel (Vietnam) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	(Note D)	100.00	1,175,368	278,646	-	(Note B)
	Worldwide Polychem (HK) Ltd.	Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	80,098	(74,533)	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	(Note D)	34.00	1,739	75	-	(Note A)
	Far Eastern Polytech (Vietnam) Ltd.	Vietnam	Chemical fiber and Textile production	US\$ 408,700	US\$ 308,700	(Note D)	100.00	14,349,714	659,784	-	(Note B)
	Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Garment production	US\$ 33,000	US\$ 18,000	(Note D)	100.00	443,278	(16,550)	-	(Note B)
	Magna View Sdn. Bhd.	Malaysia	Investment	US\$ 3,465	US\$ 3,465	3,000	100.00	149,429	30,740	-	(Note B)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	US\$ 15,849	US\$ 15,849	30	37.92	488,545	(448)	-	(Note B)
	Drive Catalyst SPC	Cayman Islands	Investment	US\$ 17	US\$ 17	(Note D)	34.00	539	13	-	(Note A)
	APG Polytech USA Holdings, Inc.	America	Investment	US\$ 606,467	US\$ 606,467	6	100.00	20,910,883	1,235,399	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	US\$ 4,000	US\$ 4,000	4	25.00	137,086	4,376	-	(Note A)
	Drive Catalyst SPC-SP Tranche Two	Cayman Islands	Investment	US\$ 8,000	US\$ 4,000	4	25.00	254,508	3,143	-	(Note A)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	US\$ 8,000	US\$ 8,000	8	25.00	249,104	3,610	-	(Note A)
	Far Eastern International Garments	Philippines	Garment production	US\$ 1	US\$ 1	59	41.00	(12,650)	-	-	(Note A)
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	US\$ 1	US\$ 1	90	50.00	(11,738)	-	-	(Note A)
APG Polytech USA Holdings, Inc.	Corpus Christi Polymers LLC	America	Petrochemical materials production and polychemical products production	US\$ 470,320	US\$ 433,833	(Note D)	33.33	14,116,324	(176,470)	-	(Note K)
	APG Polytech, LLC	America	Petrochemical products production	US\$ 90,000	US\$ 90,000	(Note D)	100.00	6,176,612	1,566,814	-	(Note B)
	Phoenix Technologies International, LLC	America	Production and sale of recycled plastic resins and their waste and general industrial waste handling	US\$ 26,500	US\$ 21,500	(Note D)	100.00	412,638	(25,769)	-	(Note B)
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	148,978	61,748	-	(Note B)
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	342,758	342,758	12,369	0.35	482,067	12,016,396	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	258,946	258,946	11,983	0.85	281,952	1,930,174	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	92,860	92,860	6,447	0.93	64,172	21,844	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	677,665	677,665	27,365	3.09	579,415	38,873	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0.03	40,194	9,607,895	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	17,121	2.24	260,023	1,092,494	-	(Notes A and E)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	95,624	95,624	104,951	13.20	490,519	281,377	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	814,399	814,399	25,312	2.58	1,355,147	3,677,502	-	(Note A)

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Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2022	December 31, 2021	Shares (Thousands)	% of Ownership	Carrying Amount			
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	\$ 732,627	\$ 732,627	35,558	0.71	\$ 1,035,279	\$ 12,016,396	\$ -	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	880,911	880,911	4,211	1.09	1,089,670	9,607,895	-	(Note B)
	Everest Textile Corporation	Taiwan	Chemical fiber production	45,376	45,376	32,474	0.61	46,086	21,844	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	742,702	742,702	20,672	3.67	567,643	38,873	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	519,473	1,127	1.46	602,281	1,930,174	-	(Note A)
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	74,970	49.00	490,895	(9,495)	-	(Note A)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	18,000	16.80	950,626	138,560	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	127,414	2.24	260,225	1,092,494	-	(Notes A and E)
Far Eastern Polychem Industries Ltd.	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,112,229	988,714	114,575	3.13	1,645,815	3,677,502	-	(Note A)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	8.05	263,991	(1,630,484)	-	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	768,804	19,686	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	Production and sale of recycled plastic resins and their waste and general industrial waste handling	JPY 2,991,678	JPY 2,991,678	3,578	90.00	1,612,792	379,156	-	(Note B)
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.50	632,111	12,016,396	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	271,587	271,587	178,370	98.95	2,874,769	542,038	-	(Note B)
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	16,246	16,246	469	0.01	16,864	12,016,396	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	6,353	6,353	90	-	5,916	9,607,895	-	(Note B)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	11	0.01	179	281,377	-	(Note A)
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	7,473	13,854	-	(Note B)
Malaysia Garment Manufactures Pte. Ltd.	Filsyn Corporation	Philippines	Polychemical products	PESO 102,565	PESO 102,565	20,513	9.95	-	-	-	(Note A)
	Arpeggio International Resources Corporation	Philippines	Industry investment	PESO 15,200	PESO 15,200	(Note D)	40.00	-	-	-	(Note A)
	PT Malaysia Garment Bintan	Indonesia	Garment production	SGD -	SGD -	(Note D)	99.00	(37)	-	-	(Note B)
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1.25	967,479	9,607,895	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.17	263,751	12,016,396	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	225,287	38,873	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	370	0.03	12,140	1,930,174	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	122,937	122,732	8,774	1.21	111,818	(469,364)	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	20,324	15.66	483,808	281,377	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	67,285	67,285	9,681	1.21	145,310	1,092,494	-	(Notes A and E)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	173,491	5,271,752	-	(Note B)
Yuan Faun Co., Ltd.	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	228,133	202,798	26,134	0.64	337,981	3,677,502	-	(Note A)
	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	12,099	945	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	48,341	42,973	5,538	0.14	71,582	3,677,502	-	(Note A)
Fu Kwok Knitting & Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.02	18,398	9,607,895	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,549,498	9,607,895	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	2,086,732	2,054,200	79,250	5.59	2,248,412	1,930,174	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	68,526	59,045	6,460	0.93	69,805	21,844	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,759,501	1,759,501	49,905	5.63	1,527,923	38,873	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	1,067,775	1,067,775	32,465	0.92	1,386,108	12,016,396	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	259,026	1,092,494	-	(Notes A and E)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	787,104	787,104	35,934	11.98	610,091	485,481	-	(Note A)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	20	20	1	-	48	1,943,242	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(835,147)	(12,194)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	3	-	51	288,909	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	SGD 7,354	SGD 7,354	10	13.00	167,486	(448)	-	(Note B)
FE Oriental Investment Holding (Singapore) Pte. Ltd.	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,110,003	986,735	127,159	3.12	1,641,959	3,677,502	-	(Note A)
	FE New Century Industrial (Singapore) Pte. Ltd.	Singapore	Textile product sales	US\$ 4,900	US\$ 4,900	49	100.00	197,585	19,711	-	(Note B)
	Oriental Investment Holding (Netherlands) B.V.	Netherlands	Investment	-	-	-	100.00	-	-	-	(Notes B and L)
	FE Green PET (M) Sdn. Bhd.	Malaysia	Production and sale of recycled plastic resins and their waste and general industrial waste handling	-	-	-	100.00	-	-	-	(Notes B and O)

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Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2022	December 31, 2021	Shares (Thousands)	% of Ownership	Carrying Amount			
FE New Century Industrial (Singapore) Pte. Ltd.	FYN Green PET Corporation	Philippines	Production and sale of recycled plastic resins and their waste and general industrial waste handling	\$ -	\$ -	(Note D)	8.26	\$ -	\$ -	\$ -	(Notes B and M)
Oriental Investment Holding (Netherlands) B.V.	Oriental Martens (Netherlands) B.V.	Netherlands	Investment	-	-	-	100.00	-	-	-	(Notes B)
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	Taiwan	Electronic material and relevant by-product sales	100,000	100,000	13,992	100.00	264,671	5,276	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	558,000	558,000	21,787	60.00	109,476	(64,652)	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	74,354	13,854	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	(Note D)	17.70	10,400	(2,606)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	-	566,896	-	-	-	(172,095)	-	(Notes B and Q)
	FET Consulting Engineers Co., Ltd.	Taiwan	Investment	342,701	342,701	2,500	100.00	44,444	(2,668)	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.15	220,156	12,016,396	-	(Note B)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	102,885	9,607,895	-	(Note A)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	411,187	411,187	129,637	25.02	2,135,231	744,574	-	(Note A)
	Yue Ming Corporation	Taiwan	Trading	787	787	104	1.00	502	3,565	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	3,206	2.59	79,642	281,377	-	(Note A)
	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	10,650	5.00	138,458	143,440	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	977,650	977,650	44,796	14.93	755,027	485,481	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	86,242	76,665	9,880	0.24	127,911	3,677,502	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	428,239	400,000	11,052	16.22	39,340	(278,051)	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	4,600,672	3,615,455	102,509	98.52	572,641	(692,956)	-	(Note B)
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	-	1,828	-	-	-	(172,095)	-	(Notes B and Q)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	500,200	500,200	21,180	31.08	75,382	(278,051)	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	(Note D)	46.13	17,946	(5,045)	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	(Note D)	53.87	20,958	(5,045)	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Corporation	Taiwan	Chemical fiber production	2,451	2,451	101	0.01	866	21,844	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0.20	99,760	1,930,174	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,486	12,016,396	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	(Note D)	82.30	48,358	(2,606)	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	30,328	26,960	3,474	0.09	45,250	3,677,502	-	(Note A)
Far Eastern Electronic Toll Collection Co., Ltd.	FETC International Co., Ltd.	Taiwan	Dispatched labor, procuring equipment, and sales agent services	200,000	200,000	20,000	100.00	(12,730)	77,497	-	(Note B)
FETC International Co., Ltd.	FETC International (Thailand) Co., Ltd.	Thailand	Dispatched labor, procuring equipment, and sales agent services	THB 82,000	THB 82,000	8,200	100.00	87,910	(9,913)	-	(Note B)
	FETC International (Malaysia) Co., Ltd.	Malaysia	Dispatched labor, procuring equipment, and sales agent services	-	-	-	100.00	-	-	-	(Notes B and P)
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	26,433,250	1,750,503	-	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Telecommunications services, sales of communications products and office equipment	1,305,802	1,305,802	82,762	61.63	686,655	169,867	-	(Note B)
	KGEx.com Co., Ltd.	Taiwan	Type II telecommunications services	2,340,472	2,340,472	68,897	99.99	910,643	137,527	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	1,686,169	1,686,169	10,821	96.18	(445,664)	(172,095)	-	(Note B)
	Yuan Cing Co., Ltd.	Taiwan	Call center services	-	-	2,000	100.00	46,262	18,777	-	(Note B)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	5,433	482	-	(Note B)
	IDEAWORKS Entertainment Co., Ltd.	Taiwan	Type II telecommunications services	41,250	-	4,125	50.00	37,542	(7,417)	-	(Note B)
	FarEasTone Property Insurance Agent Co., Ltd.	Taiwan	Property insurance agent	5,000	5,000	500	100.00	94,297	83,335	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	2,542,396	2,542,396	118,251	39.42	1,481,494	485,481	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	139,500	139,500	5,447	15.00	27,210	(64,652)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	600,000	600,000	12,342	18.11	34,622	(278,051)	-	(Note B)
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Electronic information providing services	141,750	141,750	17,043	70.00	309,813	119,503	-	(Note B)

(Continued)



Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2022	December 31, 2021	Shares (Thousands)	% of Ownership	Carrying Amount			
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Investment	\$ 540,000	\$ 540,000	54,000	100.00	\$ 83,899	\$ 10,896	\$ -	(Note B)
	Information Security Service Digital United Inc.	Taiwan	Security and monitoring service via internet	148,777	148,777	12,029	100.00	149,423	19,009	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	317,446	317,446	10,320	100.00	440,428	(16,769)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	49,579	20,000	375	3.33	(15,443)	(172,095)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	46,500	46,500	1,816	5.00	9,070	(64,652)	-	(Note B)
	Prime EcoPower Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000	100.00	126,125	674	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	123,220	123,220	4	25.00	137,086	4,376	-	(Note A)
	Drive Catalyst SPC-SP Tranche Two	Cayman Islands	Investment	224,820	114,140	8	25.00	254,508	3,143	-	(Note A)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	236,440	236,440	8	25.00	249,104	3,610	-	(Note A)
	Nextlink Technology Co., Ltd.	Taiwan	Electronic information providing services	420,000	420,000	11,164	70.00	488,446	60,453	-	(Note B)
	JuAn Long-Age., Ltd	Taiwan	Electronic information providing services	15,500	15,500	1,000	25.00	14,257	2,160	-	(Note A)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	42,358	42,358	4,236	6.22	11,882	(278,051)	-	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Telecommunications services, sales of communications products and office equipment	116,885	-	9,026	6.72	126,754	169,867	-	
IDEAWORKS Entertainment Co., Ltd.	Mission International Co., Ltd.	Taiwan	Television and film production and distribution industry	80,000	-	8,000	100.00	72,709	(7,291)	-	(Note B)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	30	100.00	409	88	-	(Note B)
	Far East New Diligent Company Ltd.	British Virgin Islands	Investment	-	330,598	(Note D)	100.00	-	611	-	(Note B)
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	3,051	3,051	-	100.00	2,391	285	-	(Note B)
DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	Taiwan	Electronic information providing services	10,000	10,000	(Note D)	100.00	58,471	15,611	-	(Note B)
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd	Taiwan	Electronic information providing services	17,000	17,000	4,495	100.00	63,508	16,194	-	(Note B)
	Nextlink (HK) Technology Co., Ltd	Hong Kong	Electronic information providing services	973	973	-	100.00	37,565	(2,963)	-	(Note B)
	Microfusion Technology (HK) Co., Ltd.	Hong Kong	Electronic information providing services	1,494	1,494	-	100.00	281	(2,764)	-	(Note B)

Notes: A. Equity-method investee.

B. Subsidiary.

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

D. Company limited.

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

F. Shares in thousands.

G. For investments in mainland China, refer to Table 15.

H. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corporation (TWSE), the Company recognized these items as investment properties in its parent-company-only financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the parent-company-only financial statements and the consolidated financial statements.

I. The effects from the adjustments of FENC shares which are held by Yuan Ding Co., Ltd. and the transactions between subsidiaries amounted to \$4,941 thousand.

J. The ending balance of the investment is zero in 2016 because the amount of reduction in capital was over the original investing value.

K. Joint operation entity.

L. Oriental Investment Holding (Netherlands) was established and registered on January 23, 2020, but as of December 31, 2022, the relevant investment funds have not been remitted.

M. Oriental Martens (Netherlands) B.V. was established and registered on February 12, 2020, but as of December 31, 2022, the relevant investment funds have not been remitted.

N. Far Eas New Diligent Co., Ltd. was dissolved in April 2022, with the approval of the local government.

O. FE Green PET (M) Sdn. Bhd was established and registered on October 26, 2022, but as of December 31, 2022, the relevant investment funds have not been remitted.

P. YUAN TO TRADING CORP. (Malaysia) was established and registered on September 23, 2022, but as of December 31, 2022, the relevant investment funds have not been remitted.

Q. Sold to New Century InfoComm Tech Co., Ltd. in December 2022.

R. To simplify the investment scheme, increase operational efficiency, the Company purchased 100% of the shares of Far Eastern Apparel Co., Ltd., Far Eastern Fibertech Co., Ltd., Oriental Resources Development Co. and Oriental Green Materials Limited from its subsidiary Yuan Ding Investment Corporation, the date of Share exchange both on December 30, 2022.

(Concluded)

TABLE 15

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital (Note T)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Ltd.	Manufacture and sales of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	\$ 8,288,800 (RMB 1,880,399 thousand)	2	\$ 3,700,967	\$ -	\$ -	\$ 7,491,974	\$ 195,726	90.03	\$ 195,726	\$ 9,795,232	\$ 853,493	Notes D, E and T
Far Eastern Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	901,776 (RMB 204,577 thousand)	2	1,010,901	-	-	1,010,901	(492)	100.00	(492)	1,504,777	233,172	Notes F and G
Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	1,047,422 (RMB 237,619 thousand)	3	-	-	-	-	17,578	100.00	17,578	1,119,233	-	
Far Eastern Innovation Apparel (Anhui) Co., Ltd.	Knitted and woven apparel, bedding and apparel accessories	40,774 (RMB 9,250 thousand)	2	-	-	-	-	(352)	100.00	(352)	40,423	-	
Far Eastern Industries (Wuxi) Ltd.	Production and marketing of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, grieve woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics	2,122,322 (RMB 481,471 thousand)	2	2,018,430	-	-	2,018,430	(361,516)	100.00	(361,516)	2,553,747	313,458	Notes H and I
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products	7,906,143 (RMB 1,793,590 thousand)	2	3,791,007	-	-	-	(1,358,231)	-	(833,275)	-	1,064,005	Notes J and T
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and sales of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps	1,627,756 (RMB 369,273 thousand)	2	1,663,638	-	-	1,663,638	560,242	100.00	560,242	2,947,621	159,799	Notes H and Q
Far Eastern Industries (Suzhou) Ltd.	Production and marketing of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	1,738,382 (RMB 394,370 thousand)	2	1,765,319	-	-	1,765,319	(4,310)	100.00	(4,310)	1,322,793	-	Note K

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note T)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outflow	Inflow							
Wuhan Far Eastern New Material Ltd.	Manufacture and sales of PET sheets, chips, and filaments PET performs and garments and its by-products	\$ 753,978 (RMB 171,048 thousand)	2	\$ 724,110	\$ -	\$ -	\$ 724,110	\$ 17,425	100.00	\$ 17,425	\$ 972,879	\$ -	
Oriental Industries (Suzhou) Ltd.	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	4,826,084 (RMB 1,094,847 thousand)	2	4,957,248	-	-	4,957,248	621,751	100.00	621,751	7,092,811	-	Note H
Far Eastern New Century (China) Investment Co., Ltd.	Investment	4,716,787 (RMB 1,070,052 thousand)	2	4,794,027	-	-	4,794,027	(125,796)	100.00	(125,796)	3,629,628	-	
Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	1,680,145 (RMB 381,158 thousand)	2	1,763,952	-	-	1,763,952	(2,363)	100.00	(2,363)	(766,054)	-	Note L
Martens Beers (Shanghai) Ltd.	Beer brewing	329,085 (RMB 74,656 thousand)	2	231,475	-	-	231,475	6,806	100.00	6,806	12,926	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	6,986,497 (RMB 1,584,958 thousand)	2	4,181,323	342,720	-	4,524,043	154	60.00	92	4,220,256	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,361,642 (RMB 308,902 thousand)	2	1,436,190	-	-	1,436,190	2,293	100.00	2,293	1,403,202	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	8,337,123 (RMB 1,891,362 thousand)	2	2,983,397	-	-	2,983,397	(1,870,015)	44.20	(826,547)	2,303,096	-	
Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	56,026 (RMB 12,710 thousand)	3	-	-	-	-	516	100.00	516	59,417	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	83,752 (RMB 19,000 thousand)	3	-	-	-	-	6,724	100.00	6,724	158,807	-	
Suzhou An Ho Apparel Ltd.	Garment production	4,408 (RMB 1,000 thousand)	3	-	-	-	-	928	100.00	928	58,271	-	
Yuan Ding Enterprise (Shanghai) Limited	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	7,773,177 (RMB 1,763,425 thousand)	3	-	-	-	-	(177,325)	40.00	(70,930)	2,681,696	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	664,058 (RMB 150,648 thousand)	2	598,270	-	-	598,270	(5,009)	100.00	(5,009)	38,988	-	Note M
Speedy (Shanghai) digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	28,825 (US\$ 6,539 thousand)	2	24,220	-	-	24,220	(330)	100.00	(330)	36,889	-	Note N

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note T)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outflow	Inflow							
Digital United Information Technology (Shanghai) Ltd.	Research and design of computer systems	\$ 95,201 (US\$ 3,100 thousand)	2	\$ 92,132	\$ -	\$ -	\$ 92,132	\$ 4,751	100.00	\$ 4,751	\$ 16,289	\$ -	Note O
Nextlink (Shanghai) Technology Co., Ltd.	Computer software, data processing and provision of network information services	2,211 (US\$ 72 thousand)	2	2,140	-	-	2,140	465	70.00	465	2,503	-	Note P

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Corporation	\$ 24,546,349 (US\$ 799,295 thousand)	\$28,182,321 (US\$916,731 thousand; RMB6,695 thousand)	\$ -
Yuan Ding Investment Co., Ltd.	9,380,677 (US\$ 305,460 Thousand)	13,330,904 (US\$ 434,090 Thousand)	24,680,830
Yuan Tong Investment Co., Ltd.	1,947,014 (US\$ 63,400 Thousand)	2,079,190 (US\$ 67,704 Thousand)	4,466,462
YDT Technology International Co., Ltd.	27,946 (US\$ 910 Thousand)	27,946 (US\$ 910 Thousand)	83,952
FET Consulting Engineers Co., Ltd.	248,751 (US\$ 8,100 Thousand)	248,751 (US\$ 8,100 Thousand)	15,000
Ding Integrated Marketing Service Co., Ltd.	33,781 (US\$ 1,100 Thousand)	33,781 (US\$ 1,100 Thousand)	217,866
Far EasTone Telecommunications Co., Ltd.	92,616	92,616	38,512,905
New Century InfoComm Tech Co., Ltd.	95,201 (US\$ 3,100 Thousand)	95,201 (US\$ 3,100 Thousand)	15,109,513
New Diligent Co., Ltd.	458,408 (US\$ 14,927 Thousand)	458,408 (US\$ 14,927 Thousand)	50,340
Nextlink Technology Co., Ltd.	2,211 (US\$ 72 Thousand)	2,211 (US\$ 72 Thousand)	137,062

(Continued)

Notes: A. Investment types are classified as follows:

1. The investment was made directly in China.
2. The investment was made through a company registered in a third region. Companies which registered in a third region are: Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Far Eastern Apparel (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd., Nextlink Technology Co., Ltd. and Far East New Diligent Company Ltd.
3. Other types.

B. Recognition of gains or losses was based on the following two information:

1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Far Eastern Apparel (Suzhou) Co., Ltd., Far Eastern Industries (Wuxi) Ltd., Oriental Petrochemical (Shanghai) Corporation, Far Eastern Dyeing and Finishing (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Oriental Industries (Suzhou) Ltd. and Far Eastern Union Petrochemical (Yangzhou) Corporation.
2. Others: Far Eastern Industries (Suzhou) Ltd., Far Eastern Innovation Apparel (Suzhou) Co., Ltd. Far Eastern New Century (China) Investment Co., Ltd., Sino Belgium Beer (Suzhou) Ltd., Martens Beers (Shanghai) Ltd., Far Eastern Industries (Yangzhou) Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Shanghai Yuan Zi Information Technology Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Corporation, Suzhou An Ho Apparel Ltd., Yuan Ding Enterprise (Shanghai) Limited, Yuan Ding Integrated Information Service (Shanghai) Inc., Speedy (Shanghai) digital Tech. Co., Ltd., Digital United Information Technology (Shanghai) Ltd., and Nextlink (Shanghai) Technology Co., Ltd.

C. The ending balance of long term investment.

D. As of December 31, 2022, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.

E. As of December 31, 2022, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.

F. As of December 31, 2022, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.

G. As of December 31, 2022, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Co., Ltd. which remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.

H. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2022, the profit of investment was cash dividend paid by Far Eastern Industries (Wuxi) Ltd. remitted through a FENC's subsidiary, Oriental Textile (Holding) Ltd.

J. As of December 31, 2022, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation remitted through FENC's subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.

K. As of December 31, 2022, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Co., Ltd.

L. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.

M. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by FENC's subsidiaries, YDT Technology International Co., Ltd., FET Consulting Engineers Co., Ltd. and Ding Ding Integrated Marketing Service Co., Ltd.

N. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.

O. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.

P. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.

Q. As of December 31, 2022, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Ltd.

R. In accordance with the "Principles for Examination of Investment or Technical Cooperation in Mainland China" issued by the Board of Investment in accordance with 97.8.29, 60% of the net value of the investing company or the combined net value, whichever is higher, shall be the limit. However, the parent company has been issued with the Industrial Development Bureau of the Ministry of Economic Affairs (MOEA) Enterprise Operation Headquarters Certificate No. 10920434850, and in accordance with the "Principles for Examination of Investment or Technical Cooperation in Mainland China", there is no limit on the cumulative amount of the parent company's investment in Mainland China.

S. It is calculated based on the ending exchange rate of US\$1:31.71 and RMB1:4.408.

T. Oriental Petrochemical (Shanghai) Corporation was absorbed by Far Eastern Industries (Shanghai) Ltd. in December 2022. The tentative record date was December 31, 2022. Far Eastern Industries (Shanghai) Ltd. was the surviving company, and Oriental Petrochemical (Shanghai) Corporation was the dissolved company. As of March 16, 2023, Far Eastern Industries (Shanghai) Ltd. was modified and registered, and its paid-in capital changed by RMB1,880,399 thousand (NT\$8,288,799 thousand) to RMB3,673,989 thousand (NT\$16,194,944 thousand). Oriental Petrochemical (Shanghai) Corporation was liquidated and canceled.

(Concluded)

TABLE 15-1

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA - INVESTMENT TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of U.S. Dollars)

Investee Company	Investment Type							
	Investor Company	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	No. 84015136	Far Eastern Polychem Industries Ltd.	\$ 6,000	\$ 6,000			
	Yuan Ding Investment Co., Ltd.		Far Eastern Polychem Industries Ltd.	24,000	24,000			
	Far Eastern New Century Corporation	No. 093032400	Far Eastern Polychem Industries Ltd.	1,712		\$ 1,712		
	Far Eastern New Century Corporation	No. 093032090	Far Eastern Polychem Industries Ltd.	1,540			\$ 1,540	
	Far Eastern New Century Corporation	No. 093032240	Far Eastern Polychem Industries Ltd.	3,879		3,879		
	Yuan Ding Investment Co., Ltd.	No. 093032402	Far Eastern Polychem Industries Ltd.	7,014		7,014		
	Yuan Ding Investment Co., Ltd.	No. 093032239	Far Eastern Polychem Industries Ltd.	15,898		15,898		
	Yuan Ding Investment Co., Ltd.	No. 093032089	Far Eastern Polychem Industries Ltd.	6,313			6,313	
	Far Eastern New Century Corporation	No. 09500287850	Far Eastern Polychem Industries Ltd.	31,779	31,779			
	Far Eastern New Century Corporation	No. 09700163440	Far Eastern Polychem Industries Ltd.	56,000	56,000			
	Far Eastern New Century Corporation	No. 09700045490	Far Eastern Polychem Industries Ltd.	4,800	4,800			
				8,198				
				(Note E)				
	Far Eastern New Century Corporation	No. 09900142680 (Note D)	Far Eastern Polychem Industries Ltd.	11,500	11,500			
	Far Eastern New Century Corporation	No. 11100176580		86,168				
				(Note Y)				
Far Eastern Apparel (Suzhou) Co., Ltd.	Yuan Ding Investment Co., Ltd.	No. 85016219	Far Eastern Apparel (Holding) Ltd.	10,000	10,000			
	Yuan Ding Investment Co., Ltd.	No. 092033299	Far Eastern Apparel (Holding) Ltd.	5,000	5,000			
	Far Eastern New Century Corporation	No. 09500112650	Far Eastern Polytex (Holding) Ltd.	11,000	11,000			
	Far Eastern New Century Corporation	No. 09700038490	Far Eastern Polytex (Holding) Ltd.	5,000	5,000			
Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Yuan Ding Investment Co., Ltd.	No. 10730028260	Far Eastern Apparel (Holding) Ltd.	35,000				\$ 35,000
Far Eastern Innovation Apparel (Anhui) Co., Ltd.	Far Eastern New Century Corporation	No. 11000195650	Far Eastern Polytex (Holding) Ltd. (Note V)	8,739				8,739
	Yuan Ding Investment Co., Ltd.	No. 11000195640	Far Eastern Apparel (Holding) Ltd. (Note W)	5,461				5,461
Far Eastern Industries (Wuxi) Ltd.	Yuan Ding Investment Co., Ltd.	No. 091011903	Oriental Textile (Holding) Ltd.	19,960	19,960			
	Yuan Ding Investment Co., Ltd.	No. 094024169	Oriental Textile (Holding) Ltd.	40,000	40,000			
Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century Corporation	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd.	1,228				1,228
	Yuan Ding Investment Co., Ltd.	No. 09800408160 (Note C)	PET Far Eastern (Holding) Ltd.					
			Far Eastern Polychem Industries Ltd.	6,592				6,592
			PET Far Eastern (Holding) Ltd.					
	Far Eastern New Century Corporation	No. 09700163430	PET Far Eastern (Holding) Ltd.	49,500	49,500			
	Far Eastern New Century Corporation	No. 09700045500	Far Eastern Polychem Industries Ltd.	4,800	4,800			
			PET Far Eastern (Holding) Ltd.	2,936				
				(Note F)				
	Far Eastern New Century Corporation	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Far Eastern New Century Corporation	No. 10630056570	PET Far Eastern (Holding) Ltd.	27,000	27,000			
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Yuan Ding Investment Co., Ltd.	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			

(Continued)

Investee Company	Investment Type							
	Investor Company	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	No. 091035216	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	\$ 9,352				\$ 9,352
	Far Eastern New Century Corporation	No. 093025506	Far Eastern Polychem Industries Ltd.	1,569			\$ 1,569	
	Far Eastern New Century Corporation	No. 093030298	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	713				713
	Far Eastern New Century Corporation	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	\$ 5,288			
	Far Eastern New Century Corporation	No. 09500287850	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,524	4,524			
	Far Eastern New Century Corporation	No. 09700045510	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,800	4,800			
Oriental Industries (Suzhou) Ltd.				754 (Note G)				
	Far Eastern New Century Corporation	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	18,224	18,224			
	Yuan Ding Investment Co., Ltd.	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
Wuhan Far Eastern New Material Ltd.	Yuan Ding Investment Co., Ltd.	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
	Yuan Ding Investment Co., Ltd.	No. 10300223190 (Note K)	Oriental Textile (Holding) Ltd.	43,000	43,000			
	Yuan Ding Investment Co., Ltd.	No. 11100191790	Far Eastern Apparel (Holding) Ltd.	43,000		\$ 43,000		
	Far Eastern New Century Corporation	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
	Far Eastern New Century Corporation	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
Far Eastern New Century (China) Investment Co., Ltd. (Note A)	Far Eastern New Century Corporation	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium Beer (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000	12,000			
	Yuan Tong Investment Co., Ltd.	No. 10300091010 (Note L)	Sino Belgium (Holding) Ltd.	16,000	16,000			
	Yuan Tong Investment Co., Ltd.	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	10,000	10,000			
Martens Beers (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	No. 09700456110	Sino Belgium (Holding) Ltd.	3,800	3,800			
	Yuan Tong Investment Co., Ltd.	No. 09900284200	Bockhold N.V.	4,304				4,304
			Martens HK Ltd.					
	Yuan Tong Investment Co., Ltd.	No. 10300091010 (Note L)	Sino Belgium (Holding) Ltd.	1,500	1,500			
	Yuan Tong Investment Co., Ltd.	No. 10200451570 (Note N)	Sino Belgium (Holding) Ltd.	1,100	1,100			
	Yuan Tong Investment Co., Ltd.	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	1,000	1,000			
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	No. 11100012810	Far Eastern Polytex (Holding) Ltd.	138,000	138,000			
	Far Eastern New Century Corporation	No. 11100014610	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern New Century Corporation	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000			
Far Eastern Union Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	No. 10300210860 (Note M)	PET Far Eastern (Holding) Ltd.	66,000	66,000			
	Far Eastern New Century Corporation	No. 10900223750 (Note T)	PET Far Eastern (Holding) Ltd.	9,250	9,250			
	Far Eastern New Century Corporation	No. 11000095860 (Note U)	PET Far Eastern (Holding) Ltd.	32,824	32,824			

(Continued)

Investee Company	Investment Type							
	Investor Company	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Yuan Ding Enterprise (Shanghai) Limited	Far Eastern New Century Corporation	No. 10200399280	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	\$ 1,000	\$ 1,000			
	Far Eastern New Century Corporation	No. 10800190930 (Note S)	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	74,335	74,335			
	Far Eastern New Century Corporation	No. 10800217150	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	32,000	32,000			
Tong Da Air Industry (Yangzhou) Co., Ltd.	Far Eastern New Century Corporation	No. 10300203670 (Note P)	PET Far Eastern (Holding) Ltd.	33,500	33,500			
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd.	No. 10000429550	YDC (Virgin Islands) Ltd.	110	110			
	FET Consulting Engineers Co., Ltd.	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100			
	Ding Ding Integrated Marketing Service Co., Ltd.	No. 10400179060	DDIM (Virgin Islands) Ltd.	1,100	1,100			
Speedy (Shanghai) digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	No. 093003471	YDC (Virgin Islands) Ltd.	300	300			
	YDT Technology International Co., Ltd.	No. 094003122	YDC (Virgin Islands) Ltd.	500	500			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	No. 093018811	Far Eastern Info Service (Holding) Ltd.	NT\$ 92,616	NT\$ 92,616			
	New Diligent Co., Ltd.	No. 10300022990	Far East New Diligent Company Ltd.	3,500	3,500			
Far Eastern Tech-Info Ltd. (Shanghai)	New Century InfoComm Tech Co., Ltd.	No. 091041498	Digital United (Cayman) Ltd.	2,100	2,100			
	New Century InfoComm Tech Co., Ltd.	No. 10200302730	Digital United (Cayman) Ltd.	1,000	1,000			
Digital United Information Technology (Shanghai) Ltd.	Nextlink Technology Co., Ltd.	No. 10830010930	Nextlink (HK) Technology Co., Ltd.	72	72			
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	No. 09600261870	New Diligent Co., Ltd. (Note Q)	1,127	1,127			
Far Eastern New Century Information Technology (Beijing) Limited	New Diligent Co., Ltd.	No. 10100496420	Far East New Diligent Company Ltd. (Note R)	10,300	10,300			

- Notes: A. Far Eastern New Century (China) Investment Co., Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Corporation, and the other US\$2,000 thousand was held by Far Eastern New Century (China) Investment Co., Ltd.
- B. Document No. 092035971 had been canceled and replaced with document No. 09800408170.
- C. Document No. 092035970 had been canceled and replaced with document No. 09800408160.
- D. The approved amount of US\$12,000 thousand on September 18, 2009 as stated in document No. 09800283970, had been changed to US\$11,500 thousand and updated to document No. 09900142680 on April 19, 2010 while completed the-review process.
- E. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.
- F. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.
- G. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.
- H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly through Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd., under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only through FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).
- I. After obtaining MOEA approval (No. 09900470520), FENC received FEDP (Holding) Ltd. from Yuan Tong Investment Co., Ltd., for US\$18,224 thousand (MOEA approval No. 09600243260).
- J. After modifying MOEA approval from No. 10000021360 to No. 11100012810, FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., amended to indirectly invest US\$138,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. After obtaining MOEA approval (No. 11100014610), FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$12,000 in Far Eastern Yihua Petrochemical (Yangzhou) Corporation.
- K. After modifying MOEA approval from No. 10300140570 to No. 10300223190, FENC's subsidiary, Yuan Ding Investment Co., Ltd. amended to invest US\$43,000 thousand indirectly or equivalent RMB through its subsidiary, Oriental Textile (Holding) Ltd. in Far Eastern Industries (Suzhou) Ltd.

(Continued)



- L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC's subsidiary, Yuan Tong Investment Co., Ltd. amended to invest US\$16,000 and US\$17,500 indirectly through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.
- M. After modifying MOEA approval from No. 10100115020 to No. 10300210860, FENC amended to invest US\$66,000 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Co., Ltd., indirectly invest US\$1,100 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Martens Beers (Shanghai) Ltd.
- O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. indirectly invest US\$10,000 thousand and US\$1,000 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.
- P. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirect investment to US\$33,500 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., indirectly in Tong Da Air Industry (Yangzhou) Co., Ltd. In 2020, Tong Da Air Industry (Yangzhou) Co., Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation and Oriental Union Chemical Corporation's subsidiary Oriental Petrochemical (Yangzhou) Corporation dissolved by absorption and merger, however, the balance has not yet been cancelled to the MOEA.
- Q. The dissolution of this investment had been approved by the local government on April 13, 2010. On June 27, 2012, the remittance of the remaining shares of US\$73 thousand was made. MOEA approved the cancellation of the amount, the balance has not been cancelled to the MOEA.
- R. The dissolution of this investment had been approved by the local government, but the balance has not been cancelled to the MOEA.
- S. After modifying MOEA approval from No. 10600282650 to No. 10800015840, FENC invested US\$82,340 thousand through its subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly in Far Eastern New Century (China) Investment Co., Ltd., then capitalized to Yuan Ding Enterprise (Shanghai) Limited. On August 2, 2019, the remitted amount had been changed to US\$74,335 thousand and updated to document No. 10800190930.
- T. After obtaining MOEA approval (No. 10900223750), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$9,250 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- U. After obtaining MOEA approval (No. 11000095860), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$32,824 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- V. The parent company was approved to indirectly invest in Far Eastern Innovation Apparel (Anhui) Co., Ltd. in Mainland China through Far Eastern Polytex (Holding) Ltd., by obtaining MOEA approval (No. 11000195650), but as of December 31, 2021, the relevant investment funds have not been remitted.
- W. Yuan Ding Investment Co., Ltd was approved to indirectly invest in Far Eastern Innovation Apparel (Anhui) Co., Ltd. in Mainland China through Far Eastern Polytex (Holding) Ltd., by obtaining MOEA approval (No. 11000195640), but as of December 31, 2021, the relevant investment funds have not been remitted.
- X. The company has been approved by the local government for liquidation in 2020, but has not cancelled the credit line with the Investment Commission of the Ministry of Economic Affairs.
- Y. After obtaining MOEA approval (No. 11100176580), Oriental Petrochemical (Shanghai) Corporation was absorbed and merged by the Company's subsidiary Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. was the surviving company, and Oriental Petrochemical (Shanghai) Corporation was the dissolved company. Due to the absorption and merger, the authorized investment amount increased by US\$86,168 thousand.

(Concluded)

**TABLE 16****FAR EASTERN NEW CENTURY CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2022**

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

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

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

## Financial Information

### 6. Financial Report (Stand-alone)

#### Independent auditors' report

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

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

#### Opinion

We have audited the financial statements of Far Eastern New Century Corporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of 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, 2022. 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, 2022 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 13 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.

#### **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 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\$20,292,936 thousand and NT\$15,882,387 thousand, representing 6% and 5% of the Company's total assets as of December 31, 2022 and 2021. The comprehensive income of the aforementioned investees were NT\$3,321,429 thousand and NT\$854,804 thousand, representing 29% and 9% of the Company's total comprehensive income for the years ended December 31, 2022 and 2021, respectively.

## Financial Information

### 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 Standards on Auditing of 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 Standards on Auditing of 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, 2022 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 Jr Shian Ke.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 16, 2023

Notice to Readers

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

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

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION

#### BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 6 and 25)	\$ 12,777,733	4	\$ 17,887,855	6
Financial assets at fair value through profit or loss (Notes 4 and 7)	-	-	10,163	-
Notes and accounts receivable, net (Notes 4, 8 and 25)	7,315,406	2	7,749,273	2
Other receivables (Note 25)	293,306	-	306,763	-
Current tax assets	7,058	-	17,344	-
Inventories (Notes 4 and 9)	7,549,667	2	6,656,153	2
Prepayments	591,340	-	585,473	-
Refundable deposits	67	-	5,592	-
Other current assets	<u>222,784</u>	<u>-</u>	<u>238,962</u>	<u>-</u>
Total current assets	<u>28,757,361</u>	<u>8</u>	<u>33,457,578</u>	<u>10</u>
<b>NON-CURRENT ASSETS</b>				
Investments accounted for using the equity method (Notes 4, 10 and 26)	289,347,328	84	274,119,131	82
Property, plant and equipment (Notes 4, 11 and 26)	21,800,981	7	22,808,295	7
Right-of-use assets (Notes 4 and 12)	494,523	-	432,439	-
Investment properties (Notes 4, 5, 13 and 26)	1,090,987	-	1,065,125	-
Other intangible assets (Notes 4 and 14)	17,971	-	15,611	-
Deferred tax assets (Notes 4 and 21)	19,359	-	12,638	-
Prepayments for equipment (Note 11)	354,757	-	28,102	-
Refundable deposits (Note 25)	58,473	-	57,348	-
Net defined benefit assets (Note 17)	1,563,512	1	1,322,348	1
Other financial assets (Note 26)	66,943	-	56,642	-
Other non-current assets	<u>81,245</u>	<u>-</u>	<u>100,601</u>	<u>-</u>
Total non-current assets	<u>314,896,079</u>	<u>92</u>	<u>300,018,280</u>	<u>90</u>
<b>TOTAL</b>	<u>\$ 343,653,440</u>	<u>100</u>	<u>\$ 333,475,858</u>	<u>100</u>

## FAR EASTERN NEW CENTURY CORPORATION

**BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
**(In Thousands of New Taiwan Dollars)**

LIABILITIES AND EQUITY	2022		2021	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 15)	\$ 4,683,921	1	\$ 3,772,868	1
Short-term bills payable (Note 15)	15,547,728	5	-	-
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	19,691	-	-	-
Contract liabilities (Note 19)	211,605	-	251,722	-
Notes and accounts payable	1,854,052	1	1,670,187	1
Notes and accounts payable to related parties (Note 25)	1,320,418	-	1,335,725	-
Payables to suppliers of machinery and equipment	7,390	-	1,804	-
Other payables	4,904,046	2	5,101,639	2
Lease liabilities (Notes 4 and 12)	240,617	-	232,097	-
Current portion of long-term liabilities (Notes 15 and 16)	10,663,990	3	9,496,599	3
Other current liabilities	811,390	-	779,180	-
Total current liabilities	40,264,848	12	22,641,821	7
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities (Notes 4 and 12)	264,705	-	208,966	-
Bonds payable (Note 16)	56,649,673	16	61,631,311	18
Long-term borrowings (Note 15)	34,840,806	10	40,417,185	12
Deferred tax liabilities (Notes 4 and 21)	2,579,382	1	2,481,372	1
Guarantee deposits received	1,043	-	1,043	-
Deferred credit-gains on related-party transactions (Note 25)	44,505	-	45,425	-
Total non-current liabilities	94,380,114	27	104,785,302	31
Total liabilities	134,644,962	39	127,427,123	38
<b>EQUITY (Note 18)</b>				
Share capital				
Common stock	53,528,751	15	53,528,751	16
Capital surplus	3,408,541	1	3,403,003	1
Retained earnings				
Legal reserve	20,777,078	6	19,759,271	6
Special reserve	119,142,658	35	119,451,597	36
Unappropriated earnings	13,294,029	4	13,856,572	4
Total retained earnings	153,213,765	45	153,067,440	46
Other equity	(1,117,516)	-	(3,925,396)	(1)
Treasury shares	(25,063)	-	(25,063)	-
Total equity	209,008,478	61	206,048,735	62
<b>TOTAL</b>	<b>\$ 343,653,440</b>	<b>100</b>	<b>\$ 333,475,858</b>	<b>100</b>

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

(With Deloitte & Touche auditors' report dated March 16, 2023)



## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION

#### STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 19 and 25)				
Net sales	\$ 51,246,072	100	\$ 45,527,236	100
OPERATING COSTS (Notes 10, 20 and 25)				
Cost of goods sold	<u>43,950,999</u>	<u>86</u>	<u>38,592,537</u>	<u>85</u>
GROSS PROFIT	<u>7,295,073</u>	<u>14</u>	<u>6,934,699</u>	<u>15</u>
OPERATING EXPENSES (Notes 20 and 25)				
Selling and marketing	5,322,093	10	4,848,388	11
General and administrative	1,980,934	4	1,906,015	4
Research and development	813,144	2	712,873	1
Expected credit loss	<u>6,695</u>	<u>-</u>	<u>22,361</u>	<u>-</u>
Total operating expenses	<u>8,122,866</u>	<u>16</u>	<u>7,489,637</u>	<u>16</u>
OPERATING (LOSS) INCOME	<u>(827,793)</u>	<u>(2)</u>	<u>(554,938)</u>	<u>(1)</u>
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of subsidiaries and associates	9,249,244	18	11,578,885	25
Interest income (Note 25)	44,953	-	13,560	-
Other income	251,601	-	349,873	1
Gain on disposal of property, plant and equipment (Note 25)	15,508	-	3,809	-
Gain (loss) on disposal of investments (Note 10)	83	-	(47,580)	-
Gain on change in fair value of investment properties (Note 13)	25,862	-	41,713	-
Exchange gain (loss), net	880,347	2	(194,288)	-
(Loss) gain on financial assets (liabilities) at fair value through profit or loss (Note 25)	(161,086)	-	71,185	-
Interest expense (Note 25)	(1,110,613)	(2)	(890,867)	(2)
Other expenses	(205,894)	-	(264,369)	(1)
Impairment (loss) recovery benefit (Note 20)	<u>60,872</u>	<u>-</u>	<u>(163,229)</u>	<u>-</u>
Total non-operating income and expenses	<u>9,050,877</u>	<u>18</u>	<u>10,498,692</u>	<u>23</u>
INCOME BEFORE INCOME TAX	8,223,084	16	9,943,754	22
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 21)	<u>(62,792)</u>	<u>-</u>	<u>(259,170)</u>	<u>(1)</u>
NET INCOME	<u>8,160,292</u>	<u>16</u>	<u>9,684,584</u>	<u>21</u>

(Continued)

## FAR EASTERN NEW CENTURY CORPORATION

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 17)	\$ 131,201	-	\$ 334,120	1
Share of other comprehensive profit or loss of subsidiaries and associates	(801,101)	(1)	850,012	2
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(26,240)</u>	<u>-</u>	<u>(66,824)</u>	<u>-</u>
	<u>(696,140)</u>	<u>(1)</u>	<u>1,117,308</u>	<u>3</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive profit or loss of subsidiaries and associates	<u>3,820,273</u>	<u>7</u>	<u>(1,632,345)</u>	<u>(4)</u>
Other comprehensive income (loss), net of income tax	<u>3,124,133</u>	<u>6</u>	<u>(515,037)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 11,284,425</u>	<u>22</u>	<u>\$ 9,169,547</u>	<u>20</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 22)				
Basic	<u>\$ 1.63</u>		<u>\$ 1.94</u>	
Diluted	<u>\$ 1.63</u>		<u>\$ 1.94</u>	

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

(Concluded)

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION

#### STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings		
			Legal Reserve	Special Reserve	Unappropriated Earnings
BALANCE AT JANUARY 1, 2021	\$ 53,528,751	\$ 3,320,137	\$ 19,028,517	\$ 117,342,360	\$ 13,744,880
Appropriation of the 2020 earnings					
Legal reserve	-	-	730,754	-	(730,754)
Special reserve	-	-	-	2,109,237	(2,109,237)
Cash dividends	-	-	-	-	(7,226,382)
Net income for the year ended December 31, 2021	-	-	-	-	9,684,584
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	288,692
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	9,973,276
Change in associates and subsidiaries accounted for using the equity method	-	81,814	-	-	98,746
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,052	-	-	-
Subsidiaries and associates disposal the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	106,043
BALANCE, DECEMBER 31, 2021	53,528,751	3,403,003	19,759,271	119,451,597	13,856,572
Appropriation of the 2021 earnings					
Legal reserve	-	-	1,017,807	-	(1,017,807)
Special reserve	-	-	-	779,995	(779,995)
Cash dividends	-	-	-	-	(8,029,313)
Net income for the year ended December 31, 2022	-	-	-	-	8,160,292
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	342,487
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	8,502,779
Change in associates and subsidiaries accounted for using the equity method	-	4,369	-	-	(325,355)
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,169	-	-	-
Associates disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,786)
Reversal of special reserve	-	-	-	(1,088,934)	1,088,934
BALANCE, DECEMBER 31, 2022	\$ 53,528,751	\$ 3,408,541	\$ 20,777,078	\$ 119,142,658	\$ 13,294,029

## FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

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
\$ (7,218,941)	\$ 1,995,447	\$ 19,480	\$ 2,293,619	\$ (25,063)	\$ 204,029,187
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(7,226,382)
-	-	-	-	-	9,684,584
<u>(1,500,584)</u>	<u>409,880</u>	<u>3,912</u>	<u>283,063</u>	<u>-</u>	<u>(515,037)</u>
<u>(1,500,584)</u>	<u>409,880</u>	<u>3,912</u>	<u>283,063</u>	<u>-</u>	<u>9,169,547</u>
-	(103,498)	-	(1,731)	-	75,331
-	-	-	-	-	1,052
<u>-</u>	<u>(106,043)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(8,719,525)	2,195,786	23,392	2,574,951	(25,063)	206,048,735
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(8,029,313)
-	-	-	-	-	8,160,292
<u>4,146,901</u>	<u>(1,384,912)</u>	<u>1,192</u>	<u>18,465</u>	<u>-</u>	<u>3,124,133</u>
<u>4,146,901</u>	<u>(1,384,912)</u>	<u>1,192</u>	<u>18,465</u>	<u>-</u>	<u>11,284,425</u>
-	24,454	-	(6)	-	(296,538)
-	-	-	-	-	1,169
<u>-</u>	<u>1,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (4,572,624)</u>	<u>\$ 837,114</u>	<u>\$ 24,584</u>	<u>\$ 2,593,410</u>	<u>\$ (25,063)</u>	<u>\$ 209,008,478</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

## Financial Information

### FAR EASTERN NEW CENTURY CORPORATION

#### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 8,223,084	\$ 9,943,754
Adjustments for:		
Depreciation	2,305,187	2,378,051
Amortization	10,066	9,229
Expected credit loss	6,695	22,361
Interest expense	1,110,613	890,867
Interest income	(44,953)	(13,560)
Share of the profit of subsidiaries and associates	(9,249,244)	(11,578,885)
Gain on disposal of property, plant and equipment	(15,508)	(3,809)
(Gain)/loss on disposal of investments	(83)	47,580
(Reversal of) impairment loss	(60,872)	163,229
(Reversal of) write-down of inventories	(128,876)	121,694
Gain on change in fair value of investment properties	(25,862)	(41,713)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	10,163	(10,163)
Notes and accounts receivable	427,172	(2,674,405)
Other receivables	13,457	(89,659)
Inventories	(764,638)	(2,496,534)
Prepayments	(5,867)	(529,386)
Other current assets	16,178	(61,420)
Contract liabilities	(40,117)	(43,034)
Notes and accounts payable	183,865	435,287
Notes and accounts payable to related parties	(15,307)	591,820
Other payables	(216,250)	843,150
Financial liabilities at fair value through profit or loss	19,691	(10,619)
Other current liabilities	32,210	12,470
Net defined benefit assets	(109,962)	(419,527)
Cash generated from operations	1,680,842	(2,513,222)
Interest received	44,953	13,648
Dividends received	10,277,476	8,073,232
Interest paid	(1,106,500)	(958,437)
Income tax received	12,543	15,518
Net cash generated from operating activities	10,909,314	4,630,739

(Continued)

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in financial assets at amortized cost	\$ -	\$ 300,000
Acquisition of investments accounted for using the equity method	(13,572,613)	(1,974,813)
Proceeds from the capital reduction on investments accounted for using the equity method	39,984	-
Acquisition of property, plant, equipment and prepayments for equipment	(1,373,552)	(857,796)
Proceeds from disposal of property, plant and equipment	16,641	5,262
Decrease in refundable deposits	4,400	10,450
Decrease in other receivables	-	660,000
Acquisition of intangible assets	(12,426)	(8,560)
(Increase) decrease in other financial assets	(10,301)	14,701
Decrease (increase) in other non-current assets	<u>95,079</u>	<u>(46,455)</u>
Net cash used in investing activities	<u>(14,812,788)</u>	<u>(1,897,211)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	911,053	310,375
Proceeds from short-term bills payable	15,600,000	-
Proceeds from issue of bonds	5,000,000	17,200,000
Repayments of bonds payable	(9,500,000)	(11,300,000)
Proceeds from long-term borrowings	168,162,380	146,039,764
Repayments of long-term borrowings	(173,090,734)	(149,069,299)
Repayment of the principal portion of lease liabilities	(260,034)	(236,321)
Decrease in guarantee deposits received	-	(121)
Cash dividends paid	<u>(8,029,313)</u>	<u>(7,226,382)</u>
Net cash used in financing activities	<u>(1,206,648)</u>	<u>(4,281,984)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,110,122)</b>	<b>(1,548,456)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR</b>	<b><u>17,887,855</u></b>	<b><u>19,436,311</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<b><u>\$ 12,777,733</u></b>	<b><u>\$ 17,887,855</u></b>

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

(Concluded)

# FAR EASTERN NEW CENTURY CORPORATION

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

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#### 1. GENERAL INFORMATION

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

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

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

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 8, 2023.

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

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

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

- b. The IFRSs endorsed by the FSC for application starting from 2023.

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

**Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities  
arising from a Single Transaction**

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Company shall recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and the Company shall recognize the cumulative effect of initial application in retained earnings at that date. The Company shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. The Company shall restate its comparative information when it initially applies the aforementioned amendments.

Except for the above impact, as of the date the only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company’s financial position and financial performance.

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

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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



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

**a. Statement of compliance**

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**b. Basis of preparation**

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

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

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

When preparing its financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to investments accounted for by equity method, share of profit or loss of subsidiaries, associates and joint ventures, share of other comprehensive income of subsidiaries, associates and joint ventures and related equity items, as appropriate, in the parent company only financial statements.

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

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

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

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

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

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

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

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiary is an entity (including structured entity) that is controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

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

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investment in associates

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

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

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

When a reciprocal relationship exists between the Company and its investee, each holds an equity method investment interest in each other's shares, and the Company chooses to apply the treasury shares method to calculate its shares in the associate's profit or loss.

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

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

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

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

Gain or loss is recognized under treasury share method when there are cross shareholdings with and among associates.

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

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

#### h. Property, plant and equipment

Property, plant and equipment (including assets held under finance leases) are stated at cost, less accumulated depreciation and accumulated impairment loss.

Properties, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those assets and the cost of those assets are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment are measured at the fair value on the date of transferring from investment properties to freehold properties.

The difference between the book value and the fair value is recognized in other comprehensive income when freehold property, plant and equipment are transferred to investment properties.

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

i. Investment properties

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

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

For a transfer of classification from property, plant and equipment to investment properties at the end of owner-occupation, any difference between the fair value of an item of property at the transfer date and its previous carrying amount is recognized in other comprehensive income and accumulated in gain on property revaluation under other equity that will be transferred directly to retained earnings when the asset is derecognized.

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

k. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill

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

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost.

Financial assets at amortized cost

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

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime Expected Credit Loss (ECL) for account receivable, and lease receivables. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition.

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

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

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

## 2) Equity instruments

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

Equity instruments issued by a Company are recognized at the proceeds received, net of direct issue costs.

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

## 3) Financial liabilities

### a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

### b) Derecognition of financial liabilities

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

## 4) Derivative financial instruments

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

## m. Revenue recognition

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

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

### Revenue from the sale of goods

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

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



n. Leasing

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

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

1) The Company as lessor

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

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

2) The Company as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the balance sheets.

o. Borrowing costs

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

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

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

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) as well as gains and losses on settlements and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

q. Taxation

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

1) Current tax

The company determines the current income (loss) in accordance with the laws and regulations formulated by each income tax reporting jurisdiction, and calculates the payable (recoverable) income tax accordingly.

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

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

2) Deferred tax

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

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

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

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

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

### 3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Company considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Fair value measurements and valuation processes of investment properties (including the investment properties held by subsidiaries accounted for using the equity method)

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

Information about the valuation techniques and inputs used in determining the fair value is disclosed in Note 13.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash on hand and petty cash	\$ 4,804	\$ 6,302
Checking and demand accounts	9,604,092	13,782,175
Cash equivalents (investments with original maturities of less than three months)		
Repurchase of commercial paper	2,247,537	4,099,378
Time deposits	<u>921,300</u>	<u>-</u>
	<u>\$ 12,777,733</u>	<u>\$ 17,887,855</u>

As of December 31, 2022 and 2021, the deposits in foreign banks in Japan amounted to \$414,659 thousand (JPY1,784,246 thousand) and \$210,286 thousand (JPY874,370 thousand), respectively.

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Repurchase of commercial paper	1.00%-1.05%	0.31%-0.315%
Time deposits	4.10%-4.15%	-

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Forward exchange contracts	\$ -	\$ 10,163
<u>Financial liabilities - current</u>		
Held for trading		
Derivative financial liabilities (not under hedge accounting)		
Forward exchange contracts	\$ 19,691	\$ -

### a. Forward exchange contracts

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

As of December 31, 2022 and 2021, the Company had outstanding forward exchange contracts, which were stated as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2022</u>			
Sell	USD/NTD	2023.1.6-2023.1.30	USD39,000/NTD1,199,258
Sell	EUR/USD	2023.1.19-2023.2.24	EUR7,000/USD7,153
Buy	USD/JPY	2023.1.18-2023.3.6	USD2,500/JPY343,525
Buy	USD/RMB	2023.2.24-2023.2.27	USD8,500/RMB59,164
Sell	RMB/NTD	2023.1.12-2023.2.6	RMB8,000/NTD35,232
Sell	JPY/NTD	2023.2.2-2023.3.10	JPY1,157,000/NTD261,705
<u>December 31, 2021</u>			
Sell	USD/NTD	2022.1.7-2022.4.1	USD73,620/NTD2,042,646
Sell	EUR/USD	2022.1.28-2022.3.31	EUR9,000/USD10,190
Buy	USD/JPY	2022.1.25-2022.4.1	USD6,500/JPY739,823
Buy	USD/RMB	2022.2.25	USD3,000/RMB19,188
Sell	RMB/NTD	2022.1.10-2022.1.20	RMB16,850/NTD73,368
Sell	JPY/NTD	2022.1.7-2022.3.4	JPY1,179,380/NTD287,191

b. Option contracts

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

The Company had no outstanding option contracts as of December 31, 2022 and 2021.

## 8. NOTES AND ACCOUNTS RECEIVABLE

	<u>December 31</u>	
	2022	2021
<u>Notes and accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 7,381,097	\$ 7,808,269
Less: Allowance for impairment loss	<u>(65,691)</u>	<u>(58,996)</u>
	<u>\$ 7,315,406</u>	<u>\$ 7,749,273</u>

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

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

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

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

December 31, 2022

	<b>1 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Gross carrying amount	\$ 5,795,965	\$ 1,540,164	\$ 44,968	\$ -	\$ 7,381,097
Loss allowance (Lifetime ECL)	<u>(29,993)</u>	<u>(33,724)</u>	<u>(1,974)</u>	<u>-</u>	<u>(65,691)</u>
Amortized cost	<u>\$ 5,765,972</u>	<u>\$ 1,506,440</u>	<u>\$ 42,994</u>	<u>\$ -</u>	<u>\$ 7,315,406</u>

December 31, 2021

	<b>1 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Gross carrying amount	\$ 6,480,571	\$ 1,317,130	\$ 10,568	\$ -	\$ 7,808,269
Loss allowance (Lifetime ECL)	<u>(33,723)</u>	<u>(23,996)</u>	<u>(1,277)</u>	<u>-</u>	<u>(58,996)</u>
Amortized cost	<u>\$ 6,446,848</u>	<u>\$ 1,293,134</u>	<u>\$ 9,291</u>	<u>\$ -</u>	<u>\$ 7,749,273</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 58,996	\$ 274,150
Less: Amounts written off	-	(237,515)
Less impairment losses on receivables	<u>6,695</u>	<u>22,361</u>
Balance at December 31	<u>\$ 65,691</u>	<u>\$ 58,996</u>

## 9. INVENTORIES

	December 31	
	2022	2021
Finished goods	\$ 2,046,360	\$ 1,693,212
Work in progress	2,202,982	2,325,200
Raw materials	2,051,612	1,973,905
Supplies	958,718	388,597
Raw materials in transit	<u>289,995</u>	<u>275,239</u>
	<u>\$ 7,549,667</u>	<u>\$ 6,656,153</u>

For the years ended December 31, 2022 and 2021, the costs of inventories sold were \$43,950,999 thousand and \$38,592,537 thousand, respectively. The cost of goods sold for the years ended December 31, 2022 and 2021 included inventory (reversal of write-downs) write-downs of \$(128,876) thousand and \$121,694 thousand, respectively.

## 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	\$ 257,488,142	\$ 242,577,462
Investments in associates	<u>31,859,186</u>	<u>31,541,669</u>
	<u>\$ 289,347,328</u>	<u>\$ 274,119,131</u>

### a. Investments in subsidiaries

	December 31			
	2022		2021	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
Unlisted companies				
Far Eastern Resources Development Co., Ltd.	\$ 107,669,917	100.00	\$ 106,789,756	100.00
Yuan Ding Investment Co., Ltd.	43,004,479	99.40	43,790,144	99.40
Far Eastern Investment (Holding) Ltd.	40,993,789	100.00	28,278,359	100.00
Far Eastern Construction Co., Ltd.	10,521,112	65.11	10,420,022	65.11
Far Eastern Polytex (Holding) Ltd.	9,721,893	100.00	9,415,124	100.00
Yuan Tong Investment Co., Ltd.	8,866,769	100.00	8,871,338	100.00
Oriental Petrochemical (Taiwan) Co., Ltd.	8,309,214	75.56	7,683,250	75.56
Far Eastern Polychem Industries Ltd.	7,415,878	73.04	7,683,110	73.04
Kai Yuan International Investment Co., Ltd.	5,647,439	100.00	5,720,430	100.00
PET Far Eastern (Holding) Ltd.	3,015,403	91.95	4,056,695	91.95
Yuan Ding Co., Ltd.	3,213,931	37.13	3,201,935	37.13
Ding Yuan International Investment Co., Ltd.	3,203,985	100.00	3,285,246	100.00
An Ho Garment Co., Ltd.	2,179,991	100.00	2,182,745	100.00

(Continued)

	December 31			
	2022		2021	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
Far Eastern Fibertech Co., Ltd.	\$ 1,285,633	100.00	\$ -	-
FEDP (Holding) Ltd.	782,142	50.43	760,474	50.43
Oriental Green Materials Ltd.	776,543	100.00	-	-
Fu Kwok Knitting & Garment Co., Ltd.	299,154	100.00	254,514	100.00
Far Eastern Apparel Co., Ltd.	209,543	100.00	-	-
FE Oriental Investment Holding (Singapore) Pte. Ltd.	199,638	100.00	161,991	100.00
Oriental Resources Development Limited	146,265	100.00	-	-
Far Eastern Textile Ltd.	14,055	100.00	13,345	100.00
Ding Hotel Co., Ltd.	<u>11,369</u>	0.74	<u>8,984</u>	0.74
	<u>\$ 257,488,142</u>		<u>\$ 242,577,462</u>	

(Concluded)

The Company appointed the general manager of Yuan Ding Co., Ltd., and therefore, the Company could exercise control over Yuan Ding Co., Ltd. which is recognized as a subsidiary. Ding Hotel Co., Ltd. was recognized as subsidiary because the Company and its subsidiaries owned more than 50% of Ding Hotel Co., Ltd.'s voting shares.

In order to improve operational efficiency and meet the long-term development strategy, the Company's board of directors resolved to acquired 100% of ownership interest of Far Eastern Fibertech Co., Ltd., Oriental Resources Development Co., Ltd., Oriental Green Materials Ltd. and Far Eastern Apparel Co., Ltd. from its subsidiary, Yuan Ding Investment Co., Ltd with consideration paid in cash in November 2022, please refer to Note 25.

b. Investments in associates

	December 31			
	2022		2021	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
<u>Associates that are individually material</u>				
Listed companies				
Asia Cement Corporation	<u>\$ 20,370,209</u>	21.17	<u>\$ 19,942,978</u>	21.17
<u>Associates that are not individually material</u>				
Listed companies				
Far Eastern Department Stores Co., Ltd.	5,137,442	17.06	5,053,729	17.06
Far Eastern International Bank	1,341,657	2.55	1,209,972	2.62
Oriental Union Chemical Corporation	1,018,610	9.17	1,190,073	9.17
Everest Textile Corporation	<u>1,214</u>	0.02	<u>1,166</u>	0.02
	<u>7,498,923</u>		<u>7,454,940</u>	

(Continued)



	December 31			
	2022		2021	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
Unlisted companies				
Pacific Liu Tong Investment Co., Ltd.	\$ 2,088,859	16.83	\$ 2,042,479	16.83
Oriental Securities Corporation	<u>1,901,195</u>	19.65	<u>2,101,272</u>	19.65
	<u>3,990,054</u>		<u>4,143,751</u>	
	<u>\$ 31,859,186</u>		<u>\$ 31,541,669</u>	
				(Concluded)

1) Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31	
			2022	2021
Asia Cement Corporation	Cement production	Taiwan	21.17%	21.17%

Fair value (Level 1) of investment in associates with available published price quotation are summarized follows:

Name of Associate	December 31	
	2022	2021
Asia Cement Corporation	<u>\$ 30,770,964</u>	<u>\$ 33,247,652</u>

All the associates above are accounted for using equity method.

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

Asia Cement Corporation

	December 31	
	2022	2021
Current assets	\$ 111,449,752	\$ 105,955,718
Non-current assets	212,793,375	211,100,351
Current liabilities	(70,962,661)	(71,082,366)
Non-current liabilities	<u>(69,047,221)</u>	<u>(65,700,817)</u>
Equity	184,233,245	180,272,886
Non-controlling interests	<u>(23,416,398)</u>	<u>(23,345,963)</u>
	<u>\$ 160,816,847</u>	<u>\$ 156,926,923</u>
Proportion of the Company's ownership	21.17%	21.17%
		(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Equity attributable to the Company	\$ 34,044,927	\$ 33,221,430
Cross shareholdings	<u>(13,674,718)</u>	<u>(13,278,452)</u>
Carrying amount	<u>\$ 20,370,209</u>	<u>\$ 19,942,978</u> (Concluded)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating revenue	<u>\$ 90,340,503</u>	<u>\$ 90,332,604</u>
Net income for the year	\$ 12,597,136	\$ 17,527,770
Other comprehensive (loss) income	<u>4,417,882</u>	<u>(396,550)</u>
Total comprehensive income for the year	<u>\$ 17,015,018</u>	<u>\$ 17,131,220</u>
Dividends received from Asia Cement Corporation	<u>\$ 2,551,483</u>	<u>\$ 2,598,899</u>

2) Aggregate information of associates that are not individually material

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
The Company's share of:		
Net income for the year	\$ 445,124	\$ 627,651
Other comprehensive income (loss)	<u>(171,802)</u>	<u>20,985</u>
Total comprehensive income for the year	<u>\$ 273,322</u>	<u>\$ 648,636</u>

The combined equity of the Company and subsidiaries in some investee companies - Far Eastern Department Stores Co., Ltd., Oriental Union Chemical Corporation (OUCC), Everest Textile Corporation (Everest Textile), Oriental Securities Corporation and Pacific Liu Tong Investment Co., Ltd. (PLT) - exceeded 20% of their respective outstanding common stock. Thus, related investments were accounted for using the equity method.

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

The calculation of the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the subsidiaries' or associates' audited financial statements as of December 31, 2022 and 2021.

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

		December 31				
		2022	2021			
<u>Carrying amounts</u>						
Total property, plant and equipment		\$ 21,800,981	\$ 22,808,295			
Prepayments for equipment		<u>354,757</u>	<u>28,102</u>			
		<u>\$ 22,155,738</u>	<u>\$ 22,836,397</u>			
	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Construction-in-progress and Prepayments for Equipment	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 7,200,549	\$ 10,010,542	\$ 50,478,233	\$ 5,898,566	\$ 753,219	\$ 74,341,109
Additions	-	-	-	-	1,379,138	1,379,138
Disposals	-	-	(926,820)	(225,838)	-	(1,152,658)
Reclassification	-	61,230	514,342	239,988	(815,560)	-
Balance at December 31, 2022	<u>\$ 7,200,549</u>	<u>\$ 10,071,772</u>	<u>\$ 50,065,755</u>	<u>\$ 5,912,716</u>	<u>\$ 1,316,797</u>	<u>\$ 74,567,589</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ -	\$ (6,401,299)	\$ (39,925,688)	\$ (5,177,725)	\$ -	\$ (51,504,712)
Disposals	-	-	926,373	224,318	-	1,150,691
Impairment loss	-	-	(14,852)	-	-	(14,852)
Depreciation expense	-	(216,653)	(1,509,938)	(316,387)	-	(2,042,978)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ (6,617,952)</u>	<u>\$ (40,524,105)</u>	<u>\$ (5,269,794)</u>	<u>\$ -</u>	<u>\$ (52,411,851)</u>
Carrying amount at January 1, 2022/December 31, 2021	<u>\$ 7,200,549</u>	<u>\$ 3,609,243</u>	<u>\$ 10,552,545</u>	<u>\$ 720,841</u>	<u>\$ 753,219</u>	<u>\$ 22,836,397</u>
Carrying amount at December 31, 2022	<u>\$ 7,200,549</u>	<u>\$ 3,453,820</u>	<u>\$ 9,541,650</u>	<u>\$ 642,922</u>	<u>\$ 1,316,797</u>	<u>\$ 22,155,738</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 7,200,549	\$ 9,944,041	\$ 49,988,303	\$ 5,874,431	\$ 861,953	\$ 73,869,277
Additions	-	-	-	-	859,004	859,004
Disposals	-	(4,022)	(167,992)	(215,158)	-	(387,172)
Reclassification	-	70,523	657,922	239,293	(967,738)	-
Balance at December 31, 2021	<u>\$ 7,200,549</u>	<u>\$ 10,010,542</u>	<u>\$ 50,478,233</u>	<u>\$ 5,898,566</u>	<u>\$ 753,219</u>	<u>\$ 74,341,109</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ -	\$ (6,179,740)	\$ (38,389,730)	\$ (5,006,837)	\$ -	\$ (49,576,307)
Disposals	-	4,022	165,705	215,158	-	384,885
Impairment loss	-	-	(170,578)	-	-	(170,578)
Depreciation expense	-	(225,581)	(1,531,085)	(386,046)	-	(2,142,712)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ (6,401,299)</u>	<u>\$ (39,925,688)</u>	<u>\$ (5,177,725)</u>	<u>\$ -</u>	<u>\$ (51,504,712)</u>
Carrying amount at December 31, 2021	<u>\$ 7,200,549</u>	<u>\$ 3,609,243</u>	<u>\$ 10,552,545</u>	<u>\$ 720,841</u>	<u>\$ 753,219</u>	<u>\$ 22,836,397</u>

The Company expects that there will be no future cash flows of machinery equipment which used to produce certain products. As a result, the Company recognized the impairment loss amounting to \$14,852 thousand and \$170,578 thousand, respectively, for the years ended December 31, 2022 and 2021. The impairment loss was recognized in the comprehensive income statements under the impairment loss account.

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

Buildings	3-60 years
Machinery and equipment	5-20 years
Operating and miscellaneous equipment	3-15 years

For the amount of property, plant and equipment that the Company pledged or mortgaged as collateral for borrowings, refer to Note 26.

As of December 31, 2022 and 2021, farmland was recognized as property, plant and equipment all amounted to \$241,797 thousand and recognized as investment properties amounting to \$46,220 thousand and \$42,182 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmland belongs to the Company or have pledged the land to the Company.

## 12. LEASE ARRANGEMENTS

### a. Right-of-use assets

	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Total
<u>Cost</u>					
Balance at January 1, 2022	\$ 116,250	\$ 1,230,905	\$ 408	\$ 3,114	\$ 1,350,677
Increase	1,968	321,870	-	455	324,293
Decrease	(6,439)	-	(408)	(809)	(7,656)
Balance at December 31, 2022	<u>\$ 111,779</u>	<u>\$ 1,552,775</u>	<u>\$ -</u>	<u>\$ 2,760</u>	<u>\$ 1,667,314</u>
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2022	\$ 78,387	\$ 838,426	\$ 351	\$ 1,074	\$ 918,238
Depreciation expense	17,783	243,429	57	940	262,209
Decrease	(6,439)	-	(408)	(809)	(7,656)
Balance at December 31, 2022	<u>\$ 89,731</u>	<u>\$ 1,081,855</u>	<u>\$ -</u>	<u>\$ 1,205</u>	<u>\$ 1,172,791</u>
Carrying amount at December 31, 2022	<u>\$ 22,048</u>	<u>\$ 470,920</u>	<u>\$ -</u>	<u>\$ 1,555</u>	<u>\$ 494,523</u>
<u>Cost</u>					
Balance at January 1, 2021	\$ 113,907	\$ 1,241,841	\$ 408	\$ 9,131	\$ 1,365,287
Increase	2,343	37	-	1,716	4,096
Decrease	-	(10,973)	-	(7,733)	(18,706)
Balance at December 31, 2021	<u>\$ 116,250</u>	<u>\$ 1,230,905</u>	<u>\$ 408</u>	<u>\$ 3,114</u>	<u>\$ 1,350,677</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Total
Accumulated depreciation and impairment					
Balance at January 1, 2021	\$ 61,265	\$ 633,389	\$ 215	\$ 6,736	\$ 701,605
Depreciation expense	17,122	216,010	136	2,071	235,339
Decrease	-	(10,973)	-	(7,733)	(18,706)
Balance at December 31, 2021	<u>\$ 78,387</u>	<u>\$ 838,426</u>	<u>\$ 351</u>	<u>\$ 1,074</u>	<u>\$ 918,238</u>
Carrying amount at December 31, 2021	<u>\$ 37,863</u>	<u>\$ 392,479</u>	<u>\$ 57</u>	<u>\$ 2,040</u>	<u>\$ 432,439</u>
					(Concluded)

b. Lease liabilities

Item	Summary	Lease Term	Discount Rate	December 31, 2022
Land	Land for plant	2011.06.01-2027.12.31	0.92%-1.00%	\$ 22,212
Buildings	Office, factory	2016.05.01-2030.06.30	0.86%-1.00%	481,543
Operating and miscellaneous equipment	Corporate vehicle	2019.10.31-2026.03.28	0.78%-1.04%	1,567
				<u>\$ 505,322</u>
Item	Summary	Lease Term	Discount Rate	December 31, 2021
Land	Land for plant	2011.06.01-2027.12.31	0.92%-1.00%	\$ 38,624
Buildings	Office, factory	2016.05.01-2023.12.31	1.00%	400,331
Machinery and equipment	Equipment for production	2019.06.01-2022.05.31	1.00%	57
Operating and miscellaneous equipment	Corporate vehicle	2019.10.31-2026.03.28	0.78%-1.04%	2,051
				<u>\$ 441,063</u>
				<b>December 31</b>
				<b>2022      2021</b>

Carrying amounts

Current	<u>\$ 240,617</u>	<u>\$ 232,097</u>
Non-current	<u>\$ 264,705</u>	<u>\$ 208,966</u>

**For the Year Ended December 31**  
**2022      2021**

Interest expense from lease liabilities	<u>\$ 4,796</u>	<u>\$ 5,526</u>
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c. Material leasing activities and terms

As lessee, the Company leases certain operating and other equipment for use in operations uses with lease terms of 2 to 5 years. These lease arrangements do not contain renewal or purchase options.

The Company also leases land and buildings for the use as plants and offices with lease terms of 3 to 17 years. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 13.

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Expenses relating to short-term leases	<u>\$ 44,560</u>	<u>\$ 35,477</u>
Expenses relating to low-value asset leases	<u>\$ 73</u>	<u>\$ 21</u>
Total cash outflow for leases	<u>\$ (308,161)</u>	<u>\$ (277,177)</u>

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

### 13. INVESTMENT PROPERTIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Completed Investment Properties	<u>\$ 1,090,987</u>	<u>\$ 1,065,125</u>

The abovementioned investment properties were leased out for 1 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods. The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
First year	<u>\$ 4,394,903</u>	<u>\$ 3,142,539</u>

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

	<b>Completed Investment Properties</b>
Balance at January 1, 2022	\$ 1,065,125
Recognized in profit (gain arising from the change in fair value of investment properties)	<u>25,862</u>
Balance at December 31, 2022	<u>\$ 1,090,987</u>
Balance at January 1, 2021	\$ 1,023,412
Recognized in profit (gain arising from the change in fair value of investment properties)	<u>41,713</u>
Balance at December 31, 2021	<u>\$ 1,065,125</u>

The major investment properties of the Company were as follows:

The buildings and lands located in Hsinchu Hukou section was leased to the Company's subsidiary for its operation. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corp. (TWSE), the Company recognized these items as investment properties in the company only financial statements and reclassified them to property, plant and equipment in its consolidated financial statements. The Company used the equity method and share of the profit or loss of subsidiaries and associates to adjust the differences between the investment property amounts presented in the company only and consolidated financial statements.

The fair values of investment properties were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Independent valuation	<u>\$ 1,090,987</u>	<u>\$ 1,065,125</u>

The fair value of the investment properties as of December 31, 2022 and 2021 was based on the valuations carried out at February 15, 2023 and January 28, 2022, respectively, by independent qualified professional valuers Mr. Chia-ho Tsai from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Expected future cash inflows	\$ 1,277,762	\$ 1,207,587
Expected future cash outflows	<u>(53,444)</u>	<u>(56,915)</u>
Expected future cash inflows, net	<u>\$ 1,224,318</u>	<u>\$ 1,150,672</u>
Discount rate intervals	2.47%	1.845%

The expected future cash inflows generated by investment properties referred to rental income, interest income on rental deposits, loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals covering 10 years, excluding too-high and too-low values, taking into account the annual rental growth rate. The interest income on rental deposits was extrapolated using the current market practice with a three-month monthly rent with reference to the average one-year deposit interest rate of the five major banks which announced by the Central Bank of the R.O.C (Taiwan). Loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, and the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment property included expenditures such as land value taxes, house taxes, insurance premium, maintenance costs and replacement allowance. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

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

## 14. OTHER INTANGIBLE ASSETS

	<b>Computer Software</b>
Balance at January 1, 2022	\$ 15,611
Additions	12,426
Amortization	<u>(10,066)</u>
Balance at December 31, 2022	<u>\$ 17,971</u>
Balance at January 1, 2021	\$ 16,280
Additions	8,560
Amortization	<u>(9,229)</u>
Balance at December 31, 2021	<u>\$ 15,611</u>

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

Computer software	1-10 years
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## 15. BORROWINGS

### a. Short-term borrowings

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Bank credit loans	<u>\$ 4,683,921</u>	<u>\$ 3,772,868</u>
Interest rate	0.77%-6.15%	0.67%-0.84%

### b. Short-term bills payable

	<b>December 31, 2022</b>
Commercial paper	\$ 15,600,000
Less: Unamortized discount on commercial paper	<u>52,272</u>
	<u>\$ 15,547,728</u>
Interest rate	1.03%-1.71%



c. Long-term borrowings

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Bank loans	\$ 31,511,667	\$ 19,540,021
Long-term commercial paper	4,000,000	20,900,000
Less: Unamortized discount on commercial paper	<u>4,194</u>	<u>22,836</u>
	<u>3,995,806</u>	<u>20,877,164</u>
	35,507,473	40,417,185
Less: Current portion	<u>666,667</u>	<u>-</u>
	<u>\$ 34,840,806</u>	<u>\$ 40,417,185</u>

The foregoing loans are payable in New Taiwan dollars and U.S. dollars. The loans are repayable by lump sum payment of principal and interest on maturity, by lump sum payment of principal on maturity and monthly payments of interest, and by lump sum payment of principal on maturity and prepayment of interest. Some of the loans are revolving within credit line limitation. The maturity dates of revolving credit loans are based on the maturity dates of the credit line limit contracts. The maturity dates and bank interest rate intervals of the Company's borrowings were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Maturity	March 2024 - November 2026	March 2023 - June 2025
Interest rates intervals	0.66%-2.02%	0.66%-1.30%

## 16. BONDS PAYABLE

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Non-convertible bonds	\$ 66,700,000	\$ 71,200,000
Discount of non-convertible bonds	<u>(53,004)</u>	<u>(72,090)</u>
	66,646,996	71,127,910
Less: Current portion	<u>9,997,323</u>	<u>9,496,599</u>
	<u>\$ 56,649,673</u>	<u>\$ 61,631,311</u>

For details of bonds payable as of December 31, 2022, refer to Statement 10 following the Notes to Financial Statements. The details of bonds payable as of December 31, 2021 which were repaid in 2022 were as follows:

On May 17, 2017, the Company issued five-year unsecured bonds (the first tranche) amounting to \$5,000,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth and fifth years of bond issuance, respectively, with a 1.15% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

## 17. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

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

### b. Defined benefit plans

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

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Present value of defined benefit obligation	\$ 4,437,312	\$ 4,673,515
Fair value of plan assets	<u>(6,000,824)</u>	<u>(5,995,863)</u>
Net defined benefit (assets) liabilities	<u>\$ (1,563,512)</u>	<u>\$ (1,322,348)</u>

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

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit (Assets) Liabilities</b>
Balance at January 1, 2022	<u>\$ 4,673,515</u>	<u>\$ (5,995,863)</u>	<u>\$ (1,322,348)</u>
Service cost			
Current service cost	30,227	-	30,227
Net interest expense (income)	<u>31,503</u>	<u>(41,971)</u>	<u>(10,468)</u>
Recognized in profit or loss	<u>61,730</u>	<u>(41,971)</u>	<u>19,759</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(161,710)	(161,710)
Actuarial (gain) loss - changes in financial assumptions	(187,490)	-	(187,490)
Actuarial (gain) loss - experience adjustments	<u>217,999</u>	<u>-</u>	<u>217,999</u>
Recognized in other comprehensive income	<u>30,509</u>	<u>(161,710)</u>	<u>(131,201)</u>
Contributions from the employer	-	(77,451)	(77,451)
Benefits paid	<u>(328,442)</u>	<u>276,171</u>	<u>(52,271)</u>
Balance at December 31, 2022	<u>\$ 4,437,312</u>	<u>\$ (6,000,824)</u>	<u>\$ (1,563,512)</u>
Balance at January 1, 2021	<u>\$ 5,035,876</u>	<u>\$ (5,604,577)</u>	<u>\$ (568,701)</u>
Service cost			
Current service cost	36,546	-	36,546
Net interest expense (income)	<u>14,420</u>	<u>(16,814)</u>	<u>(2,394)</u>
Recognized in profit or loss (Note)	<u>50,966</u>	<u>(16,814)</u>	<u>34,152</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(401,298)	(401,298)
Actuarial (gain) loss - changes in vital statistics assumptions	86,196	-	86,196
Actuarial (gain) loss - changes in financial assumptions	(122,116)	-	(122,116)
Actuarial (gain) loss - experience adjustments	<u>103,098</u>	<u>-</u>	<u>103,098</u>
Recognized in other comprehensive income	<u>67,178</u>	<u>(401,298)</u>	<u>(334,120)</u>
Contributions from the employer	-	(302,855)	(302,855)
Benefits paid	<u>(480,505)</u>	<u>329,681</u>	<u>(150,824)</u>
Balance at December 31, 2021	<u>\$ 4,673,515</u>	<u>\$ (5,995,863)</u>	<u>\$ (1,322,348)</u>

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks. In addition, the Company has another pension fund which is separate from the above. This pension fund is invested in domestic listed companies' shares and time deposits. It is exposed to the risks of changes in market price and interest rates.

- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rate(s)	1.40%	0.70%
Expected rate(s) of salary increase	2.00%	2.00%

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rate(s)		
0.50% increase	<u>\$ (125,524)</u>	<u>\$ (145,088)</u>
0.50% decrease	<u>\$ 132,455</u>	<u>\$ 153,528</u>
Expected rate(s) of salary increase		
0.50% increase	<u>\$ 131,055</u>	<u>\$ 150,823</u>
0.50% decrease	<u>\$ (125,452)</u>	<u>\$ (144,029)</u>

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
The expected contributions to the plan for the next year	<u>\$ 463,367</u>	<u>\$ 308,912</u>
The average duration of the defined benefit obligation	5.9 years	6.4 years

## 18. EQUITY

### a. Share capital

#### 1) Common stock

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Numbers of authorized shares (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>
Amount of authorized shares	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>5,352,875</u>	<u>5,352,875</u>
Amount of issued	<u>\$ 53,528,751</u>	<u>\$ 53,528,751</u>

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

#### 2) Global depositary receipt

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

### b. Capital surplus

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>		
The difference between consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition	\$ 2,604,860	\$ 2,604,860
Treasury shares transactions	18,859	17,690
<u>May be used to offset a deficit only (2)</u>		
Changes in percentage of ownership interests in subsidiaries and associates	631,411	627,118
<u>May not be used for any purpose</u>		
Others	<u>153,411</u>	<u>153,335</u>
	<u>\$ 3,408,541</u>	<u>\$ 3,403,003</u>

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions other than actual disposal or acquisition of ownership interests, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Company's Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside current net income plus other items for undistributed retained earnings as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used as the basis for proposing a distribution plan. After adding prior years' unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the distribution of dividends evenly for all shares. When there is a capital increase, the amount of dividends for new shares of that year would be according to the resolution of the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, refer to Note 20 (e), d. "Employees' compensation and remuneration of directors".

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

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

Items referred to under rules issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2021 and 2020 approved in the shareholders' meetings on June 30, 2022 and July 29, 2021, respectively, were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>For Year 2021</b>	<b>For Year 2020</b>	<b>For Year 2021</b>	<b>For Year 2020</b>
Legal reserve	\$ 1,017,807	\$ 730,754		
Special reserve	779,995	2,109,237		
Cash dividends	8,029,313	7,226,382	\$ 1.50	\$ 1.35

The appropriation of earnings for 2022 proposed by the Company's board of directors on March 8, 2023 were as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 817,564	
Special reserve	271,822	
Cash dividends	7,226,382	\$ 1.35

The appropriation of earnings for 2022 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 28, 2023.

d. Special reserve

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

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 21,552,496	\$ 21,552,496
Reversal of special reserve		
Disposal of investment properties	<u>(534,089)</u>	<u>-</u>
Balance at December 31	<u>\$ 21,018,407</u>	<u>\$ 21,552,496</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 94,723,258	\$ 92,614,722
Proposed to special surplus reserve		
Application of the fair value method to investment properties	780,268	2,108,536
Reversal of special reserve		
Disposal of investment properties	<u>(554,845)</u>	<u>-</u>
Balance at December 31	<u>\$ 94,948,681</u>	<u>\$ 94,723,258</u>

e. Other equity items

The changes in other equity items are summarized as follow:

	<b>Exchange Differences on Translation of Foreign Operations</b>	<b>Unrealized Gain (Loss) on Financial Assets at FVTOCI</b>	<b>Gain (Loss) on Hedging Instruments</b>	<b>Gain on Property Revaluation</b>	<b>Total</b>
Balance at January 1, 2021	\$ (7,218,941)	\$ 1,995,447	\$ 19,480	\$ 2,293,619	\$ (2,910,395)
Share of other comprehensive income (loss) of subsidiaries and associates	(1,500,584)	409,880	3,912	283,063	(803,729)
Change in subsidiaries and associates accounted for using equity method	-	(103,498)	-	(1,731)	(105,229)
Subsidiaries and associates disposed the investment in equity instruments designated as at FVTOCI	-	(106,043)	-	-	(106,043)
Balance at December 31, 2021	<u>(8,719,525)</u>	<u>2,195,786</u>	<u>23,392</u>	<u>2,574,951</u>	<u>(3,925,396)</u>
Share of other comprehensive income (loss) of subsidiaries and associates	4,146,901	(1,384,912)	1,192	18,465	2,781,646

(Continued)

	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Gain on Property Revaluation	Total
Change in subsidiaries and associates accounted for using equity method	\$ -	\$ 24,454	\$ -	\$ (6)	\$ 24,448
Subsidiaries and associates disposed the investment in equity instruments designated as at FVTOCI	-	1,786	-	-	1,786
Balance at December 31, 2022	<u>\$ (4,572,624)</u>	<u>\$ 837,114</u>	<u>\$ 24,584</u>	<u>\$ 2,593,410</u>	<u>\$ (1,117,516)</u> (Concluded)

f. Treasury shares

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>December 31, 2022</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 24,862</u>
<u>December 31, 2021</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 22,836</u>

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

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

## 19. REVENUE

	<u>For the Year Ended December 31</u>	
	2022	2021
Revenue from contracts with customers		
Net sales	<u>\$ 51,246,072</u>	<u>\$ 45,527,236</u>

a. Description of customer contract

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



b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes and accounts receivable (Notes 8)	<u>\$ 7,315,406</u>	<u>\$ 7,749,273</u>	<u>\$ 5,097,229</u>
Contract liabilities - current			
Sale of goods	<u>\$ 211,605</u>	<u>\$ 251,722</u>	<u>\$ 294,756</u>

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

c. Disaggregation of revenue

Refer to Statement 11 for information about disaggregation of revenue.

## 20. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Capitalized interests on properties	\$ 8,239	\$ 5,084
Capitalization rates	0.81%-1.24%	0.80%-0.88%

b. Impairment losses recognized (reversed)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Property, plant and equipment	\$ (14,852)	\$ (170,578)
Other equipment components	<u>75,724</u>	<u>7,349</u>
	<u>\$ 60,872</u>	<u>\$ (163,229)</u>

c. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Property, plant and equipment	\$ 2,042,978	\$ 2,142,712
Right-of-use assets	262,209	235,339
Other Intangible assets	<u>10,066</u>	<u>9,229</u>
	<u>\$ 2,315,253</u>	<u>\$ 2,387,280</u>

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
An analysis of deprecation by function		
Operating costs	\$ 1,936,316	\$ 1,999,485
Operating expenses	320,884	312,063
Other expense	<u>47,987</u>	<u>66,503</u>
	<u>\$ 2,305,187</u>	<u>\$ 2,378,051</u>
An analysis of amortization by function		
Operating costs	\$ 4,548	\$ 2,165
Operating expenses	<u>5,518</u>	<u>7,064</u>
	<u>\$ 10,066</u>	<u>\$ 9,229</u>
		(Concluded)

d. Employee benefits expense

	<b>For the Year Ended December 31, 2022</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Short-term employee benefits	<u>\$ 3,375,573</u>	<u>\$ 2,281,245</u>	<u>\$ 5,656,818</u>
Post-employment benefits			
Defined contribution plans	80,793	69,478	150,271
Defined benefit plans	<u>11,552</u>	<u>8,207</u>	<u>19,759</u>
	<u>92,345</u>	<u>77,685</u>	<u>170,030</u>
	<u>\$ 3,467,918</u>	<u>\$ 2,358,930</u>	<u>\$ 5,826,848</u>
	<b>For the Year Ended December 31, 2021</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Short-term employee benefits	<u>\$ 3,376,925</u>	<u>\$ 2,248,655</u>	<u>\$ 5,625,580</u>
Post-employment benefits			
Defined contribution plans	80,011	62,962	142,973
Defined benefit plans	<u>21,374</u>	<u>12,778</u>	<u>34,152</u>
	<u>101,385</u>	<u>75,740</u>	<u>177,125</u>
	<u>\$ 3,478,310</u>	<u>\$ 2,324,395</u>	<u>\$ 5,802,705</u>

e. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of 2.0% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. However, the Company has to first offset losses from the previous years. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 8, 2023 and March 8, 2022, respectively, are as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Employees' compensation	3.30%	3.30%
Remuneration of directors	1.78%	1.73%

Amount

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Employees' compensation	\$ 285,617	\$ 345,347
Remuneration of directors	153,878	180,847

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

There was no difference between the actual appropriated amounts of employees' compensation and remuneration of directors and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020. The employees' compensation was distributed in cash by the Company.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of income tax (expense)/benefits recognized in profit or loss

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ -	\$ -
Adjustments for prior year	<u>2,257</u>	<u>18,669</u>
	<u>2,257</u>	<u>18,669</u>
Deferred tax		
In respect of the current period	<u>(65,049)</u>	<u>(277,839)</u>
Income tax (expense)/benefits recognized in profit or loss	<u>\$ (62,792)</u>	<u>\$ (259,170)</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit before tax from continuing operations	\$ 8,223,084	\$ 9,943,754
Income tax expense at the statutory rate (20%)	\$ (1,644,617)	\$ (1,988,751)
Adjustment items effect on income tax	<u>1,644,617</u>	<u>1,988,751</u>
Current income tax	-	-
Deferred income tax	(65,049)	(277,839)
Adjustments for prior years	<u>2,257</u>	<u>18,669</u>
Income tax (expense)/benefits recognized in profit or loss	\$ <u>(62,792)</u>	\$ <u>(259,170)</u>

- b. Income tax expense recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement on defined benefit plan	\$ 26,240	\$ 66,824

- c. Deferred tax assets and liabilities

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

For the year ended December 31, 2022

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 1,058	\$ 766	\$ -	\$ 1,824
Inventory write-downs	2,260	511	-	2,771
Impairment loss	8,037	4,485	-	12,522
Others	<u>1,283</u>	<u>959</u>	<u>-</u>	<u>2,242</u>
	<u>\$ 12,638</u>	<u>\$ 6,721</u>	<u>\$ -</u>	<u>\$ 19,359</u>
<u>Deferred tax liabilities</u>				
Share of profit of subsidiaries and associates	\$ 452,948	\$ 48,532	\$ -	\$ 501,480
Provision of land value incremental tax	1,590,431	(778)	-	1,589,653
Others	<u>437,993</u>	<u>24,016</u>	<u>26,240</u>	<u>488,249</u>
	<u>\$ 2,481,372</u>	<u>\$ 71,770</u>	<u>\$ 26,240</u>	<u>\$ 2,579,382</u>

For the year ended December 31, 2021

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 5,698	\$ (4,640)	\$ -	\$ 1,058
Inventory write-downs	9,056	(6,796)	-	2,260
Impairment loss	41,811	(33,774)	-	8,037
Others	<u>6,788</u>	<u>(5,505)</u>	<u>-</u>	<u>1,283</u>
	<u>\$ 63,353</u>	<u>\$ (50,715)</u>	<u>\$ -</u>	<u>\$ 12,638</u>
<u>Deferred tax liabilities</u>				
Share of profit of subsidiaries and associates	\$ 350,329	\$ 102,619	\$ -	\$ 452,948
Provision of land value incremental tax	1,588,438	1,993	-	1,590,431
Others	<u>248,657</u>	<u>122,512</u>	<u>66,824</u>	<u>437,993</u>
	<u>\$ 2,187,424</u>	<u>\$ 227,124</u>	<u>\$ 66,824</u>	<u>\$ 2,481,372</u>

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

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Deductible temporary differences	<u>\$ 2,913,277</u>	<u>\$ 3,226,101</u>

- e. Income tax assessments

The tax returns through 2019 have been assessed by the tax authorities.

## 22. EARNINGS PER SHARE

**Unit: NT\$ Per Share**

	<u>For the Year Ended December 31</u>	
	<b>2022</b>	<b>2021</b>
Basic earnings per share	<u>\$ 1.63</u>	<u>\$ 1.94</u>
Diluted earnings per share	<u>\$ 1.63</u>	<u>\$ 1.94</u>

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

### **Net Income for the Year**

	<u>For the Year Ended December 31</u>	
	<b>2022</b>	<b>2021</b>
Net income for the year	<u>\$ 8,160,292</u>	<u>\$ 9,684,584</u>

## Weighted Average Number of Ordinary Shares Outstanding

Unit: In Thousand Shares

	For the Year Ended December 31	
	2022	2021
Weighted average number of common stock used in the computation of basic earnings per share	5,001,002	4,986,743
Effect of potentially dilutive common stock Employees' compensation	<u>10,905</u>	<u>13,868</u>
Weighted average number of common stock used in the computation of diluted earnings per share	<u>5,011,907</u>	<u>5,000,611</u>

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

The Company may settle the compensation paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the calculation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the years ended December 31, 2022 and 2021, the Company's basic EPS was NT\$1.52 and NT\$1.81, respectively.

## 23. CAPITAL MANAGEMENT

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

## 24. FINANCIAL INSTRUMENTS

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

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

	December 31			
	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>				
Bonds payable	\$ 66,646,996	\$ 65,716,848	\$ 71,127,910	\$ 71,468,974

2) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 65,716,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,716,848</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 71,468,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,468,974</u>

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,691</u>	<u>\$ 19,691</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,163</u>	<u>\$ 10,163</u>

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

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

For the year ended 2022

	<b>Financial Assets (Liabilities) at Fair Value Through Profit or Loss</b>
Balance at January 1, 2022	\$ 10,163
Recognized in profit or loss	(161,086)
Settlements	<u>131,232</u>
Balance at December 31, 2022	<u>\$ (19,691)</u>

For the year ended 2021

	<b>Financial Assets (Liabilities) at Fair Value Through Profit or Loss</b>
Balance at January 1, 2021	\$ (10,619)
Recognized in profit or loss	71,185
Settlements	<u>(50,403)</u>
Balance at December 31, 2021	<u>\$ 10,163</u>

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

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

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets</u>		
Financial assets at FVTPL	\$ -	\$ 10,163
Financial assets at amortized cost (Note 1)	20,511,928	26,063,473
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	19,691	-
Financial liabilities measured at amortized cost (Note 2)	130,473,067	123,428,361



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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

The Company had foreign assets, which exposed the Company to exchange rate risk. Exchange rate exposures were managed within approved policy parameters through forward exchange contracts.

The Company's significant foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period were detailed in Note 30.

Sensitivity analysis

The Company was mainly exposed to the U.S. dollars.

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
5% change in profit or loss		
USD	<u>\$ (184,146)</u>	<u>\$ (136,346)</u>

b) Interest rate risk

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Fair value interest rate risk		
Financial assets	\$ 3,235,780	\$ 4,156,020
Financial liabilities	105,680,852	105,056,158
Cash flow interest rate risk		
Financial assets	1,417,405	2,661,150
Financial liabilities	17,210,588	10,702,868

Sensitivity analysis

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

If interest rate had been 0.25% higher/lower and all other variables were held constant, the fair value of the Company's financial assets with fixed interest rates would have decreased/increased by \$8,069 thousand and \$10,364 thousand, respectively, and the cash flows on the Company's financial assets with floating interest rates would have increased/decreased by \$3,544 thousand and \$6,653 thousand, respectively.

If interest rate had been 0.25% higher/lower and all other variables were held constant, the fair value of the Company's financial liabilities with fixed interest rates would have decreased/increased by \$263,543 thousand and \$261,985 thousand, respectively, and the cash flows on the Company's financial liabilities with floating interest rates would have decreased/increased by \$43,026 thousand and \$26,757 thousand, respectively.

## 2) Credit risk

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

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

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

## 3) Liquidity risk

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

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

	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3-5 Years</b>	<b>Total</b>
<u>December 31, 2022</u>				
Long-term borrowings	\$ 23,757,574	\$ 6,583,779	\$ 4,499,453	\$ 34,840,806
Bonds payable	<u>14,000,000</u>	<u>13,600,000</u>	<u>29,100,000</u>	<u>56,700,000</u>
	<u>\$ 37,757,574</u>	<u>\$ 20,183,779</u>	<u>\$ 33,599,453</u>	<u>\$ 91,540,806</u>
<u>December 31, 2021</u>				
Long-term borrowings	\$ 24,730,338	\$ 5,997,388	\$ 9,689,459	\$ 40,417,185
Bonds payable	<u>10,000,000</u>	<u>14,000,000</u>	<u>37,700,000</u>	<u>61,700,000</u>
	<u>\$ 34,730,338</u>	<u>\$ 19,997,388</u>	<u>\$ 47,389,459</u>	<u>\$ 102,117,185</u>

Additional information about the maturity analysis for lease liabilities

	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3-5 Years</b>	<b>5-10 Years</b>
<u>December 31, 2022</u>				
Lease liabilities	<u>\$ 46,560</u>	<u>\$ 39,980</u>	<u>\$ 82,059</u>	<u>\$ 103,597</u>
<u>December 31, 2021</u>				
Lease liabilities	<u>\$ 203,916</u>	<u>\$ 2,339</u>	<u>\$ 2,585</u>	<u>\$ 1,157</u>

## **25. RELATED-PARTY TRANSACTIONS**

The Company had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2022 and 2021 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 1, 2 and 3.

## **26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY**

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Other financial assets - non-current		
Pledged time deposits	\$ 66,943	\$ 56,642
Investments accounted for using the equity method	540,121	528,793
Property, plant and equipment	5,636,086	5,774,127
Investment properties	<u>961,480</u>	<u>956,518</u>
	<u>\$ 7,204,630</u>	<u>\$ 7,316,080</u>

## **27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS**

Significant commitments and contingencies of the Company as of December 31, 2022 and 2021:

- Issued unused letters of credit aggregated at approximately \$563,029 thousand and \$938,511 thousand, respectively.
- Unpaid construction contracts and property, plant and equipment amounting to \$368,058 thousand and \$53,566 thousand, respectively.
- Undelivered cotton contracts which were unable to be canceled amounting to \$54,888 thousand and \$105,896 thousand, respectively.

## 28. OTHER ITEMS

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

## 29. SUBSEQUENT EVENTS

On March 8, 2023, the Parent Company's board of directors decided to participate in the issuance of new shares of cash of the subsidiary, PET Far Eastern Holding Ltd., and reinvest in the investments accounted for using equity method, Far Eastern Union Petrochemical (Yangzhou) Corporation, with a transaction amount of US\$26,520 thousand.

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

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

### December 31, 2022

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (NT\$)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 222,136	30.71	\$ 6,821,797
<u>Financial liabilities</u>			
Monetary items			
USD	102,210	30.71	3,138,869

### December 31, 2021

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (NT\$)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 245,494	27.68	\$ 6,795,274
<u>Financial liabilities</u>			
Monetary items			
USD	146,978	27.68	4,068,351

### 31. ADDITIONAL DISCLOSURES

#### a. Information about significant transactions and b. investees

- 1) Financing provided to others: Table 4 (attached)
- 2) Endorsements/guarantees provided: Table 5 (attached)
- 3) Marketable securities held: Table 6 (attached)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 7 (attached)
- 5) Acquisitions of individual real states at costs of at least NT\$300 million or 20% of the paid-in capital: Table 8 (attached)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: Table 9 (attached)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 10 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 11 (attached)
- 9) Trading in derivative instruments: Note 7
- 10) Information on investees: Table 12 (attached)

#### c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Tables 13 and 13-1 (attached)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Tables 2, 3, 4, 7, 10 and 11
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as rendering or receipt services.
- d. Information on major shareholders: Shareholders' name holding amounts and ratio whose holding ratio exceed 5%: Table 14

**TABLE 1****FAR EASTERN NEW CENTURY CORPORATION****RELATED PARTY NAMES AND CATEGORIES  
DECEMBER 31, 2022**

<b>Related Party Names</b>	<b>Related Party Category</b>
Fu Kwok Knitting & Garment Co., Ltd.	Subsidiary
Far Eastern Apparel Co., Ltd.	Subsidiary
Far Eastern Apparel (Vietnam) Ltd.	Subsidiary
Far Eastern Polytex (Vietnam) Ltd.	Subsidiary
Far Eastern New Apparel (Vietnam) Ltd.	Subsidiary
Far Eastern Apparel (Suzhou) Co., Ltd.	Subsidiary
Far Eastern Industries (Shanghai) Ltd.	Subsidiary
Far Eastern Industries (Wuxi) Ltd.	Subsidiary
Oriental Resources Development Co., Ltd.	Subsidiary
Oriental Green Materials Ltd.	Subsidiary
Oriental Industries (Suzhou) Ltd.	Subsidiary
PET Far Eastern (M) Sdn. Bhd.	Subsidiary
Wuhan Far Eastern New Material Ltd.	Subsidiary
Worldwide Polychem (HK) Ltd. (WWPI)	Subsidiary
Far Eastern Fibertech Co., Ltd.	Subsidiary
Far Eastern Resources Development Co., Ltd.	Subsidiary
Far Eastone Telecommunications Co., Ltd.	Subsidiary
New Century InfoComm Tech Co., Ltd.	Subsidiary
Yuanshi Digital Technology Co., Ltd.	Subsidiary
Information Security Service Digital United Inc.	Subsidiary
Oriental Petrochemical Corporation	Subsidiary
Oriental Investment Holding (Netherlands) B.V.	Subsidiary
Yuan Cheng Human Resources Consultant Corporation	Subsidiary
Yuan Ding Co., Ltd.	Subsidiary
Yuan Ding Investment Co., Ltd.	Subsidiary
YDT Technology International Co., Ltd.	Subsidiary
Far Eastern Technical Consultants Co., Ltd.	Subsidiary
Far Eastern Construction Co., Ltd.	Subsidiary
Far Eastern Ishizuka Green Pet Corporation (FIGP)	Subsidiary
Far Eastern Polytex (Holding) Ltd.	Subsidiary
Far Eastern Investment (Holding) Ltd.	Subsidiary
Phoenix Technologies International, LLC	Subsidiary
Asia Cement Corporation	Associate
Far Eastern Department Stores Co., Ltd.	Associate
Oriental Union Chemical Corporation	Associate
Everest Textile Corporation	Associate
Far Eastern International Bank	Associate

(Continued)



Related Party Names	Related Party Categories
Freudenberg Far Eastern Spunweb Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Yu Ding Industry Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Liquid Air Far East Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Da Ju Fiber Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern International Leasing Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern City Super Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern Ai Mai Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Everest Textile USA, LLC	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Fu Ming Transport Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Fu-Da Transport Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Ya Sing Ready-Mixed Concrete Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Nan Hwa Cement Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Everest Textile (Shanghai) Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Yuan Ze University	Other related party (the same chairman)
U-Ming Marine Transport Corporation	Other related party (the same chairman)
Tranquil Enterprise Ltd.	Other related party (the same chairman)
U-Ming Marine Transport (Singapore) Private Limited	Other related party (related party in substance)
SYSTEX Corporation	Other related party (related party in substance)
Ding&Ding Management Consultants Co., Ltd.	Other related party (related party in substance)
Taiwan Chang Cheng (H) Co., Ltd.	Other related party (related party in substance)

(Concluded)

**TABLE 2****FAR EASTERN NEW CENTURY CORPORATION****RELATED-PARTY TRANSACTIONS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Sales		
Subsidiaries		
WWPI	\$ 5,473,239	\$ 3,863,170
Other subsidiaries	5,334,307	3,081,786
Associates	225,038	255,432
Other related parties	<u>395,137</u>	<u>510,015</u>
	<u>\$ 11,427,721</u>	<u>\$ 7,710,403</u>
Operating cost and expense		
Purchase		
Subsidiaries		
Oriental Petrochemical Corporation	\$ 15,094,236	\$ 13,844,409
Other subsidiaries	3,288,535	1,944,101
Associates	983,108	1,562,886
Other related parties	<u>328,165</u>	<u>250,382</u>
	<u>\$ 19,694,044</u>	<u>\$ 17,601,778</u>
Contract fees		
Subsidiaries	\$ 63,190	\$ 54,019
Other related parties	<u>256,628</u>	<u>263,878</u>
	<u>\$ 319,818</u>	<u>\$ 317,897</u>
Computer processing expense		
Subsidiaries	\$ 2,703	\$ 2,588
Associates	68	-
Other related parties	<u>101,281</u>	<u>116,382</u>
	<u>\$ 104,052</u>	<u>\$ 118,970</u>
Non-operating expenses		
Other expenses - endorsement/guarantee expenses		
Subsidiary	<u>\$ -</u>	<u>\$ 320</u>

(Continued)

Lease arrangements - Company is lessee

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Acquisition of right-to-use assets		
Other related parties		
Far Eastern Ai Mai Co., Ltd.	<u>\$ 284,833</u>	<u>\$ -</u>
	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Lease liabilities		
Subsidiaries		
Yuan Ding Co., Ltd.	\$ 111,298	\$ 243,646
Others	47,423	75,558
Associates		
Far Eastern Ai Mai Co., Ltd.	273,688	-
Others	41,715	86,515
Other related parties	<u>10,646</u>	<u>21,187</u>
	<u>\$ 484,770</u>	<u>\$ 426,906</u>

There is no lease payable of finance lease to related parties on December 31, 2022 and 2021.

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest expense		
Subsidiaries	\$ 2,354	\$ 3,985
Associates	2,047	1,088
Other related parties	<u>164</u>	<u>272</u>
	<u>\$ 4,565</u>	<u>\$ 5,345</u>
Rent expense		
Subsidiaries	\$ 28,118	\$ 31,655
Other related parties	<u>6,763</u>	<u>5,243</u>
	<u>\$ 34,881</u>	<u>\$ 36,898</u>

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

Lease arrangement - Company is lessor

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating lease receivable		
Subsidiaries	\$ 889	\$ 1,032
Other related parties	<u>669</u>	<u>201</u>
	<u>\$ 1,558</u>	<u>\$ 1,233</u>

(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Future lease receivable		
Subsidiaries	\$ 2,954	\$ 3,578
Other related parties	<u>2,995</u>	<u>5,441</u>
	<u>\$ 5,949</u>	<u>\$ 9,019</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Rent revenue		
Subsidiaries	\$ 8,775	\$ 7,981
Other related parties	<u>6,462</u>	<u>6,466</u>
	<u>\$ 15,237</u>	<u>\$ 14,447</u>

The Company leases the plants and spaces for operation and business to subsidiaries and other related parties as operating lease. The lease period is 1 to 3 years.

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

Compensation of key management personnel:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term employee benefits	\$ 316,161	\$ 339,879
Post-employment benefits	<u>1,290</u>	<u>1,141</u>
	<u>\$ 317,451</u>	<u>\$ 341,020</u>

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

(Concluded)

**TABLE 3****FAR EASTERN NEW CENTURY CORPORATION****RELATED-PARTY TRANSACTIONS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Notes and accounts receivable		
Subsidiaries		
WWPI	\$ 2,542,001	\$ 1,731,885
Other subsidiaries	887,493	589,799
Associates	30,858	30,669
Other related parties	<u>82,427</u>	<u>69,059</u>
	<u>\$ 3,542,779</u>	<u>\$ 2,421,412</u>
Refundable deposits		
Subsidiaries		
Yuan Ding Co., Ltd.	\$ 33,251	\$ 33,251
Other subsidiaries	5,529	3,585
Associates	5,406	5,406
Other related parties		
Da Ju Fiber Co., Ltd.	<u>8,000</u>	<u>8,000</u>
	<u>\$ 52,186</u>	<u>\$ 50,242</u>
Notes and accounts payable to related parties		
Subsidiaries		
Oriental Petrochemical Corporation	\$ 924,942	\$ 876,872
Oriental Green Materials Ltd.	162,100	135,540
Far Eastern Ishizuka Green Pet Corporation (FIGP)	142,441	67,506
Other subsidiaries	22,951	144,580
Associates	55,159	103,155
Other related parties	<u>12,825</u>	<u>8,072</u>
	<u>\$ 1,320,418</u>	<u>\$ 1,335,725</u>
Deferred credit - gain on related-party transactions		
Sale of securities		
Subsidiaries		
Yuan Ding Investment Co., Ltd. (Note a)	\$ 30,256	\$ 30,256
Others subsidiary (Note b)	2,484	2,567
Other related parties (Note c)	2,579	2,579
Disposal of property, plant and equipment (Note d)		
Subsidiary		
Far Eastern Polytex (Vietnam) Ltd.	<u>9,189</u>	<u>10,023</u>
	<u>\$ 44,508</u>	<u>\$ 45,425</u>

(Continued)

Bank deposits and other financial assets

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Far Eastern International Bank	<u>\$ 789,924</u>	<u>\$ 800,183</u>

The Company had bank deposits and time deposits (accounting for other financial assets) in Far Eastern International Bank. The interest income was \$8,120 thousand and \$5,101 thousand for the years ended December 31, 2022 and 2021, respectively.

Financial assets (liabilities) at FVTPL - current

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Far Eastern International Bank	<u>\$ (14,398)</u>	<u>\$ 1,947</u>

The Company signed forward exchange contracts with Far Eastern International Bank. The (loss) gain of financial (liabilities) assets at FVTPL was \$88,666 thousand and \$34,868 thousand for the years ended December 31, 2022 and 2021, respectively.

Financing to related parties

There were no loans to related parties on December 31, 2022 and 2021.

The interest income from loans to subsidiaries was \$2,062 thousand for the years ended December 31, 2021.

In 2022 and 2021, the Company bought machinery and construction from subsidiaries for \$124,775 thousand and \$23,383 thousand, respectively. As of December 31, 2022 and 2021, the payables on these purchases had been paid.

In 2022 and 2021, the Company bought machinery, software equipment and construction from other related party for \$13,257 thousand and \$1,501 thousand. As of December 31, 2022 and 2021, the payables on these purchases had been paid.

In 2022, the Company sold other equipment to associates for \$1,815 thousand, and the Company recognized gain on disposal of other equipment of \$311 thousand.

In 2021, the Company sold machinery and equipment to subsidiaries Oriental Resources Development Co., Ltd. and Far Eastern Ishizuka Green Pet Corporation for \$184 thousand and \$2,245 thousand, respectively. And the Company recognized gain on disposal of machinery and equipment of \$4 thousand and \$138 thousand, respectively.

In 2022, the Company participated in the issuance of common stock for cash of associate, Far Eastern International Bank, and the investment amounted to \$100,639 thousand after the acquisition of the new shares; the Company reduced its controlling interest from 2.62% to 2.55% after the additional.

In 2022, the Company participated in the issuance of common stock for cash of subsidiaries, Far Eastern Investment (Holding) Ltd., Oriental Petrochemical Corporation, Ding Ding Hotel Co., Ltd. and Far Eastern Polytex (Holding) Ltd., according to its existing ownership percentage; the subscription amounts were \$8,325,100 thousand (or US\$260,000 thousand), \$2,266,745 thousand, \$7,391 thousand and \$345,300 (or US\$12,000 thousand), respectively.

(Continued)

In 2022, the Company purchased 100% of the shares of Far Eastern Apparel Co., Ltd., Far Eastern Fibertech Co., Ltd., Oriental Resources Development Co and Oriental Green Materials Ltd. from its subsidiary Yuan Ding Investment Corporation, and the amounts were \$181,416 thousand, \$1,380,326 thousand, \$140,127 thousand and \$825,569 thousand, respectively.

In 2021, the Company participated in the issuance of common stock for cash of subsidiaries, Far Eastern Investment (Holding) Ltd., Ding Ding Hotel Co., Far Eastern Textile Ltd., according to its existing ownership percentage; the amounts were \$1,955,422 thousand (or US\$70,000 thousand), \$7,391 thousand and \$12,000 thousand, respectively.

Note:

- a. In 1994, the Company sold the following shares to Yuan Ding Investment Corporation and recognized deferred incomes on these sales: Yu Yuan Investment Co., Ltd.'s shares for \$30,256 thousand.
- b. The deferred income was made by selling the shares of New Century InfoComm Tech Corporation to Yuan Cing Infocomm Tech Co., Ltd. in 2010 (dissolved on its merger with Far Eastone Telecommunication Co., Ltd. on March 1, 2011). The amortization is according to the difference of New Century InfoComm Tech Corporation's net assets between fair value and book value and durable service life on the selling date.
- c. The deferred income was made by selling the shares of Oriental Petrochemical Corporation to Yue Ding Industry Co., Ltd. in March 2008.
- d. The Company sold the production equipment to its subsidiary Far Eastern Polytex (Vietnam) Ltd. in 2017. The sales price was \$638,977 thousand and deferred the gain on disposal of equipment \$12,528 thousand (recognized as deferred credit - gain on related-party accounts), and amortized the deferred credit according to the useful lives for \$835 thousand and \$834 thousand, respectively in 2022 and 2021.
- e. The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)

TABLE 4

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

## FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2022

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
1	Yuan Ding Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	Receivables from related parties	Yes	\$ 1,500,000	\$ 1,500,000	\$ 470,000	0.9504-0.9823	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,361,147	\$ 21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Kai Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	1,100,000	1,100,000	340,000	0.9823	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	600,000	600,000	100,000	0.9097-0.9823	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Ding Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	600,000	600,000	300,000	0.9097-0.9823	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Yu Ding Industry Co., Ltd.	Receivables from related parties	Yes	1,000,000	1,000,000	800,000	0.9097-0.9823	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Da Ju Fiber Co., Ltd.	Receivables from related parties	Yes	1,200,000	1,200,000	300,000	0.9097-0.9823	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Far Eastern Resources Development Co., Ltd.	Receivables from related parties	Yes	2,300,000	2,300,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Oriental Green Materials Ltd.	Receivables from related parties	Yes	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Oriental Resources Development Ltd.	Receivables from related parties	Yes	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
		Oriental Petrochemical (Taiwan) Corporation	Receivables from related parties	Yes	250,000	250,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,361,147	21,805,737	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
2	Yuan Tong Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Receivables from related parties	Yes	400,000	200,000	90,000	1.3596-1.5444	2	-	For revolving fund	-	Promissory note	-	916,217	4,581,086	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E)
3	New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	1,800,000	1,800,000	1,800,000	0.7580-0.9120	1	2,036,483	Business transactions	-	-	-	2,036,483	12,509,927	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note E)
		Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	9,200,000	9,200,000	8,700,000	0.7573-1.3053	2	-	For revolving fund	-	-	-	10,007,942	12,509,927	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E)

(Continued)



No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
4	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	Receivables from related parties	Yes	\$ 600,000	\$ 600,000	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,569,598	\$ 3,923,995	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E)
5	Far Eastern Investment (Holding) Ltd.	Far Eastern New Apparel (Vietnam) Ltd.	Receivables from affiliates	Yes	614,200	614,200	-	-	2	-	For revolving fund	-	Promissory note	-	20,496,895	61,490,684	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		FILSYN Corporation	Receivables from affiliates	Yes	276,390	276,390	-	-	2	-	For revolving fund	-	Promissory note	-	16,397,516	16,397,516	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
		FYN Green PET Corporation	Receivables from affiliates	Yes	92,130	92,130	-	-	2	-	For revolving fund	-	Promissory note	-	16,397,516	16,397,516	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
6	Far Eastern Polytex (Holding) Ltd.	Sino Belgium (Holding) Limited	Receivables from affiliates	Yes	184,260	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,869,766	3,869,766	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
7	FEDP (Holding) Ltd.	Sino Belgium (Holding) Limited	Receivables from affiliates	Yes	168,905	168,905	168,905	-	2	-	For revolving fund	-	Promissory note	-	620,378	620,378	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
8	APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	Receivables from affiliates	Yes	153,550	-	-	-	2	-	For revolving fund	-	Promissory note	-	10,455,441	31,366,324	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
9	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	2,600,720	2,600,720	2,380,320	2.37-2.61	2	-	For revolving fund	-	Promissory note	-	2,652,859	5,895,241	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
10	Far Eastern Apparel (Suzhou) Co., Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,317,992	1,102,000	533,368	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	1,354,300	3,009,555	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
11	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	559,816	495,768	495,768	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	1,493,642	3,319,205	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	793,440	793,440	781,230	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	1,493,642	3,319,205	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
12	Oriental Industries (Suzhou) Ltd.	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	220,400	220,400	-	-	2	-	For revolving fund	-	Promissory note	-	6,383,530	14,185,622	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	44,080	44,080	-	-	2	-	For revolving fund	-	Promissory note	-	6,383,530	14,185,622	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to related parties	Yes	220,400	220,400	-	2.61-2.76	2	-	For revolving fund	-	Promissory note	-	6,383,530	14,185,622	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	\$ 220,400	\$ 220,400	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 6,383,530	\$ 14,185,622	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	44,080	44,080	533	2.61-2.76	2	-	For revolving fund	-	Promissory note	-	6,383,530	14,185,622	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	1,278,320	1,278,320	1,278,320	2.75	2	-	For revolving fund	-	Promissory note	-	2,837,124	2,837,124	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
13	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	220,400	220,400	53,302	2.20-2.32	2	-	For revolving fund	-	Promissory note	-	2,298,373	5,107,495	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
14	Suzhou An Ho Apparel Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	39,672	39,672	39,672	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	52,444	116,542	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
15	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	176,320	176,320	176,320	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	1,007,310	2,238,467	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	969,760	969,760	926,081	2.20-2.60	2	-	For revolving fund	-	Promissory note	-	1,007,310	2,238,467	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
16	Far Eastern Industries (Shanghai) Ltd.	Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	220,400	-	-	2.66-2.97	2	-	For revolving fund	-	Promissory note	-	4,351,986	4,351,986	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D); (Note L)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	1,150,488	-	-	2.94-3.04	1	8,035,643	Business transactions	-	Promissory note	-	5,439,982	5,439,982	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note E); (Note L)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	1,322,400	1,322,400	1,322,400	3.01-3.26	2	-	For revolving fund	-	Promissory note	-	4,351,986	4,351,986	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)
17	Far Eastern New Century (China) Investment Co., Ltd.	Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	88,160	-	-	1.21	2	-	For revolving fund	-	Promissory note	-	1,451,851	1,451,851	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D); (Note L)
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to related parties	Yes	88,160	88,160	88,160	1.21	2	-	For revolving fund	-	Promissory note	-	9,074,070	12,703,698	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note J)
18	Far Eastern Industries (Yangzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	308,560	308,560	308,560	2.5	2	-	For revolving fund	-	Promissory note	-	1,262,882	2,806,404	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	528,960	528,960	528,960	2.5	2	-	For revolving fund	-	Promissory note	-	561,281	561,281	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note D)

(Continued)

Notes: A. Reasons for financing are as follows:

1. Business relationship.
  2. For short-term financing.
- B. The limitation is 10% of the net value of the financier based on audited financial statements as of December 31, 2022.
- C. The limitation is 20% of the net value of the financier based on audited financial statements as of December 31, 2022.
- D. The limitation is 40% of the net value of the financier based on audited financial statements as of December 31, 2022.
- E. The limitation is 50% of the net value of the financier based on audited financial statements as of December 31, 2022.
- F. The limitation is 90% of the net value of the financier based on audited financial statements as of December 31, 2022.
- G. The limitation is 150% of the net value of the financier based on audited financial statements as of December 31, 2022.
- H. The limitation is 200% of the net value of the financier based on audited financial statements as of December 31, 2022.
- I. The limitation is 250% of the net value of the financier based on audited financial statements as of December 31, 2022.
- J. The limitation is 350% of the net value of the financier based on audited financial statements as of December 31, 2022.
- K. Where New Century InfoComm Tech Co., Ltd. (NCIC) provides loans for business transactions and short-term financing needs, the amount of loans is limited to 50% of NCIC's net worth. A) For business transactions: The individual loan amount should not exceed the business transaction amount between the two parties. The business transaction amounts refer to the estimated amount in the year, and the loan contract was signed or the prior year's actual transaction amount. B) For loans provided due to short-term financing needs, both the financing limit for each borrower and the aggregate financing limit should not exceed 40% of NCIC's net worth. The total amounts as mentioned previously are limited to 50% of NCIC's net worth.
- L. Oriental Petrochemical (Shanghai) Corporation is absorbed and merged by Far Eastern Industries (Shanghai) Ltd. on December 31, 2022; Far Eastern Industries (Shanghai) Ltd. was the surviving company, Oriental Petrochemical (Shanghai) Corporation was dissolved company.

(Concluded)

TABLE 5

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Each Counterparty's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsements/ Guarantees to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsements/ Guarantees Given by Parent on Behalf of Subsidiaries (Note L)	Endorsements/ Guarantees Given by Subsidiaries on Behalf of Parent (Note L)	Endorsements/ Guarantees Given on Behalf of Companies in Mainland China (Note L)	Note
		Name	Relationship											
1	Yuan Ding Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	(Note A)	\$ 21,805,736	\$ 328,000	\$ 316,000	\$ 48,000	\$ -	0.72	\$ 43,611,473	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		APG Polytech, LLC	(Note B)	20,900,847	1,494,720	-	-	-	-	20,900,847	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		APG Polytech USA Holdings, Inc.	(Note B)	20,900,847	2,383,910	2,272,540	-	-	5.21	20,900,847	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Phoenix Technologies International, LLC	(Note B)	20,900,847	1,932,900	1,842,600	1,205,736	-	4.23	20,900,847	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
2	Far Eastern Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note C)	13,994,427	106,448	-	-	-	-	27,988,855	-	Yes	-	Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
3	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	(Note D)	3,923,994	1,850,000	1,850,000	395,000	350,000	0.89	7,847,989	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		Ding Ding Integrated Marketing Service Co., Ltd.	(Note D)	3,923,994	200,000	-	-	-	-	7,847,989	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
4	Far Eastern Investment (Holding) Ltd.	APG Polytech, LLC	(Note D)	104,504,239	1,617,193	1,541,642	527,389	-	0.74	209,008,478	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note I); maximum amounts allowed for the period (Note J)
		APG Polytech USA Holdings, Inc.	(Note D)	104,504,239	6,667,431	6,355,946	204,733	-	3.04	209,008,478	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note I); maximum amounts allowed for the period (Note J)
5	APG Polytech USA Holdings, Inc.	APG Polytech, LLC	(Note D)	104,504,239	64,430	61,420	15,678	-	0.03	209,008,478	-	-	-	Limits on each counterparty's endorsement/ guarantee amounts (Note I); maximum amounts allowed for the period (Note J)

- Notes: A. Companies that are endorsed and guaranteed by all capital shareholders based on their shareholding ratio due to a joint investment relationship.
- B. Companies in which the Company directly or indirectly holds more than 90% of the voting shares.
- C. Companies that directly and indirectly hold more than 50% of the voting rights in the Company.
- D. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
- E. The amount of the collateral/guarantees is based on 50% of the net value of the guarantor from the latest audited financial statements.
- F. The amount of the collateral/guarantees is based on the net value of the guarantor from the latest audited financial statements.
- G. The amount of the collateral/guarantees is based on the lower of 10% of the net value of the ultimate parent company, and 50% of the net value of Yuan Ding Investment Co., Ltd. from the latest audited financial statements.
- H. The amount of the collateral/guarantees is based on the lower of 10% of the net value of the ultimate parent company, and the net value of Yuan Ding Investment Co., Ltd. from the latest audited financial statements.
- I. The amount of the collateral/guarantees is based on 50% of the net value of the ultimate parent company from the latest audited financial statements.
- J. The amount of the collateral/guarantees is based on the net value of the ultimate parent company from the latest audited financial statements.
- K. The ratio of accumulated endorsements/guarantees to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.
- L. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in mainland China.

TABLE 6

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note II)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 20,370,209	21.17	\$ 30,770,964	19,900 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	5,137,442	17.06	5,198,049	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,018,610	9.17	1,510,618	(Note F)
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	108	1,214	0.02	767	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	141,961	1,901,195	19.65	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	135,000	2,088,859	16.83	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	103,816	1,341,657	2.55	1,141,981	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	43,004,479	99.40	-	
	Far Eastern Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	775,836	107,669,917	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	173	9,721,893	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,415,878	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	744,410	8,866,769	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	371,671	5,647,439	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	6,851	40,993,789	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	397	3,015,403	91.95	-	
	Oriental Petrochemical Corporation	(Note A)	Investments accounted for using the equity method	1,938,893	8,309,214	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	270,412	10,521,112	65.11	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,213,931	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	76,629	2,179,991	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	258,756	3,203,985	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	782,142	50.43	-	
	Fu Kwok Knitting & Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,000	299,154	100.00	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	769	11,369	0.74	-	
	Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	1,300	14,055	100.00	-	
	FE Oriental Investment Holding (Singapore) Pte. Ltd.	(Note A)	Investments accounted for using the equity method	50	199,638	100.00	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	44,772	209,543	100.00	-	8,807 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,285,633	100.00	-	
	Oriental Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,739	146,265	100.00	-	
	Oriental Green Materials Ltd.	(Note A)	Investments accounted for using the equity method	66,116	776,543	100.00	-	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	54,202	2,341,329	1.53	2,222,262	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	70,818	1,064,257	8.00	1,317,209	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	139,785	3,389,346	9.87	3,005,377	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	164,614	1,541,103	23.70	1,167,111	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	20,643,180	32.73	70,292,737	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	141,238	1,824,748	3.47	1,553,615	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,737,296	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	5,206,827	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	74,886	2,755,803	41.86	-	
	Yuan Faun Co., Ltd.	(Note A)	Investments accounted for using the equity method	6,675	189,283	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	4,745	59,492	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	400,020	46.20	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	3,343,061	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	33,003	553,169	29.80	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern Investment (Holding) Ltd.	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	187,470	\$ 2,617,270	25.96	\$ -	(Note F)
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,759	1,122,624	12.86	-	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	75,268	949,695	16.87	-	
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	8,583,122	100.00	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	119,653	1,765,241	14.92	-	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	98,198	1,021,379	18.96	-	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	1,803	31,224	1.00	-	
	Oriental Petrochemical Corporation	(Note A)	Investments accounted for using the equity method	133,334	586,552	5.20	-	
	Chung Nan Textile Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	2,985	110,619	5.27	110,619	
	Overseas Investment and Development Co., Ltd.	-	Financial asset at FVTOCI - non-current	1,000	8,530	1.11	8,530	
	Universal Venture Capital Investment Corporation	-	Financial asset at FVTOCI - non-current	1,400	10,990	1.16	10,990	
	China Investment and Development Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	1,287	15,894	0.80	15,894	
	Taiwan Stock Exchange Corporation	-	Financial asset at FVTOCI - non-current	1,598	71,246	0.16	71,246	
	Oriental Securities Investment Consultant Co., Ltd.	(Note I)	Financial asset at FVTOCI - non-current	1	11	-	11	
	Dah Chung Bills Finance Corporation	-	Financial asset at FVTOCI - non-current	2,311	30,036	0.50	30,036	
	U-Ming Marine Transport Corporation	(Note B)	Financial asset at FVTOCI - non-current	8,869	431,033	1.05	431,033	
	Financial assets under asset management contracts (Note E)	-						
	Yuanta Daily CSI 300 Bull 2X ETF	-	Financial assets at fair value through profit or loss - current	440	6,807	-	6,807	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	50	4,340	-	4,340	
	China General Plastics Corporation	-	Financial assets at fair value through profit or loss - current	55	1,452	-	1,452	
	Grand Pacific Petrochemical Corporation	-	Financial assets at fair value through profit or loss - current	282	5,316	-	5,316	
	Chung-Hsin Electric and Machinery Manufacturing Corp.	-	Financial assets at fair value through profit or loss - current	225	15,120	-	15,120	
	Fortune Electric Co., Ltd.	-	Financial assets at fair value through profit or loss - current	150	7,245	-	7,245	
	Walsin Lihwa Corporation	-	Financial assets at fair value through profit or loss - current	185	8,732	-	8,732	
	Panion & BF Biotech Inc.	-	Financial assets at fair value through profit or loss - current	35	6,265	-	6,265	
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	2	573	-	573	
	Hon Hai Precision Ind. Co., Ltd.	-	Financial assets at fair value through profit or loss - current	80	7,992	-	7,992	
	Micro-Star International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	5	597	-	597	
	Via Technologies, Inc.	-	Financial assets at fair value through profit or loss - current	145	9,759	-	9,759	
	Nanya Technology Corporation	-	Financial assets at fair value through profit or loss - current	25	1,280	-	1,280	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	5	815	-	815	
	Asia Vital Components Co., Ltd.	-	Financial assets at fair value through profit or loss - current	45	5,040	-	5,040	
	Taiwan Semiconductor Co., Ltd.	-	Financial assets at fair value through profit or loss - current	100	7,420	-	7,420	
	Waffer Technology Corporation	-	Financial assets at fair value through profit or loss - current	250	8,725	-	8,725	
	Oriental Petrochemical Corporation 2020 First Term Unsecured Privately Placed Corporate Bonds	(Note A)	Financial assets measured at amortized cost - non-current	0.03	3,000,000	-	-	
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	45,066	-	21.85	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock5,000 Preferred stock3,000	148,978	50.00	-	
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	-	20.00	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,175,368	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	80,098	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note G)	1,739	34.00	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	14,349,714	100.00	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	443,278	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	\$ 149,429	100.00	\$ -	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	488,545	37.92	-	
	Drive Catalyst SPC	(Note A)	Investments accounted for using the equity method	(Note G)	539	34.00	-	
	APG Polytech USA Holdings, Inc.	(Note A)	Investments accounted for using the equity method	6	20,910,883	100.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	137,086	25.00	-	
	Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	8	249,104	25.00	-	
	Drive Catalyst SPC-SP Tranche Two	(Note A)	Investments accounted for using the equity method	8	254,508	25.00	-	
	Far Eastern International Garments	(Note A)	Other non-current liabilities	59	(12,650)	41.00	-	
	Cemtex Apparel Inc.	(Note A)	Other non-current liabilities	90	(11,738)	50.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	4	134,076	-	134,076	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	151,970	-	151,970	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	5	266,617	-	266,617	
APG Polytech USA Holdings, Inc.	Corpus Christi Polymers LLC	(Note N)	Investments accounted for using the equity method	(Note G)	14,116,324	33.33	-	
	APG Polytech, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	6,176,612	100.00	-	
	Phoenix Technologies International, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	412,638	100.00	-	
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock5,000 Preferred stock3,000	148,978	50.00	-	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	12,369	482,067	0.35	507,117	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,983	281,952	0.85	257,635	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	6,447	64,172	0.93	45,709	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	27,365	579,415	3.09	508,998	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	40,194	0.03	60,605	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	260,023	2.24	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	17,121	490,519	13.20	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	104,951	1,355,147	2.58	1,154,456	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - non-current	1,684	81,842	0.20	81,842	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	25,312	1,035,279	0.71	1,037,812	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	35,558	1,089,670	1.09	2,343,274	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	4,211	46,086	0.61	29,856	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	32,474	567,643	3.67	604,020	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	602,281	1.46	444,452	
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method	1,127	490,895	49.00	-	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	74,970	950,626	16.80	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	260,225	2.24	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	127,414	1,645,815	3.13	1,401,558	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - non-current	1,425	69,255	0.17	69,255	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,074,153	65.02	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	263,991	8.05	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	768,804	49.57	-	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,403,202	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	3,578	1,612,792	90.00	-	
	Nippon Parison Co., Ltd.	-	Financial asset at FVTOCI - non-current	4	137,163	10.00	137,163	
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	632,111	0.50	726,771	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	178,370	2,874,769	98.95	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	1,590	77,264	0.19	77,264	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	\$ 578,737	38.46	\$ -	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,947,621	100.00	-	
	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,119,233	100.00	-	
	Far Eastern Innovation Apparel (Anhui) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	15,547	38.46	-	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	4	118,464	-	118,464	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	4	219,542	-	219,542	
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	16,864	0.01	19,229	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	5,916	-	5,931	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	11	179	0.01	-	
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	450	7,473	9.00	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	746	36,279	0.09	36,279	
	Kaohsiung Rapid Transit Corporation	(Note K)	Financial asset at FVTOCI - non-current	9,687	52,020	3.48	52,020	
	Ya-Li Precast Prestressed Concrete Industries Corporation	(Note J)	Financial asset at FVTOCI - non-current	3,106	23,758	16.03	23,758	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	1,484	22,365	-	22,365	
	CTBC Hwa-Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	32,225	360,229	-	360,229	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	13,620	223,158	-	223,158	
	Hwa Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,367	154,746	-	154,746	
	Taiwan Cooperative Money Market Funds	-	Financial assets at fair value through profit or loss - current	5,289	54,475	-	54,475	
	Union Securities Money Market Funds	-	Financial assets at fair value through profit or loss - current	16,298	218,657	-	218,657	
	Hwa Nan Kylin Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,405	114,331	-	114,331	
Malaysia Garment Manufactures Pte. Ltd.	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	20,513	-	9.95	-	
	Arpeggio International Resources Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	-	40.00	-	
	PT Malaysia Garment Bintan	(Note A)	Other non-current liabilities	(Note G)	(37)	99.00	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	967,479	1.25	2,689,879	8,200 thousand shares pledged or mortgaged as collateral for loans.
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	263,751	0.17	249,841	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	225,287	1.26	208,394	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	12,140	0.03	7,951	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	8,774	111,818	1.21	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,324	483,808	15.66	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	9,681	145,310	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	173,491	0.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	26,134	337,981	0.64	287,478	
Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	12,099	55.19	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	5,538	71,582	0.14	60,917	
	Yi Tong Fiber Co., Ltd.	-	Financial asset at FVTOCI - non-current	1,577	65,569	3.56	65,569	
Fu Kwok Knitting & Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	18,398	0.02	34,268	29,700 thousand shares pledged or mortgaged as collateral for loans.
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,549,498	3.08	6,605,620	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	79,250	2,248,412	5.59	1,703,865	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	6,460	69,805	0.93	45,804	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,905	1,527,923	5.63	928,240	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	32,465	1,386,108	0.92	1,331,081	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	259,026	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	35,934	610,091	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	48	-	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Other non-current liabilities	36	(835,147)	90.88	-	

(Continued)



Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	3	\$ 51	-	\$ -	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	10	167,486	13.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	127,159	1,641,959	3.12	1,398,753	
	Ding Shen Investment Co., Ltd.	(Note M)	Financial asset at FVTOCI - non-current	40,329	309,724	18.00	309,724	
	Bockhold N.V - stock	-	Financial asset at FVTOCI - non-current	1	269,220	12.51	269,220	
	Financial assets under asset management contracts (Note E)							
	Yuanta Daily CSI 300 Bull 2X ETF	-	Financial assets at fair value through profit or loss - current	400	6,188	-	6,188	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	30	2,604	-	2,604	
	China General Plastics Corporation	-	Financial assets at fair value through profit or loss - current	90	2,376	-	2,376	
	Chung-Hsin Electric and Machinery Manufacturing Corp.	-	Financial assets at fair value through profit or loss - current	130	8,736	-	8,736	
	Fortune Electric Co., Ltd	-	Financial assets at fair value through profit or loss - current	100	4,830	-	4,830	
	Walsin Lihwa Corporation	-	Financial assets at fair value through profit or loss - current	95	4,484	-	4,484	
	Panion & Bf Biotech Inc.	-	Financial assets at fair value through profit or loss - current	40	7,160	-	7,160	
	Hon Hai Precision Ind. Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	4,995	-	4,995	
	Via Technologies, Inc.	-	Financial assets at fair value through profit or loss - current	90	6,057	-	6,057	
	Asia Vital Components Co., Ltd.	-	Financial assets at fair value through profit or loss - current	40	4,480	-	4,480	
	Taiwan Mobile Co., Ltd.	-	Financial assets at fair value through profit or loss - current	66	6,250	-	6,250	
	Waffer Technology Corporation	-	Financial assets at fair value through profit or loss - current	150	5,235	-	5,235	
	Century Iron And Steel Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss - current	59	5,227	-	5,227	
Far Eastern Apparel (Suzhou) Co., Ltd.	Suzhou An Ho Apparel Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	58,271	100.00	-	
PET Far Eastern (Holding) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,537,339	14.13	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	2,303,096	44.20	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,553,747	100.00	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,092,811	100.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	8	280,945	-	280,945	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	5	309,267	-	309,267	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,322,793	100.00	-	
FE Oriental Investment Holding (Singapore) Pte. Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note A)	Investments accounted for using the equity method	49	197,585	100.00	-	
	Oriental Investment Holding (Netherlands) B.V.	(Note A)	Investments accounted for using the equity method	-	-	100.00	-	(Note O)
	FE Green PET (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	-	-	100.00	-	(Note S)
	FYN Green PET Corporation	(Note A)	Prepayments for investments (included in other non-current assets)	-	138,195	8.26	-	(Note Q)
Oriental Investment Holding (Netherlands) B.V.	Oriental Martens (Netherlands) B.V.	(Note A)	Investments accounted for using the equity method	-	-	100.00	-	(Note P)
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	972,879	100.00	-	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	926,040	61.54	-	
	Far Eastern New Century (China) Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	3,629,628	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	4,220,256	60.00	-	
	Far Eastern Innovation Apparel (Anhui) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	24,876	61.54	-	
Far Eastern New Century (China) Investment Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,183,740	10.88	-	
	Shanghai Yuan Zi Information Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	59,417	100.00	-	
	Yuan Ding Enterprise (Shanghai) Limited	(Note A)	Investments accounted for using the equity method	(Note G)	2,681,696	40.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Sino Belgium (Holding) Ltd.	Sino Belgium Beer (Suzhou) Ltd. Martens Beers (Shanghai) Ltd.	(Note A) (Note A)	Other non-current liabilities Investments accounted for using the equity method	(Note G) (Note G)	\$ (766,054) 12,926	100.00 100.00	\$ - -	
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	158,807	100.00	-	
Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	-	-	-	-	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	578,291	2,549,108	-	2,549,108	
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	264,671	100.00	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	21,787	109,476	60.00	-	
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,550	74,354	91.00	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	10,400	17.70	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,500	44,444	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	220,156	0.15	218,474	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,164	102,885	0.13	274,375	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	129,637	2,135,231	25.02	-	119,000 thousand shares pledged or mortgaged as collateral for loans.
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	104	502	1.00	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,363	79,642	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,650	138,458	5.00	-	10,236 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	44,796	755,027	14.93	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	9,880	127,911	0.24	108,676	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,052	39,340	16.22	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	102,509	572,641	98.52	-	
	Far Eastern New Century Corporation	(Note D)	Financial assets at fair value through profit or loss - current	779	24,862	-	24,862	
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	21,180	75,382	31.08	-	
	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	17,946	46.13	-	
	Pacific SOGO Department Stores Co., Ltd.	(Note J)	Financial asset at FVTOCI - non-current	1	38	-	38	
Far Eastern Technical Consultants Co., Ltd.	Cosmos Foreign Exchange Intl. Co., Ltd.	-	Financial asset at FVTOCI - non-current	480	8,837	4.00	8,837	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	20,958	53.87	-	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	179	0.46	-	
	Speedy (Shanghai) digital Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	36,889	100.00	-	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	38,809	99.54	-	
YDT Technology International Co., Ltd.	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	101	866	0.01	715	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	99,760	0.20	59,423	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,486	-	2,482	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	48,358	82.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	3,474	45,250	0.09	38,217	
	Oriental Securities Investment Consultant Co., Ltd.	(Note J)	Financial asset at FVTOCI - non-current	1	11	-	11	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern Electronic Toll Collection Co., Ltd.	FETC International Co., Ltd. Millerful No.1 REIT Subordinated perpetual corporate bonds of Cathy Life Insurance Co., Ltd.	(Note A) - -	Other non-current liabilities Financial asset at FVTOCI - non-current Financial assets at amortized cost - non-current	20,000 47,010 5,000	\$ (12,730) 486,559 500,000	100.00 - -	\$ - 486,559 -	5,000 thousand shares pledged or mortgaged as collateral for loans.
FETC International Co., Ltd.	FETC International (Thailand) Co., Ltd. FETC International (Malaysia) Co., Ltd.	(Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method	8,200 -	87,910 -	100.00 100.00	- -	
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd. ARCOA Communication Co., Ltd. KGEx.com Co., Ltd. Yuanshi Digital Technology Co., Ltd. Yuan Qing Co., Ltd. Far Eastern Info Service (Holding) Ltd. IDEAWORKS Entertainment Co., Ltd. Far EasTone Property Insurance Agent Co., Ltd. Far Eastern Electronic Toll Collection Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd. Yuan Hsin Digital Payment Co., Ltd. App Works Fund II Co., Ltd. CDIB Capital Innovation Accelerator Co., Ltd. LINE Bank Taiwan Limited LI TV (Taiwan) Inc Asia Pacific Telecom Co., Ltd.	(Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note L) (Note L) - - -	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Other non-current liabilities Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial asset at FVTOCI - non-current Financial asset at FVTOCI - non-current Financial asset at FVTOCI - non-current Financial asset at FVTOCI - non-current Financial asset at FVTOCI - non-current	2,100,000 82,762 68,897 10,821 2,000 1 4,125 500 118,251 5,447 12,342 5,355 9,000 37,500 1,250 500,000	26,433,250 686,655 910,643 (445,664) 46,262 5,433 37,542 94,297 1,481,494 27,210 34,622 52,105 149,228 334,236 21,043 3,050,000	100.00 61.63 99.99 96.18 100.00 100.00 50.00 100.00 39.42 15.00 18.11 11.11 10.71 2.50 2.50 11.58	- - - - - - - - - - - 52,105 149,228 334,236 21,043 3,050,000	
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd. THI consultants Web Point Co., Ltd.	(Note A) (Note L) -	Investments accounted for using the equity method Financial asset at FVTOCI - non-current Financial asset at FVTOCI - non-current	17,043 1,214 161	309,813 12,190 1,618	70.00 18.32 0.63	- 12,190 1,618	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd. Information Security Service Digital United Inc. Digital United (Cayman) Ltd. Yuanshi Digital Technology Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd. Prime EcoPower Co., Ltd. Drive Catalyst SPC-SP Tranche One Drive Catalyst SPC-SP Tranche Two Drive Catalyst SPC-SP Tranche Three Nextlink Technology Co., Ltd. Ju An Long-Age Co., Ltd. Yuan Hsin Digital Payment Co., Ltd. ARCOA Communication Co., Ltd. Kaohsiung Rapid Transit Corporation Bank Pro E-service Technology Co., Ltd. Changing.ai Inc. Opas Fund Segregated Portfolio Tranche A Opas Fund Segregated Portfolio Tranche B Opas Fund Segregated Portfolio Tranche C	(Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note K) - - (Note K) (Note K) (Note K)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Other non-current liabilities Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Financial asset at FVTOCI - non-current Financial asset at FVTOCI - non-current Financial asset at FVTOCI - non-current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current	54,000 12,029 10,320 375 1,816 16,000 4 8 8 11,164 1,000 4,236 9,026 8,858 600 500 10 5 2	83,899 149,423 440,428 (15,443) 9,070 126,125 137,086 254,508 249,104 488,446 14,257 11,882 126,754 47,569 4,500 27,311 332,663 158,119 128,493	100.00 100.00 100.00 3.33 5.00 100.00 25.00 25.00 25.00 70.00 25.00 6.22 6.72 3.18 3.33 2.27 - - -	- - - - - - - - - - - - - 47,569 4,500 27,311 332,663 158,119 128,493	
IDEAWORKS Entertainment Co., Ltd.	Mission International Co., Ltd.	(Note A)	Investments accounted for using the equity method	8,000	72,709	100.00	-	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited New Diligent Hong Kong Co., Ltd.	(Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method	30 (Note G)	409 2,391	100.00 100.00	- -	
DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	58,471	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note II)	
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd. Nextlink (HK) Technology Co., Ltd. Microfusion (HK) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,495	\$ 63,508	100.00	\$ -	
		(Note A)	Investments accounted for using the equity method	-	37,565	100.00	-	
		(Note A)	Investments accounted for using the equity method	-	281	100.00	-	
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Ltd. TBCASoft, Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	16,289	100.00	-	
		-	Financial asset at FVTOCI - non-current	727	308,322	4.59	308,322	
Nextlink (HK) Technology Co., Ltd.	Nextlink (Shanghai) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,503	70.00	-	

Notes: A. Equity-method investee.

B. Investor and investee have the same chairman.

C. The chairman of investee is the chairman of FENC.

D. Parent company.

E. Financial assets under asset management contracts can be sold in the open market investee, Oriental Securities Investment Consultant Co., Ltd.

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

G. Company limited.

H. The fair value of unlisted equity investments held by the Group was not disclosed due to it cannot be reliably measured.

I. The subsidiary of the invested company accounted for using the equity method.

J. The subsidiary of FENC's associate.

K. Related party in substance.

L. The investor is the corporate director of the investee.

M. The investor is the corporate supervisor of the investee.

N. Joint operation entity.

O. Oriental Investment Holding (Netherlands) was established and registered on January 23, 2020, but as of December 31, 2022, the relevant investment funds have not been remitted.

P. Oriental Martens (Netherlands) B.V. was established and registered on February 12, 2020, but as of December 31, 2022, the relevant investment funds have not been remitted.

Q. As of December 31, 2022, the procedure of cash capital increase has not completed, therefore recognized it as prepayment for investments (accounting for other non-current assets).

R. FETC International (Malaysia) Co., Ltd. was established and registered on September 23, 2022, but as of December 31, 2022, the relevant investment funds have not been remitted.

S. FE Green PET (M) Sdn. Bhd was established and registered on October 26, 2022, but as of December 31, 2022, the relevant investment funds have not been remitted.

(Concluded)

TABLE 7

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation	Far Eastern Polytex (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note B)	168	\$ 9,415,124	6	\$ 345,300	1	\$ -	\$ 39,984 (Note E)	\$ -	\$ 1,453	173	\$ 9,721,893
	Far Eastern Investment (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note B)	5,461	28,278,359	1,390	8,325,100	-	-	-	-	4,390,330	6,851	40,993,789
	Oriental Petrochemical Corporation	Investments accounted for using the equity method	Cash capital increase	(Note B)	1,712,218	7,683,250	226,675	2,266,745	-	-	-	-	(1,640,781)	1,938,893	8,309,214
	Far Eastern Fibertech Co., Ltd.	Investments accounted for using the equity method	Yuan Ding Investment Co., Ltd.	(Note B)	-	-	91,000	1,380,326	-	-	-	-	(94,693)	91,000	1,285,633
	Oriental Green Materials Ltd.	Investments accounted for using the equity method	Yuan Ding Investment Co., Ltd.	(Note B)	-	-	66,116	825,569	-	-	-	-	(49,026)	66,116	776,543
Yuan Ding Investment Co., Ltd.	Far Eastern Fibertech Co., Ltd.	Investments accounted for using the equity method	Far Eastern New Century Corporation	(Note A)	91,000	1,477,768	-	-	91,000	1,380,326	1,285,633	(Note H)	(192,135)	-	-
	Oriental Green Materials Ltd.	Investments accounted for using the equity method	Far Eastern New Century Corporation	(Note A)	59,936	678,459	6,180 (Note F)	-	66,116	825,569	776,543	(Note H)	98,084	-	-
Far Eastern Investment (Holding) Ltd.	Far Eastern Polytex (Vietnam) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note B)	(Note D)	US\$ 345,162	(Note D)	US\$ 100,000	-	-	-	-	US\$ 22,103	(Note C)	US\$ 467,265
APG Polytech USA Holdings, Inc.	Corpus Christi Polymers LLC	Investments accounted for using the equity method	Cash capital increase	(Note C)	(Note D)	US\$ 425,149	(Note D)	US\$ 36,487	-	-	-	-	US\$ (1,971)	(Note C)	US\$ 459,655
Far Eastern General Contractor Inc	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	11,878	132,171	66,331	740,000	45,984	512,540	512,171	369	229 (Note G)	32,225	360,229
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,998	114,039	45,516	744,000	38,894	635,566	635,039	527	158 (Note G)	13,620	223,158
	Union Securities Money Market Funds	Financial assets at fair value through profit or loss - current	-	-	-	-	36,004	481,000	19,706	263,044	263,000	44	657 (Note G)	16,298	218,657
Far Eastern Polytex (Holding) Ltd.	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Investments accounted for using the equity method	Cash capital increase	(Note B)	(Note D)	3,815,870	(Note D)	342,720	-	-	-	-	61,666	(Note C)	4,220,256
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	Financial assets at fair value through profit or loss - current	-	-	625,412	RMB 625,412	401,379	RMB 401,379	448,500	RMB 448,500	RMB 448,500	-	(Note G)	578,291	RMB 578,291
Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	102,509	253,936	98,522	985,217	98,522	-	-	-	(666,512)	102,509	572,641

Notes: A. Parent company.

B. Subsidiaries.

C. Joint operation entity.

D. Company limited.

E. Capital reduction and refund.

F. Using Dividends Received from Investee.

G. Gain or loss on financial asset at FVTPL.

H. There was no gains (losses) on disposal due to the equity transactions.

TABLE 8

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2022

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

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Far Eastern Resources Development Co., Ltd.	Land in Yadong Section, Banqiao District, New Taipei City	2022/5/10	\$ 1,277,755	(Note)	Far Eastern School Legal Person	The same chairman	Far East Resources Development.	Subsidiary	2015/2/2	\$ 1,080,748	Valuation report issued by Cushman & Wakefield Appraisers Valuation report issued by Colliers International Real Estate Appraisers Associates	In response to the overall planning of T park.	None

Note: Exchange out the investment properties - land amounted to \$1,277,755 thousand (referred to Table 9), and no additional cash was paid.

**TABLE 9****FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES****DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL****FOR THE YEAR ENDED DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Far Eastern Resources Development Co., Ltd.	Land in Yadong Section, Banqiao District, New Taipei City	2022/5/10	2003/9/2	\$ 1,277,755	\$ 1,277,755	(Note A)	\$ -	Far Eastern School Legal Person	The same chairman	In response to the needs of its campus development plans.	Valuation report issued by Cushman & Wakefield Appraisers Valuation report issued by Colliers International Real Estate Appraisers Associates	
Far Eastern Resources Development Co., Ltd.	Land in Yadong Section, Banqiao District, New Taipei City	2022/8/10	2004/6/10 2022/6/30	2,289,615	2,289,615	(Note B)	-	Far Eastern Medical Foundation	The same chairman	Far Eastern Medical Foundation will consider the overall future development plan and intends to purchase the adjacent land.	Valuation report issued by Cushman & Wakefield Appraisers Valuation report issued by Colliers International Real Estate Appraisers Associates Valuation report issued by Savills plc Valuation Report Issued by Xinyi Real Estate Appraisers & Associates	

Note 1: Exchange in the investment properties - land amounted to \$1,277,755 thousand (referred to Table 8), and no additional cash was received.

Note 2: Contract price is collected in installments, as of December 31, 2022, \$89,615 thousand was received and others recognized as other receivables \$220,000 thousand and long-term receivables \$1,980,000 thousand.

TABLE 10

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Far Eastern New Century Corporation	Worldwide Polychem (HK) Limited	(Note A)	Sale	\$ (5,473,239)	(11)	Based on contract	-	-	\$ -	-	\$ 2,542,001	35	
	APG Polytech, LLC	(Note A)	Sale	(1,890,200)	(4)	Based on contract	-	-	-	-	430,906	6	
	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Sale	(896,502)	(2)	Based on contract	-	-	-	-	164,691	2	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Sale	(796,593)	(2)	Based on contract	-	-	-	-	32,330	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Purchase	790,176	2	Based on contract	-	-	-	-	(142,441)	(5)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Sale	(585,782)	(1)	Based on contract	-	-	-	-	73,227	1	
	Oriental Green Materials Ltd.	(Note A)	Sale	(300,137)	(1)	Based on contract	-	-	-	-	69,447	1	
	Phoenix Technologies International, LLC	(Note A)	Sale	(222,852)	-	Based on contract	-	-	-	-	-	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Sale	(173,820)	-	Based on contract	-	-	-	-	15,524	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Sale	(143,883)	-	Based on contract	-	-	-	-	1,951	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Sale	(115,025)	-	Based on contract	-	-	-	-	51,397	1	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note D)	Sale	(393,059)	(1)	Based on contract	-	-	-	-	82,427	1	
	Everest Textile Corporation	(Note D)	Sale	(216,281)	-	Based on contract	-	-	-	-	27,636	-	
	Oriental Union Chemical Corporation	(Note D)	Purchase	976,297	2	Based on contract	-	-	-	-	(55,159)	(2)	
	Oriental Green Materials Ltd.	(Note A)	Purchase	2,375,583	5	Based on contract	-	-	-	-	(162,100)	(6)	
	Oriental Petrochemical Corporation	(Note A)	Purchase	15,094,236	34	Based on contract	-	-	-	-	(924,942)	(33)	
Oriental Petrochemical Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(15,094,236)	(40)	Based on contract	-	-	-	-	924,942	23	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Sale	(7,259,901)	(19)	Based on contract	-	-	-	-	1,278,180	32	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(114,277)	0	Based on contract	-	-	-	-	69,447	42	
Oriental Green Materials Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(2,375,583)	(97)	Based on contract	-	-	-	-	162,100	99	
	Far Eastern New Century Corporation	(Note B)	Purchase	300,137	13	Based on contract	-	-	-	-	-	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note C)	Purchase	300,317	13	Based on contract	-	-	-	-	(23,412)	(14)	
Far Eastern Fibertech Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(236,833)	(11)	Based on contract	-	-	-	-	17,320	31	
	Everest Textile Corporation	(Note D)	Sale	(248,418)	(11)	Based on contract	-	-	-	-	3,975	7	
Far Eastern Construction Co., Ltd.	Chubei New Century Shopping Mall Co., Ltd.	(Note D)	Construction contract revenue	(113,139)	(2)	Based on contract	-	-	-	-	140,111	31	
	Far Eastern Construction Co., Ltd.	(Note C)	Construction contract revenue	(423,691)	(7)	Based on contract	-	-	-	-	122,473	27	
	Far Eastern Resources Development Co., Ltd.	(Note C)	Construction contract revenue	(537,525)	(9)	Based on contract	-	-	-	-	134,561	30	
	Ya Tung Ready-mixed Concrete Corporation	(Note D)	Purchase	(150,226)	(3)	Based on contract	-	-	-	-	94,304	5	
Far Eastern Construction Co., Ltd.	Far Eastern Construction Co., Ltd.	(Note C)	Purchase	416,559	98	Based on contract	-	-	-	-	(122,473)	(39)	
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(3,696,309)	(64)	Based on contract	-	-	-	-	572,678	66	
	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Sale	(418,612)	(7)	Based on contract	-	-	-	-	85,069	10	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	372,004	8	Based on contract	-	-	-	-	(12,343)	(2)	
Far Eastern Industries (Shanghai) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(1,174,426)	(5)	Based on contract	-	-	-	-	188,715	9	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(899,167)	(4)	Based on contract	-	-	-	-	87,211	4	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(433,539)	(2)	Based on contract	-	-	-	-	84,406	4	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(372,004)	(2)	Based on contract	-	-	-	-	12,343	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Sale	(162,169)	(1)	Based on contract	-	-	-	-	19,486	1	
	Far Eastern New Century Corporation	(Note B)	Purchase	896,502	4	Based on contract	-	-	-	-	(164,691)	(22)	
	Oriental Petrochemical Corporation	(Note C)	Purchase	114,277	1	Based on contract	-	-	-	-	-	-	

(Continued)



Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Fibertech Ltd.	(Note C)	Purchase	\$ 236,833	1	Based on contract	-	-	\$ -	-	\$ (17,320)	(2)	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	386,875	2	Based on contract	-	-	-	-	(80,207)	(10)	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	10,014,906	46	Based on contract	-	-	-	-	-	-	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(10,014,906)	(70)	Based on contract	-	-	-	-	-	-	
Wuhan Far Eastern New Material Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(939,159)	(38)	Based on contract	-	-	-	-	423,923	5	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	418,612	18	Based on contract	-	-	-	-	(85,069)	(25)	
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(386,875)	(27)	Based on contract	-	-	-	-	80,207	26	
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(223,492)	(16)	Based on contract	-	-	-	-	74,194	24	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	899,167	66	Based on contract	-	-	-	-	(87,211)	(87)	
Far Eastern New Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(268,955)	(3)	Based on contract	-	-	-	-	37,867	1	
	Far Eastern New Century Corporation	(Note B)	Purchase	115,025	1	Based on contract	-	-	-	-	(51,397)	(6)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	433,539	5	Based on contract	-	-	-	-	(84,406)	(10)	
Far Eastern Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(2,591,727)	(95)	Based on contract	-	-	-	-	340,648	91	
	Far Eastern New Century Corporation	(Note C)	Purchase	173,820	7	Based on contract	-	-	-	-	(15,524)	(100)	
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Purchase	116,124	4	Based on contract	-	-	-	-	(72,089)	(100)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	480,104	18	Based on contract	-	-	-	-	(75,721)	(100)	
Far Eastern Polytex (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Sale	(2,320,294)	(38)	Based on contract	-	-	-	-	224,819	42	
	Far Eastern New Century Corporation	(Note B)	Purchase	143,883	3	Based on contract	-	-	-	-	(1,951)	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	315,748	6	Based on contract	-	-	-	-	(44,258)	(11)	
	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Purchase	1,142,676	21	Based on contract	-	-	-	-	(238,985)	(58)	
Far Eastern Ishizuka Green Pet Corporation	Worldwide Polychem (HK) Limited	(Note C)	Sale	(2,358,175)	(12)	Based on contract	-	-	-	-	1,134,231	43	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Sale	(480,104)	(2)	Based on contract	-	-	-	-	75,721	3	
	APG Polytech, LLC	(Note C)	Sale	(270,918)	(1)	Based on contract	-	-	-	-	-	-	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	162,169	1	Based on contract	-	-	-	-	(19,486)	(1)	
	Far Eastern New Century Corporation	(Note B)	Purchase	585,782	3	Based on contract	-	-	-	-	(73,227)	(3)	
	Oriental Petrochemical Corporation	(Note C)	Purchase	7,259,901	41	Based on contract	-	-	-	-	(1,278,180)	(45)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(315,748)	(2)	Based on contract	-	-	-	-	44,258	2	
FE New Century Industrial (Singapore) Pte. Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(790,176)	(16)	Based on contract	-	-	-	-	142,441	25	
	Oriental Green Materials Ltd.	(Note C)	Sale	(300,317)	(6)	Based on contract	-	-	-	-	23,412	4	
	Far Eastern New Century Corporation	(Note B)	Purchase	796,593	20	Based on contract	-	-	-	-	(32,330)	(7)	
Worldwide Polychem (HK) Limited	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(1,142,676)	(10)	Based on contract	-	-	-	-	238,985	22	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(1,008,025)	(9)	Based on contract	-	-	-	-	112,210	10	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Sale	(116,124)	(1)	Based on contract	-	-	-	-	72,089	7	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	223,492	2	Based on contract	-	-	-	-	(72,640)	(5)	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Purchase	268,955	2	Based on contract	-	-	-	-	(37,542)	(3)	
	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Purchase	939,159	8	Based on contract	-	-	-	-	(42,928)	(3)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	1,174,426	10	Based on contract	-	-	-	-	(183,575)	(13)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,320,294	21	Based on contract	-	-	-	-	(224,819)	(15)	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,591,727	23	Based on contract	-	-	-	-	(342,093)	(23)	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	3,696,309	32	Based on contract	-	-	-	-	(560,587)	(38)	
	Phoenix Technologies International, LLC	(Note C)	Sale	(335,364)	(4)	Based on contract	-	-	-	-	-	-	
Phoenix Technologies International, LLC	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	2,358,175	30	Based on contract	-	-	-	-	(1,134,231)	(31)	
	Far Eastern New Century Corporation	(Note B)	Purchase	5,473,239	70	Based on contract	-	-	-	-	(2,542,001)	(69)	
	APG Polytech, LLC	(Note C)	Sale	(295,695)	(15)	Based on contract	-	-	-	-	-	-	
Worldwide Polychem (HK) Limited	Far Eastern New Century Corporation	(Note B)	Purchase	222,852	11	Based on contract	-	-	-	-	-	-	(Note G)
	Worldwide Polychem (HK) Limited	(Note C)	Purchase	335,364	17	Based on contract	-	-	-	-	-	-	(Note E)

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
APG Polytech, LLC	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	\$ 270,918	2	Based on contract	-	-	\$ -	-	\$ -	-	
	Phoenix Technologies International, LLC	(Note C)	Purchase	295,695	2	Based on contract	-	-	-	-	-	-	
	Far Eastern New Century Corporation	(Note B)	Purchase	1,890,200	12	Based on contract	-	-	-	-	(430,906)	(30)	
Pet Far Eastern (M) Sdn. Bhd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note C)	Purchase	1,008,025	78	Based on contract	-	-	-	-	(112,210)	(100)	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Cost of sales and marketing expenses	8,171,910	16	Based on contract	-	-	-	-	(448,355)	(2)	
	ARCOA Communication Co., Ltd.	(Note C)	Operating revenue	(846,632)	(1)	Based on contract	-	-	-	-	175,446	2	(Note G)
	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(130,388)	-	Based on contract	-	-	-	-	9,316	-	
	New Century InfoComm Tech Co., Ltd.	(Note C)	Cost of sales	1,906,095	4	Based on contract	-	-	-	-	(453,858)	(2)	(Note E)
	DataExpress Infotech Co., Ltd.	(Note C)	Cost of sales and marketing expenses	226,352	-	Based on contract	-	-	-	-	44,013	-	
	Yuanshi Digital Technology Co., Ltd.	(Note C)	Operating revenue	(798,510)	(1)	Based on contract	-	-	-	-	77,236	1	(Note G)
	Far EasTone Property Insurance Agent Co., Ltd.	(Note C)	Operating revenue	(378,285)	(1)	Based on contract	-	-	-	-	119,354	2	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(1,906,095)	(20)	Based on contract	-	-	-	-	453,858	32	(Note F)
	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	130,388	2	Based on contract	-	-	-	-	9,316	1	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(8,171,910)	(69)	Based on contract	-	-	-	-	448,355	49	
	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	846,632	8	Based on contract	-	-	-	-	175,446	16	(Note G)
	Home Master Technology Ltd.	(Note C)	Operating revenue	(664,592)	(6)	Based on contract	-	-	-	-	117,170	13	
DataExpress Infotech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(226,352)	(4)	Based on contract	-	-	-	-	44,013	8	
	Home Master Technology Ltd.	(Note C)	Operating revenue	(182,601)	(3)	Based on contract	-	-	-	-	17,785	3	
	Yuanshi Digital Technology Co., Ltd.	(Note C)	Operating revenue	(111,297)	(2)	Based on contract	-	-	-	-	-	-	(Note G)
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Cost of sales	664,592	43	Based on contract	-	-	-	-	(117,170)	(62)	
	DataExpress Infotech Co., Ltd.	(Note C)	Cost of sales	182,601	12	Based on contract	-	-	-	-	(17,785)	(9)	
Yuanshi Digital Technology Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	798,510	28	Based on contract	-	-	-	-	(77,236)	(23)	(Note G)
	DataExpress Infotech Co., Ltd.	(Note C)	Cost of sales	111,297	4	Based on contract	-	-	-	-	-	-	(Note G)
Far EasTone Property Insurance Agent Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	378,285	85	Based on contract	-	-	-	-	(119,354)	(92)	

Notes: A. Subsidiary.

B. Parent company.

C. Same ultimate parent company.

D. The subsidiaries of the consolidated company's investee which accounted for using the equity method.

E. The receivables from related parties were mainly from the advance payments made for NCIC's daily operating expenditures, and the operating management service revenue from NCIC, the collection of telecommunications bills by Far EasTone for NCIC and other receivables from related parties which was the financing provided by NCIC to Far EasTone.

F. Including telecommunications bills collected by Far EasTone for NCIC.

G. Part of the revenue from Yuanshi Digital Technology Co., Ltd. is collected by ARCOA Communication Co., Ltd. on behalf of Far EasTone Telecommunications Co., Ltd.

(Concluded)

TABLE 11

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	(Note B)	\$ 2,542,001	2.56	\$ -	-	\$ 1,008,695	\$ -
	APG Polytech, LLC	(Note B)	430,906	8.39	-	-	152,495	-
	Far Eastern Industries (Shanghai) Ltd.	(Note B)	164,691	4.27	-	-	143,448	-
Oriental Petrochemical Co., Ltd.	Far Eastern Polytex (Vietnam) Ltd.	(Note D)	1,278,180	5.91	-	-	1,050,332	-
	Far Eastern New Century Corporation	(Note C)	924,942	16.75	-	-	924,942	-
Oriental Green Material Ltd.	Far Eastern New Century Corporation	(Note C)	162,100	15.96	-	-	162,100	-
Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	(Note C)	142,441	7.53	-	-	142,441	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note D)	572,678	6.70	-	-	339,591	-
Far Eastern Industries (Shanghai) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note D)	188,715	3.20	-	-	188,715	-
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	(Note D)	1,134,231	1.98	-	-	213,295	-
Far Eastern New Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note D)	340,648	9.42	-	-	286,859	-
Far Eastern Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	(Note D)	224,819	7.87	-	-	-	-
FE New Century Industrial (Singapore) Pte. Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	112,210	7.17	-	-	46,788	-
	Far Eastern Apparel (Vietnam) Ltd.	(Note D)	238,985	4.34	-	-	18,026	-
Ding Ding Integrated Marketing Services Co., Ltd.	Pacific SOGO Department Stores Co., Ltd.	(Note E)	107,737	(Note F)	-	-	99,922	-
Far Eastern General Contractor Inc.	Chubei New Century Shopping Mall Co., Ltd.	(Note D)	140,111	(Note G)	-	-	-	-
	Far Eastern Construction Co., Ltd.	(Note D)	122,473	(Note G)	-	-	99,122	-
	Far Eastern Resource Development Co., Ltd.	(Note D)	134,561	(Note G)	-	-	134,561	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	178,129	9.22	-	-	135,319	-
	Far EasTone Property Insurance Agent Co., Ltd.	(Note D)	119,354	3.52	-	-	31,533	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	531,782	(Note H)	-	-	249,576	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	448,355	17.10	-	-	448,355	-
	Home Master Technology Ltd.	(Note D)	117,170	5.77	-	-	532	-

(Continued)

Notes: A. This table does not include the receivables from loans to related parties and receivable due to disposal of real estate. For more details, refer to Tables 4 and 9.

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

E. The consolidated company's investee and the subsidiary of the consolidated company's investee which were accounted for using the equity method.

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

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

H. All interconnection revenue, costs and collection of revenue from international direct dialing between the Company and NCIC were settled in net amounts and included in accounts receivable/payable-related parties, and the turnover rate was unavailable.

(Concluded)

TABLE 12

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2022	December 31, 2021	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern New Century Corporation	Asia Cement Corporation	Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	750,511	21.17	\$ 20,370,209	\$ 12,016,396	\$ 2,253,120	Investment gain or loss recognized under the treasury shares method (Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	5,137,442	1,930,174	329,288	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,018,610	38,873	(89,747)	Including the adjustments of investment properties and the transactions between subsidiaries \$(93,212) (Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	108	0.02	1,214	21,844	4	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	159,823	159,823	141,961	19.65	1,901,195	(469,364)	(92,230)	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	810,000	810,000	135,000	16.83	2,088,859	1,092,494	183,867	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	906,237	805,598	103,816	2.55	1,341,657	3,677,502	113,942	Including the adjustments of the difference between cost and net worth obtained \$18,327 (Note A)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,052	100,052	1,822,822	99.40	43,004,479	5,271,752	5,221,095	Including the adjustments of the difference of investment properties between parent-company-only and consolidated and the transactions between subsidiaries \$(19,026) (Notes B and H)
	Far Eastern Resources Development Co., Ltd.	Taiwan	Real estate construction and sales	14,931,733	14,931,733	775,836	100.00	107,669,917	879,387	879,372	Including the adjustments of the transactions between subsidiaries \$(15) (Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	10,688,227	10,382,911	173	100.00	9,721,893	(124,890)	(124,890)	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment and sale of chemical fiber production	7,318,312	7,318,312	830,815	73.04	7,415,878	325,945	238,070	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	744,410	100.00	8,866,769	652,041	661,947	Including the adjustments of the transactions between subsidiaries \$9,906 (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	371,671	100.00	5,647,439	351,293	351,293	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment and sale of petrochemicals	34,628,533	26,303,433	6,851	100.00	40,993,789	1,599,422	1,599,422	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	6,626,110	6,626,110	397	91.95	3,015,403	(1,630,484)	(1,499,230)	(Note B)
	Oriental Petrochemical Corporation	Taiwan	PTA production and sales	18,475,783	16,209,038	1,938,893	75.56	8,309,214	(2,259,127)	(1,666,049)	Including the adjustments of the difference of investment properties between parent-company-only and consolidated and the transactions between subsidiaries \$40,947 (Notes B and H)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and sales	143,450	143,450	270,412	65.11	10,521,112	598,717	340,221	Including the adjustments of the transactions between subsidiaries \$(49,604) (Note B)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,213,931	20,745	12,644	(Notes B and I)
	An Ho Garment Co., Ltd.	Taiwan	Garment production and Investment	1,023	1,023	76,629	100.00	2,179,991	217,857	217,960	Including the adjustments of the transactions between subsidiaries \$79 (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	258,756	100.00	3,203,985	205,801	205,880	Including the adjustments of the transactions between subsidiaries \$79 (Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	782,142	19,686	9,928	(Note B)
	Fu Kwok Knitting & Garment Co., Ltd.	Taiwan	Garment production	9,205	9,205	4,000	100.00	299,154	88,399	88,399	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	415,824	408,433	769	0.74	11,369	(692,956)	(5,128)	(Note B)
	Far Eastern Textile Ltd.	Taiwan	Textile production	13,000	13,000	1,300	100.00	14,055	710	710	(Note B)
	FE Oriental Investment Holding (Singapore) Pte. Ltd.	Singapore	Investment	147,400	147,400	50	100.00	199,638	19,356	19,356	(Note B)
	Far Eastern Apparel Co., Ltd.	Taiwan	Sale of textiles, garments, and clothing	181,416	-	44,772	100.00	209,543	(12,929)	-	(Notes B and R)
	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	1,380,326	-	91,000	100.00	1,285,633	151,411	-	(Notes B and R)
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing	140,127	-	5,739	100.00	146,265	71,620	-	(Notes B and R)
	Oriental Green Materials Ltd.	Taiwan	Waste recycling and processing	825,569	-	66,116	100.00	776,543	97,934	-	(Notes B and R)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2022	December 31, 2021	Shares (Thousands)	% of Ownership	Carrying Amount			
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	\$ 2,116,774	\$ 2,108,810	54,202	1.53	\$ 2,341,329	\$ 12,016,396	\$ -	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,085,488	1,085,488	70,818	8.00	1,064,257	38,873	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	3,288,166	3,288,166	139,785	9.87	3,389,346	1,930,174	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,120,654	1,120,654	164,614	23.70	1,541,103	21,844	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	20,643,180	9,607,895	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,232,896	1,095,981	141,238	3.47	1,824,748	3,677,502	-	(Note A)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment and sale of chemical fiber production	1,392,692	1,392,692	306,644	26.96	2,737,296	325,945	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment and sale of textile	2,179,442	2,179,442	111	100.00	5,206,827	449,407	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taiwan	Sale of polychemical products	263,790	263,790	74,886	41.86	2,755,803	564,204	-	(Note A)
	Far Eastern Apparel Co., Ltd.	Taiwan	Sale of textiles, garments, and clothing	-	587,984	-	-	-	(12,929)	-	(Notes B and R)
	Yuan Faun Co., Ltd.	Taiwan	Production management consulting	63,671	63,671	6,675	100.00	189,283	10,257	-	(Note B)
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	4,745	45.50	59,492	3,565	-	(Note A)
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and sales	319,380	319,380	36,706	46.20	400,020	19,402	-	(Note A)
	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	-	585,000	-	-	-	151,411	-	(Notes B and R)
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing	-	13,475	-	-	-	71,620	-	(Notes B and R)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	504,806	504,806	86,615	35.00	3,343,061	1,943,242	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	33,003	29.80	553,169	288,909	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	255,424	255,424	187,470	25.96	2,617,270	(469,364)	-	(Note A)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	12.86	1,122,624	20,745	-	(Note B)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	949,695	138,560	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment and sale of textile	7,142,602	7,142,602	110	100.00	8,583,122	76,600	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	796,491	796,491	119,653	14.92	1,765,241	1,092,494	-	(Notes A and E)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	673,704	673,704	98,198	18.96	1,021,379	744,574	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	14,682	14,682	1,803	1.00	31,224	542,038	-	(Note B)
	Oriental Petrochemical Corporation	Taiwan	PTA production and sales	935,279	779,399	133,334	5.20	586,552	(2,259,127)	-	(Note B)
	Oriental Green Materials Ltd.	Taiwan	waste recycling and processing	-	647,083	-	-	-	97,934	-	(Notes B and R)
Far Eastern Investment (Holding) Ltd.	Filsyn Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	-	-	(Note A)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	148,978	61,748	-	(Note B)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	-	-	-	(Note A)
	Far Eastern Apparel (Vietnam) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	(Note D)	100.00	1,175,368	278,646	-	(Note B)
	Worldwide Polychem (HK) Ltd.	Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	80,098	(74,533)	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	(Note D)	34.00	1,739	75	-	(Note A)
	Far Eastern Polytech (Vietnam) Ltd.	Vietnam	Chemical fiber and Textile production	US\$ 408,700	US\$ 308,700	(Note D)	100.00	14,349,714	659,784	-	(Note B)
	Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Garment production	US\$ 33,000	US\$ 33,000	(Note D)	100.00	443,278	(16,550)	-	(Note B)
	Magna View Sdn. Bhd.	Malaysia	Investment	US\$ 3,465	US\$ 3,465	3,000	100.00	149,429	30,740	-	(Note B)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	US\$ 15,849	US\$ 15,849	30	37.92	488,545	(448)	-	(Note B)
	Drive Catalyst SPC	Cayman Islands	Investment	US\$ 17	US\$ 17	(Note D)	34.00	539	13	-	(Note A)
	APG Polytech USA Holdings, Inc.	America	Investment	US\$ 606,467	US\$ 606,467	6	100.00	20,910,883	1,235,399	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	US\$ 4,000	US\$ 4,000	4	25.00	137,086	4,376	-	(Note A)
	Drive Catalyst SPC-SP Tranche Two	Cayman Islands	Investment	US\$ 8,000	US\$ 4,000	8	25.00	254,508	3,143	-	(Note A)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	US\$ 8,000	US\$ 8,000	8	25.00	249,104	3,610	-	(Note A)
	Far Eastern International Garments	Philippines	Garment production	US\$ 1	US\$ 1	59	41.00	(12,650)	-	-	(Note A)
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	US\$ 1	US\$ 1	90	50.00	(11,738)	-	-	(Note A)
APG Polytech USA Holdings, Inc.	Corpus Christi Polymers LLC	America	Petrochemical materials production and polychemical products production	US\$ 470,320	US\$ 433,833	(Note D)	33.33	14,116,324	(176,470)	-	(Note K)
	APG Polytech, LLC	America	Polychemical products production	US\$ 90,000	US\$ 90,000	(Note D)	100.00	6,176,612	1,566,814	-	(Note B)
	Phoenix Technologies International, LLC	America	Production and sale of recycled plastic resins and their waste and general industrial waste handling	US\$ 26,500	US\$ 21,500	(Note D)	100.00	412,638	(25,769)	-	(Note B)
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	148,978	61,748	-	(Note B)
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	342,758	342,758	12,369	0.35	482,067	12,016,396	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	258,946	258,946	11,983	0.85	281,952	1,930,174	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	92,860	92,860	6,447	0.93	64,172	21,844	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	677,665	677,665	27,365	3.09	579,415	38,873	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0.03	40,194	9,607,895	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	17,121	2.24	260,023	1,092,494	-	(Notes A and E)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	95,624	95,624	104,951	13.20	490,519	281,377	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	916,138	814,399	25,312	2.58	1,355,147	3,677,502	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2022	December 31, 2021	Shares (Thousands)	% of Ownership	Carrying Amount			
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	\$ 732,627	\$ 732,627	35,558	0.71	\$ 1,035,279	\$ 12,016,396	\$ -	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	880,911	880,911	4,211	1.09	1,089,670	9,607,895	-	(Note B)
	Everest Textile Corporation	Taiwan	Chemical fiber production	45,376	45,376	32,474	0.61	46,086	21,844	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	742,702	742,702	20,672	3.67	567,643	38,873	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	519,473	1,127	1.46	602,281	1,930,174	-	(Note A)
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	74,970	49.00	490,895	(9,495)	-	(Note A)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	18,000	16.80	950,626	138,560	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	127,414	2.24	260,225	1,092,494	-	(Notes A and E)
Far Eastern Polychem Industries Ltd.	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,112,229	988,714	114,575	3.13	1,645,815	3,677,502	-	(Note A)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	8.05	263,991	(1,630,484)	-	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	768,804	19,686	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	Production and sale of recycled plastic resins and their waste and general industrial waste handling	JPY 2,991,678	JPY 2,991,678	3,578	90.00	1,612,792	379,156	-	(Note B)
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.50	632,111	12,016,396	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	271,587	271,587	178,370	98.95	2,874,769	542,038	-	(Note B)
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	16,246	16,246	469	0.01	16,864	12,016,396	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	6,353	6,353	90	-	5,916	9,607,895	-	(Note B)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	11	0.01	179	281,377	-	(Note A)
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	7,473	13,854	-	(Note B)
Malaysia Garment Manufactures Pte. Ltd.	Filsyn Corporation	Philippines	Polychemical products	PESO 102,565	PESO 102,565	20,513	9.95	-	-	-	(Note A)
	Arpeggio International Resources Corporation	Philippines	Industry investment	PESO 15,200	PESO 15,200	(Note D)	40.00	-	-	-	(Note A)
	PT Malaysia Garment Bintan	Indonesia	Garment production	SGD -	SGD -	(Note D)	99.00	(37)	-	-	(Note B)
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1.25	967,479	9,607,895	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.17	263,751	12,016,396	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	225,287	38,873	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	370	0.03	12,140	1,930,174	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	122,937	122,732	8,774	1.21	111,818	(469,364)	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	20,324	15.66	483,808	281,377	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	67,285	67,285	9,681	1.21	145,310	1,092,494	-	(Notes A and E)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	173,491	5,271,752	-	(Note B)
Yuan Faun Co., Ltd.	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	228,133	202,798	26,134	0.64	337,981	3,677,502	-	(Note A)
	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	12,099	945	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	48,341	42,973	5,538	0.14	71,582	3,677,502	-	(Note A)
Fu Kwok Knitting & Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.02	18,398	9,607,895	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,549,498	9,607,895	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	2,086,732	2,054,200	79,250	5.59	2,248,412	1,930,174	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	68,526	59,045	6,460	0.93	69,805	21,844	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,759,501	1,759,501	49,905	5.63	1,527,923	38,873	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	1,067,775	1,067,775	32,465	0.92	1,386,108	12,016,396	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	259,026	1,092,494	-	(Notes A and E)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	787,104	787,104	35,934	11.98	610,091	485,481	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	20	20	1	-	48	1,943,242	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(835,147)	(12,194)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	3	-	51	288,909	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	SGD 7,354	SGD 7,354	10	13.00	167,486	(448)	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,110,003	986,735	127,159	3.12	1,641,959	3,677,502	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2022	December 31, 2021	Shares (Thousands)	% of Ownership	Carrying Amount			
FE Oriental Investment Holding (Singapore) Pte. Ltd.	FE New Century Industrial (Singapore) Pte. Ltd.	Singapore	Textile product sales	US\$ 4,900	US\$ 4,900	49	100.00	\$ 197,585	\$ 19,711	\$ -	(Note B)
	Oriental Investment Holding (Netherlands) B.V.	Netherlands	Investment	-	-	-	100.00	-	-	-	(Notes B and L)
	FE Green PET (M) Sdn. Bhd.	Malaysia	Manufacture and sale of recycled plastic resins, processing and sale of recycled waste materials generated from the manufacturing process, and general (industrial) waste transportation and storage	-	-	-	100.00	-	-	-	(Notes B and O)
	FYN Green PET Corporation	Philippine	Manufacture and sale of recycled plastic resins, processing and sale of recycled waste materials generated from the manufacturing process, and general (industrial) waste transportation and storage	-	-	(Note D)	8.26	-	-	-	(Notes B and M)
Oriental Investment Holding (Netherlands) B.V.	Oriental Martens (Netherlands) B.V.	Netherlands	Investment	-	-	-	100.00	-	-	-	(Notes B)
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	Taiwan	Electronic material and relevant by-product sales	100,000	100,000	13,992	100.00	264,671	5,276	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	558,000	558,000	21,787	60.00	109,476	(64,652)	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	74,354	13,854	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	(Note D)	17.70	10,400	(2,606)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	-	566,896	-	-	-	(172,095)	-	(Notes B and Q)
	Fet Engineering Co., Ltd.	Taiwan	Investment	342,701	342,701	2,500	100.00	44,444	(2,668)	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.15	220,156	12,016,396	-	(Note B)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	102,885	9,607,895	-	(Note A)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	411,187	411,187	129,637	25.02	2,135,231	744,574	-	(Note A)
	Yue Ming Corporation	Taiwan	Trading	787	787	104	1.00	502	3,565	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	3,363	2.59	79,642	281,377	-	(Note A)
	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	10,650	5.00	138,458	143,440	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	977,650	977,650	44,796	14.93	755,027	485,481	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	86,242	76,665	9,880	0.24	127,911	3,677,502	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financial and ancillary industry	428,239	428,239	11,052	16.22	39,340	(278,051)	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	4,600,672	3,615,455	102,509	98.52	572,641	(692,956)	-	(Note B)
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	-	1,828	-	-	-	(172,095)	-	(Notes B and Q)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financial and ancillary industry	500,200	500,200	21,180	31.08	75,382	(278,051)	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	(Note D)	46.13	17,946	(5,045)	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	(Note D)	53.87	20,958	(5,045)	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Corporation	Taiwan	Chemical fiber production	2,451	2,451	101	0.01	866	21,844	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0.20	99,760	1,930,174	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,486	12,016,396	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	(Note D)	82.30	48,358	(2,606)	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	30,328	26,960	3,474	0.09	45,250	3,677,502	-	(Note A)
Far Eastern Electronic Toll Collection Co., Ltd.	FETC International Co., Ltd.	Taiwan	Dispatched labor, procuring equipment, and sales agent services	200,000	200,000	20,000	100.00	(12,730)	77,497	-	(Note B)
FETC International Co., Ltd.	FETC International (Thailand) Co., Ltd.	Thailand	Dispatched labor, procuring equipment, and sales agent services	THB 82,000	THB 82,000	8,200	100.00	87,910	(9,913)	-	(Note B)
	FETC International (Malaysia) Co., Ltd.	Malaysia	Dispatched labor, procuring equipment, and sales agent services	-	-	-	100.00	-	-	-	(Notes B and P)
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Telecommunications services	22,249,283	22,249,283	2,100,000	100.00	26,433,250	1,750,503	-	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Telecommunications services, sales of communications products and office equipment	1,305,802	1,305,802	82,762	61.63	686,655	169,867	-	(Note B)
	KGEX.com Co., Ltd.	Taiwan	Telecommunications services	2,340,472	2,340,472	68,897	99.99	910,643	137,527	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	1,686,169	1,686,169	10,821	96.18	(445,664)	(172,095)	-	(Note B)
	Yuan Cing Co., Ltd.	Taiwan	Call center services	-	-	2,000	100.00	46,262	18,777	-	(Note B)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	5,433	482	-	(Note B)
	Yuan Siang Original Company	Taiwan	TV/film making and issuance industry	41,250	-	4,125	50.00	37,542	(7,417)	-	(Note B)
	Far EasTone Property Insurance Agent Co., Ltd.	Taiwan	Property insurance agent	5,000	-	500	100.00	94,397	83,335	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	2,542,396	2,542,396	118,251	39.42	1,481,494	485,481	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	139,500	139,500	5,447	15.00	27,210	(64,652)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financial and ancillary industry	600,000	600,000	12,342	18.11	34,622	(278,051)	-	(Note B)

(Continued)



Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2022	December 31, 2021	Shares (Thousands)	% of Ownership	Carrying Amount			
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Electronic information providing services	\$ 141,750	\$ 141,750	17,043	70.00	\$ 309,813	\$ 119,503	\$ -	(Note B)
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Investment	540,000	540,000	54,000	100.00	83,899	10,896	-	(Note B)
	Information Security Service Digital United Inc.	Taiwan	Security and monitoring service via internet	148,777	148,777	12,029	100.00	149,423	19,009	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	317,446	317,446	10,320	100.00	440,428	(16,769)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	49,579	20,000	375	3.33	(15,443)	(172,095)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	46,500	46,500	1,816	5.00	9,070	(64,652)	-	(Note B)
	Prime EcoPower Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000	100.00	126,125	674	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	123,220	123,220	4	25.00	137,086	4,376	-	(Note A)
	Drive Catalyst SPC-SP Tranche Two	Cayman Islands	Investment	224,820	114,140	8	25.00	254,508	3,143	-	(Note A)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	236,440	236,440	8	25.00	249,104	3,610	-	(Note A)
	Nextlink Technology Co., Ltd.	Taiwan	Electronic information providing services	420,000	420,000	11,164	70.00	488,446	60,453	-	(Note B)
	JuAn Long-Age., Ltd.	Taiwan	Electronic information providing services	15,500	15,500	1,000	25.00	14,257	2,160	-	(Note A)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financial and ancillary industries	42,358	42,358	4,236	6.22	11,882	(278,051)	-	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Telecommunications services, sales of communications products and office equipment	116,885	-	9,026	6.72	126,754	169,867	-	(Note B)
Yuan Siang Original Company	Mission International Co., Ltd.	Taiwan	TV/film making and issuance industry	80,000	-	8,000	100.00	72,709	(7,291)	-	(Note B)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	30	100.00	409	88	-	(Note B)
	Far East New Diligent Company Ltd.	British Virgin Islands	Investment	-	330,598	(Note D)	-	-	611	-	(Notes B and N)
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	3,051	3,051	-	100.00	2,391	285	-	(Note B)
DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	Taiwan	Electronic information providing services	10,000	10,000	(Note D)	100.00	58,471	15,611	-	(Note B)
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd.	Taiwan	Electronic information providing services	17,000	17,000	4,495	100.00	63,508	16,194	-	(Note B)
	Nextlink (HK) Technology Co., Ltd.	Hong Kong	Electronic information providing services	973	973	-	100.00	37,565	(2,963)	-	(Note B)
	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information providing services	1,494	1,494	-	100.00	281	(2,764)	-	(Note B)

Notes: A. Equity-method investee.

B. Subsidiary.

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

D. Company limited.

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

F. Shares in thousands.

G. For investments in mainland China, refer to Table 13.

H. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corporation (TWSE), the Company recognized these items as investment properties in its parent-company-only financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the parent-company-only financial statements and the consolidated financial statements.

I. The effects from the adjustments of FENC shares which are held by Yuan Ding Co., Ltd. and the transactions between subsidiaries amounted to \$4,941 thousand.

J. The ending balance of the investment is zero in 2016 because the amount of reduction in capital was over the original investing value.

K. Joint operation entity.

L. Oriental Investment Holding (Netherlands) was established and registered on January 23, 2020, but as of December 31, 2022, the relevant investment funds have not been remitted.

M. Oriental Martens (Netherlands) B.V. was established and registered on February 12, 2020, but as of December 31, 2022, the relevant investment funds have not been remitted.

N. The dissolution of Far East New Diligent Company., Ltd. had been approved by the local government in April 2022.

O. FE Green PET (M) Sdn. Bhd was established and registered on October 26, 2022, but as of December 31, 2022, the relevant investment funds have not been remitted.

P. Yuan To Trading Corp. (Malaysia) was established and registered on September 23, 2022, but as of December 31, 2022, the relevant investment funds have not been remitted.

Q. Sold to New Century InfoComm Tech Co., Ltd. in December 2022.

R. In order to simplify the investment scheme, increase operation efficiency, the Company purchased 100% of the shares of Far Eastern Apparel Co., Ltd., Far Eastern Fibertech Co., Ltd., Oriental Resources Development Co. and Oriental Green Materials Ltd. from its subsidiary, Yuan Ding Investment Corporation, the date of share exchange was December 30, 2022.

(Concluded)

TABLE 13

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital (Note S)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Ltd.	Manufacture and sales of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	\$ 8,288,800 (RMB 1,880,399 thousand)	2	\$ 3,700,967	\$ -	\$ -	\$ 7,491,974	\$ 195,726	90.03	\$ 195,726	\$ 9,795,232	\$ 853,493	Notes D, E and T
Far Eastern Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	901,776 (RMB 204,577 thousand)	2	1,010,901	-	-	1,010,901	(492)	100.00	(492)	1,504,777	233,172	Notes F and G
Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	1,047,422 (RMB 237,619 thousand)	3	-	-	-	-	17,578	100.00	17,578	1,119,233	-	
Far Eastern Innovation Apparel (Anhui) Co., Ltd.	Knitted and woven apparel, bedding and apparel accessories	40,774 (RMB 9,250 thousand)	2	-	-	-	-	(352)	100.00	(352)	40,423	-	
Far Eastern Industries (Wuxi) Ltd.	Production and marketing of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, grieve woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics	2,122,322 (RMB 481,471 thousand)	2	2,018,430	-	-	2,018,430	(361,516)	100.00	(361,516)	2,553,747	313,458	Notes H and I
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products	7,906,143 (RMB 1,793,590 thousand)	2	3,791,007	-	-	-	(1,358,231)	-	(833,275)	-	1,064,005	Notes J and T
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and sales of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps	1,627,756 (RMB 369,273 thousand)	2	1,663,638	-	-	1,663,638	560,242	100.00	560,242	2,947,621	159,799	Notes H and Q
Far Eastern Industries (Suzhou) Ltd.	Production and marketing of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	1,738,382 (RMB 394,370 thousand)	2	1,765,319	-	-	1,765,319	(4,310)	100.00	(4,310)	1,322,793	-	Note K

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note S)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outflow	Inflow							
Wuhan Far Eastern New Material Ltd.	Manufacture and sales of PET sheets, chips, and filaments PET performs and garments and its by-products	\$ 753,978 (RMB 171,048 thousand)	2	\$ 724,110	\$ -	\$ -	\$ 724,110	\$ 17,425	100.00	\$ 17,425	\$ 972,879	\$ -	
Oriental Industries (Suzhou) Ltd.	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	4,826,084 (RMB 1,094,847 thousand)	2	4,957,248	-	-	4,957,248	621,751	100.00	621,751	7,092,811	-	Note H
Far Eastern New Century (China) Investment Co., Ltd.	Investment	4,716,787 (RMB 1,070,052 thousand)	2	4,794,027	-	-	4,794,027	(125,796)	100.00	(125,796)	3,629,628	-	
Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	1,680,145 (RMB 381,158 thousand)	2	1,763,952	-	-	1,763,952	(2,363)	100.00	(2,363)	(766,054)	-	Note L
Martens Beers (Shanghai) Ltd.	Beer brewing	329,085 (RMB 74,656 thousand)	2	231,475	-	-	231,475	6,806	100.00	6,806	12,926	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	6,986,497 (RMB 1,584,958 thousand)	2	4,181,323	342,720	-	4,524,043	154	60.00	92	4,220,256	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,361,642 (RMB 308,902 thousand)	2	1,436,190	-	-	1,436,190	2,293	100.00	2,293	1,403,202	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	8,337,123 (RMB 1,891,362 thousand)	2	2,983,397	-	-	2,983,397	(1,870,015)	44.20	(826,547)	2,303,096	-	
Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	56,026 (RMB 12,710 thousand)	3	-	-	-	-	516	100.00	516	59,417	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	83,752 (RMB 19,000 thousand)	3	-	-	-	-	6,724	100.00	6,724	158,807	-	
Suzhou An Ho Apparel Ltd.	Garment production	4,408 (RMB 1,000 thousand)	3	-	-	-	-	928	100.00	928	58,271	-	
Yuan Ding Enterprise (Shanghai) Limited	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	7,773,177 (RMB 1,763,425 thousand)	3	-	-	-	-	(177,325)	40.00	(70,930)	2,681,696	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	664,058 (RMB 150,648 thousand)	2	598,270	-	-	598,270	(5,009)	100.00	(5,009)	38,988	-	Note M

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note S)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outflow	Inflow							
Speedy (Shanghai) digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	\$ 28,825 (RMB 6,539 thousand)	2	\$ 24,220	\$ -	\$ -	\$ 24,220	\$ (330)	100.00	\$ (330)	\$ 36,889	\$ -	Note N
Digital United Information Technology (Shanghai) Ltd.	Research and design of computer systems	95,201 (US\$ 3,100 thousand)	2	92,132	-	-	92,132	4,751	100.00	4,751	16,289		Note O
Nextlink (Shanghai) Technology Co., Ltd.	Computer software, data processing and provision of network information services	2,211 (US\$ 72 thousand)	2	2,140	-	-	2,140	465	70.00	465	2,503	-	Note P

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Parent Company	\$ 24,546,349 (US\$ 799,295 thousand)	\$ 28,182,321 (US\$ 916,731 thousand) (RMB 6,695 thousand)	\$ -
Yuan Ding Investment Co., Ltd.	9,380,677 (US\$ 305,460 thousand)	13,330,904 (US\$ 434,090 thousand)	24,680,830
Yuan Tong Investment Co., Ltd.	1,947,014 (US\$ 63,400 thousand)	2,079,190 (US\$ 67,704 thousand)	4,466,462
YDT Technology International Co., Ltd.	27,946 (US\$ 910 thousand)	27,946 (US\$ 910 thousand)	83,952
FET Consulting Engineers Co., Ltd.	248,751 (US\$ 8,100 thousand)	248,751 (US\$ 8,100 thousand)	15,000
Ding Ding Integrated Marketing Service Co., Ltd.	33,781 (US\$ 1,100 thousand)	33,781 (US\$ 1,100 thousand)	217,866
Far EasTone Telecommunications Co., Ltd. New Century InfoComm Tech Co., Ltd.	92,616 95,201 (US\$ 3,100 thousand)	92,616 95,201 (US\$ 3,100 thousand)	38,512,905 15,109,513
New Diligent Co., Ltd.	458,408 (US\$ 14,927 thousand)	458,408 (US\$ 14,927 thousand)	50,340
Nextlink Technology Co., Ltd.	2,211 (US\$ 72 thousand)	2,211 (US\$ 72 thousand)	137,062

(Continued)

Notes: A. Investment types are classified as follows:

- 1 The investment was made directly in China.
- 2 The investment was made through a company registered in a third region. Companies which registered in a third region are: Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Far Eastern Apparel (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd., Nextlink Technology Co., Ltd. and Far East New Diligent Company Ltd.
- 3 Other types.

B. Recognition of gains or losses was based on the following two information:

1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Far Eastern Apparel (Suzhou) Co., Ltd., Far Eastern Industries (Wuxi) Ltd., Oriental Petrochemical (Shanghai) Corporation, Far Eastern Dyeing and Finishing (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Oriental Industries (Suzhou) Ltd., and Far Eastern Union Petrochemical (Yangzhou) Corporation.
2. Others: Far Eastern Industries (Suzhou) Ltd., Far Eastern Innovation Apparel (Suzhou) Co., Ltd., Far Eastern New Century (China) Investment Co., Ltd., Sino Belgium Beer (Suzhou) Ltd., Martens Beers (Shanghai) Ltd., Far Eastern Industries (Yangzhou) Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Shanghai Yuan Zi Information Technology Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Corporation, Suzhou An Ho Apparel Ltd., Yuan Ding Enterprise (Shanghai) Limited, Yuan Ding Integrated Information Service (Shanghai) Inc., Speedy (Shanghai) digital Tech. Co., Ltd., Digital United Information Technology (Shanghai) Ltd., and Nextlink (Shanghai) Technology Co., Ltd.

C. The ending balance of long term investment.

D. As of December 31, 2022, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.

E. As of December 31, 2022, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.

F. As of December 31, 2022, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.

G. As of December 31, 2022, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Co., Ltd. which remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.

H. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2022, the profit of investment was cash dividend paid by Far Eastern Industries (Wuxi) Ltd. remitted through a FENC's subsidiary, Oriental Textile (Holding) Ltd.

J. As of December 31, 2022, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation remitted through FENC's subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.

K. As of December 31, 2022, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Co., Ltd.

L. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.

M. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by FENC's subsidiaries, YDT Technology International Co., Ltd., FET Consulting Engineers Co., Ltd. and Ding Ding Integrated Marketing Service Co., Ltd.

N. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.

O. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.

P. As of December 31, 2022, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.

Q. As of December 31, 2022, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Ltd.

R. In accordance with the "Principles for Examination of Investment or Technical Cooperation in Mainland China" issued by the Board of Investment in accordance with 97.8.29, 60% of the net value of the investing company or the combined net value, whichever is higher, shall be the limit. However, the parent company has been issued with the Industrial Development Bureau of the Ministry of Economic Affairs (MOEA) Enterprise Operation Headquarters Certificate No. 10920434850, and in accordance with the "Principles for Examination of Investment or Technical Cooperation in Mainland China", there is no limit on the cumulative amount of the parent company's investment in Mainland China.

S. It is calculated based on the ending exchange rate of US\$1:30.71 and RMB1:4.408.

T. Oriental Petrochemical (Shanghai) Corporation was absorbed by Far Eastern Industries (Shanghai) Ltd. in December 2022. The tentative record date was December 31, 2022. Far Eastern Industries (Shanghai) Ltd. was the surviving company, and Oriental Petrochemical (Shanghai) Corporation was the dissolved company. As of March 16, 2023, Far Eastern Industries (Shanghai) Ltd. was modified and registered, and its paid-in capital changed by RMB1,880,399 thousand (NT\$8,288,799 thousand) to RMB3,673,989 thousand (NT\$16,194,944 thousand). Oriental Petrochemical (Shanghai) Corporation was liquidated and canceled.

(Concluded)

TABLE 13-1

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA - INVESTMENT TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of U.S. Dollars)

Investee Company	Authorized by Investment Commission, MOEA				Investment Type			
	Investor Company	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	No. 84015136	Far Eastern Polychem Industries Ltd.	\$ 6,000	\$ 6,000			
	Yuan Ding Investment Co., Ltd.		Far Eastern Polychem Industries Ltd.	24,000	24,000			
	Far Eastern New Century Corporation	No. 093032400	Far Eastern Polychem Industries Ltd.	1,712		\$ 1,712		
	Far Eastern New Century Corporation	No. 093032090	Far Eastern Polychem Industries Ltd.	1,540			\$ 1,540	
	Far Eastern New Century Corporation	No. 093032240	Far Eastern Polychem Industries Ltd.	3,879		3,879		
	Yuan Ding Investment Co., Ltd.	No. 093032402	Far Eastern Polychem Industries Ltd.	7,014		7,014		
	Yuan Ding Investment Co., Ltd.	No. 093032239	Far Eastern Polychem Industries Ltd.	15,898		15,898		
	Yuan Ding Investment Co., Ltd.	No. 093032089	Far Eastern Polychem Industries Ltd.	6,313			6,313	
	Far Eastern New Century Corporation	No. 09500287850	Far Eastern Polychem Industries Ltd.	31,779	31,779			
	Far Eastern New Century Corporation	No. 09700163440	Far Eastern Polychem Industries Ltd.	56,000	56,000			
	Far Eastern New Century Corporation	No. 09700045490	Far Eastern Polychem Industries Ltd.	4,800	4,800			
				8,198				
				(Note E)				
	Far Eastern New Century Corporation	No. 09900142680 (Note D)	Far Eastern Polychem Industries Ltd.	11,500	11,500			
	Far Eastern New Century Corporation	No. 11100176580	Far Eastern Polychem Industries Ltd.	86,168	-			
				(Note Y)				
Far Eastern Apparel (Suzhou) Co., Ltd.	Yuan Ding Investment Co., Ltd.	No. 85016219	Far Eastern Apparel (Holding) Ltd.	10,000	10,000			
	Yuan Ding Investment Co., Ltd.	No. 092033299	Far Eastern Apparel (Holding) Ltd.	5,000	5,000			
	Far Eastern New Century Corporation	No. 09500112650	Far Eastern Polytex (Holding) Ltd.	11,000	11,000			
	Far Eastern New Century Corporation	No. 09700038490	Far Eastern Polytex (Holding) Ltd.	5,000	5,000			
Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Yuan Ding Investment Co., Ltd.	No. 10730028260	Far Eastern Apparel (Holding) Ltd.	35,000				\$ 35,000
Far Eastern Innovation Apparel (Anhui) Co., Ltd.	Far Eastern New Century Corporation	No. 11000195650	Far Eastern Polytex (Holding) Ltd. (Note V)	8,739				8,739
	Yuan Ding Investment Co., Ltd.	No. 11000195640	Far Eastern Apparel (Holding) Ltd. (Note W)	5,461				5,461
Far Eastern Industries (Wuxi) Ltd.	Yuan Ding Investment Co., Ltd.	No. 091011903	Oriental Textile (Holding) Ltd.	19,960	19,960			
	Yuan Ding Investment Co., Ltd.	No. 094024169	Oriental Textile (Holding) Ltd.	40,000	40,000			
Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century Corporation	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd.	1,228				1,228
	Yuan Ding Investment Co., Ltd.	No. 09800408160 (Note C)	PET Far Eastern (Holding) Ltd.					
			Far Eastern Polychem Industries Ltd.	6,592				6,592
			PET Far Eastern (Holding) Ltd.					
	Far Eastern New Century Corporation	No. 09700163430	PET Far Eastern (Holding) Ltd.	49,500	49,500			
	Far Eastern New Century Corporation	No. 09700045500	Far Eastern Polychem Industries Ltd.	4,800	4,800			
			PET Far Eastern (Holding) Ltd.	2,936				
				(Note F)				
	Far Eastern New Century Corporation	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Far Eastern New Century Corporation	No. 10630056570	PET Far Eastern (Holding) Ltd.	27,000	27,000			
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Yuan Ding Investment Co., Ltd.	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA				Investment Type			
	Investor Company	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	No. 091035216	Far Eastern Polychem Industries Ltd.	\$ 9,352				\$ 9,352
	Far Eastern New Century Corporation	No. 093025506	FEDP (Holding) Ltd.	1,569			\$ 1,569	
	Far Eastern New Century Corporation	No. 093030298	Far Eastern Polychem Industries Ltd.	713				713
	Far Eastern New Century Corporation	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	\$ 5,288			
	Far Eastern New Century Corporation	No. 09500287850	Far Eastern Polychem Industries Ltd.	4,524	4,524			
	Far Eastern New Century Corporation	No. 09700045510	FEDP (Holding) Ltd.	4,800	4,800			
	Far Eastern New Century Corporation	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	754 (Note G) 18,224				
Oriental Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
	Yuan Ding Investment Co., Ltd.	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
	Yuan Ding Investment Co., Ltd.	No. 10300223190 (Note K)	Oriental Textile (Holding) Ltd.	43,000	43,000			
	Yuan Ding Investment Co., Ltd.	No. 11100191790	Oriental Textile (Holding) Ltd.	43,000	43,000			
Wuhan Far Eastern New Material Ltd.	Far Eastern New Century Corporation	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
	Far Eastern New Century Corporation	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
Far Eastern New Century (China) Investment Co., Ltd. (Note A)	Far Eastern New Century Corporation	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium Beer (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000	12,000			
	Yuan Tong Investment Co., Ltd.	No. 10300091010 (Note L)	Sino Belgium (Holding) Ltd.	16,000	16,000			
	Yuan Tong Investment Co., Ltd.	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	10,000	10,000			
Martens Beers (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	No. 09700456110	Sino Belgium (Holding) Ltd.	3,800	3,800			
	Yuan Tong Investment Co., Ltd.	No. 09900284200	Bockhold N.V. Martens HK Ltd.	4,304				4,304
	Yuan Tong Investment Co., Ltd.	No. 10300091010 (Note L)	Sino Belgium (Holding) Ltd.	1,500	1,500			
	Yuan Tong Investment Co., Ltd.	No. 10200451570 (Note N)	Sino Belgium (Holding) Ltd.	1,100	1,100			
	Yuan Tong Investment Co., Ltd.	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	1,000	1,000			
	Yuan Tong Investment Co., Ltd.	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	1,000	1,000			
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	No. 11100012810 (Note J)	Far Eastern Polytex (Holding) Ltd.	138,000	138,000			
	Far Eastern New Century Corporation	No. 11100014610 (Note J)	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern New Century Corporation	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000			
Far Eastern Union Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	No. 10300210860 (Note M)	PET Far Eastern (Holding) Ltd.	66,000	66,000			
	Far Eastern New Century Corporation	No. 10900223750 (Note T)	PET Far Eastern (Holding) Ltd.	9,250	9,250			
	Far Eastern New Century Corporation	No. 11000095860 (Note U)	PET Far Eastern (Holding) Ltd.	32,824	32,824			
Yuan Ding Enterprise (Shanghai) Limited	Far Eastern New Century Corporation	No. 10200399280	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	1,000	1,000			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA				Investment Type			
	Investor Company	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Tong Da Air Industry (Yangzhou) Co., Ltd.	Far Eastern New Century Corporation	No. 10800190930 (Note S)	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	\$ 74,335	\$ 74,335			
	Far Eastern New Century Corporation	No. 10800217150	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	32,000	32,000			
Yuan Ding Integrated Information Service (Shanghai) Inc.	Far Eastern New Century Corporation	No. 10300203670 (Note P)	PET Far Eastern (Holding) Ltd.	33,500	33,500			
Speedy (Shanghai) digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	No. 10000429550	YDC (Virgin Islands) Ltd.	110	110			
	FET Consulting Engineers Co., Ltd.	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100			
	Ding Ding Integrated Marketing Service Co., Ltd.	No. 10400179060	DDIM (Virgin Islands) Ltd.	1,100	1,100			
Far Eastern Tech-Info Ltd. (Shanghai)	YDT Technology International Co., Ltd.	No. 093003471	YDC (Virgin Islands) Ltd.	300	300			
	YDT Technology International Co., Ltd.	No. 094003122	YDC (Virgin Islands) Ltd.	500	500			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	No. 093018811 (Note X)	Far Eastern Info Service (Holding) Ltd.	NT\$ 92,616	NT\$ 92,616			
	New Diligent Co., Ltd.	No. 10300022990 (Note X)	Far East New Diligent Company Ltd.	3,500	3,500			
Digital United Information Technology (Shanghai) Ltd.	New Century InfoComm Tech Co., Ltd.	No. 091041498	Digital United (Cayman) Ltd.	2,100	2,100			
	New Century InfoComm Tech Co., Ltd.	No. 10200302730	Digital United (Cayman) Ltd.	1,000	1,000			
New Diligence Corporation (Shanghai)	Nextlink Technology Co., Ltd.	No. 10830010930	Nextlink (HK) Technology Co., Ltd.	72	72			
Far Eastern New Century Information Technology (Beijing) Limited	New Diligent Co., Ltd.	No. 09600261870	New Diligent Co., Ltd. (Note Q)	1,127	1,127			
	New Diligent Co., Ltd.	No. 10100496420	Far East New Diligent Company Ltd. (Note R)	10,300	10,300			

- Notes: A. Far Eastern New Century (China) Investment Co., Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Corporation, and the other US\$2,000 thousand was held by Far Eastern New Century (China) Investment Co., Ltd.
- B. Document No. 092035971 had been canceled and replaced with document No. 09800408170.
- C. Document No. 092035970 had been canceled and replaced with document No. 09800408160.
- D. The approved amount of US\$12,000 thousand on September 18, 2009 as stated in document No. 09800283970, had been changed to US\$11,500 thousand and updated to document No. 09900142680 on April 19, 2010 while completed the-review process.
- E. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.
- F. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.
- G. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.
- H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly through Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd., under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only though FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).
- I. After obtaining MOEA approval (No. 09900470520), FENC received FEDP (Holding) Ltd. from Yuan Tong Investment Co., Ltd., for US\$18,224 thousand (MOEA approval No. 09600243260).
- J. After modifying MOEA approval from No. 10000021360 to No. 11100012810, FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., amended to indirectly invest US\$138,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. After obtaining MOEA approval (No. 11100014610), FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$12,000 in Far Eastern Yihua Petrochemical (Yangzhou) Corporation.
- K. After modifying MOEA approval from No. 10300140570 to No. 10300223190, FENC's subsidiary, Yuan Ding Investment Co., Ltd. amended to invest US\$43,000 thousand indirectly or equivalent RMB through its subsidiary, Oriental Textile (Holding) Ltd. in Far Eastern Industries (Suzhou) Ltd.

(Continued)



- L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC's subsidiary, Yuan Tong Investment Co., Ltd. amended to invest US\$16,000 and US\$17,500 indirectly through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.
- M. After modifying MOEA approval from No. 10100115020 to No. 10300210860, FENC amended to invest US\$66,000 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Co., Ltd., indirectly invest US\$1,100 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Martens Beers (Shanghai) Ltd.
- O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. indirectly invest US\$10,000 thousand and US\$1,000 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.
- P. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirect investment to US\$33,500 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., indirectly in Tong Da Air Industry (Yangzhou) Co., Ltd. In 2020, Tong Da Air Industry (Yangzhou) Co., Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation and Oriental Union Chemical Corporation's subsidiary Oriental Petrochemical (Yangzhou) Corporation dissolved by absorption and merger, however, the balance has not yet been cancelled to the MOEA.
- Q. The dissolution of this investment had been approved by the local government on April 13, 2010. On June 27, 2012, the remittance of the remaining shares of US\$73 thousand was made. MOEA approved the cancellation of the amount, the balance has not been cancelled to the MOEA.
- R. The dissolution of this investment had been approved by the local government, but the balance has not been cancelled to the MOEA.
- S. After modifying MOEA approval from No. 10600282650 to No. 10800015840, FENC invested US\$82,340 thousand through its subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly in Far Eastern New Century (China) Investment Co., Ltd., then capitalized to Yuan Ding Enterprise (Shanghai) Limited. On August 2, 2019, the remitted amount had been changed to US\$74,335 thousand and updated to document No. 10800190930.
- T. After obtaining MOEA approval (No. 10900223750), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$9,250 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- U. After obtaining MOEA approval (No. 11000095860), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$32,824 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- V. The Company was approved to indirectly invest in Far Eastern Innovation Apparel (Anhui) Co., Ltd. in Mainland China through Far Eastern Polytex (Holding) Ltd., by obtaining MOEA approval (No. 11000195650), but as of December 30, 2022, the Company had invested US\$838 thousand.
- W. Yuan Ding Investment Co., Ltd. was approved to indirectly invest in Far Eastern Innovation Apparel (Anhui) Co., Ltd. in Mainland China through Far Eastern Polytex (Holding) Ltd., by obtaining MOEA approval (No. 11000195640), but as of December 30, 2022, the Company had invested US\$524 thousand.
- X. The dissolution of this investment had been approved by the local government in 2020, however, the balance has not yet been cancelled to the MOEA.
- Y. After obtaining MOEA approval (No. 11100176580), Oriental Petrochemical (Shanghai) Corporation was absorbed and merged by the Company's subsidiary Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. was the surviving company, and Oriental Petrochemical (Shanghai) Corporation was the dissolved company. Due to the absorption and merger, the authorized investment amount increased by US\$86,168 thousand.

(Concluded)

**TABLE 14****FAR EASTERN NEW CENTURY CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2022**

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

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

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

# FAR EASTERN NEW CENTURY CORPORATION

## THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

Item	Statement Index
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Statement of changes in accumulated depreciation of property, plant and equipment	Note 11
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**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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<b>Item</b>	<b>Maturity</b>	<b>Annual Rate (%)</b>	<b>Amount</b>
Cash			
Cash on hand			\$ 2,000
Petty cash			<u>2,804</u>
Cash in banks			
Checking accounts			8,186,687
Demand deposits (Note A)			<u>1,417,405</u>
			<u>9,604,092</u>
Cash equivalents			
Repurchase of commercial paper	2022.12.15-2023.01.16	1.00-1.05	<u>2,247,537</u>
Time deposits	2022.12.27-2023.01.05	4.10-4.15	<u>921,300</u>
			<u>\$ 12,777,733</u>

Note A: Including US\$40,636 thousand, JPY1,784,246 thousand, RMB1,867 thousand and EUR374 thousand.

Note B: Based on the exchange rate of US\$1:NT\$30.71, JPY1:NT\$0.2324, RMB1:NT\$4.408 and EUR1:NT\$32.72, respectively.

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Amount</b>
Worldwide Polychem (HK) Ltd.	\$ 2,542,001
APG Polytech, LLC	430,906
Others (Note)	<u>4,408,190</u>
	7,381,097
Less: Allowance for doubtful accounts	<u>(65,691)</u>
Notes and accounts receivable, net	<u>\$ 7,315,406</u>

Note: The amount from each client which included in others does not exceed 5% of the account balance.

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF INVENTORIES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>	
	<b>Cost</b>	<b>Market Value (Note)</b>
Finished goods	\$ 2,227,780	\$ 2,108,927
Work in progress	2,283,276	2,358,760
Raw materials	2,167,321	2,172,236
Supplies	981,191	959,713
Materials in transit	<u>289,995</u>	<u>289,995</u>
	7,949,563	<u>\$ 7,889,631</u>
Less: Allowance for valuation loss	<u>399,896</u>	
Inventories, net	<u>\$ 7,549,667</u>	

Note: Market value is net realizable value.

# FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF CHANGES IN EQUITY METHOD INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, Except Par Value and Unit Price is in New Taiwan Dollars)

Investees	Par Value	Balance, January 1, 2022		Annual Changes				Increase (Decrease) in Using the Equity Method Amount (Note A)	Balance, December 31, 2022			Market Value or Net Assets Value		Pledged Shares (In Thousands) (Note B)	Notes					
		Shares (In Thousands)	Amount	Additions		Decrease			Shares (In Thousands)	%	Amount	Unit Price (NT\$)	Total Amount							
				Shares (In Thousands)	Amount	Shares (In Thousands)	Amount													
<u>Shares</u>																				
Investments accounted for using the equity method																				
Publicly traded companies																				
Asia Cement Corporation	\$	10	750,511	\$	19,942,978	-	\$	-	\$	427,231	750,511	21.17	\$	20,370,209	\$	41.00	\$	30,770,964	19,900	(Notes C and D)
Far Eastern Department Stores Co., Ltd.		10	241,770		5,053,729	-		-		83,713	241,770	17.06		5,137,442		21.50		5,198,049	-	(Notes C and D)
Far Eastern International Bank		10	91,903		1,209,972	11,913		100,639		31,046	103,816	2.55		1,341,657		11.00		1,141,981	-	(Notes C, D, E and F)
Oriental Union Chemical Corporation		10	81,216		1,190,073	-		-		(171,463)	81,216	9.17		1,018,610		18.60		1,510,618	-	(Notes C and D)
Everest Textile Corporation		10	108		1,166	-		-		48	108	0.02		1,214		7.09		762	-	(Notes C and D)
					<u>27,397,918</u>			<u>100,639</u>		<u>(370,575)</u>				<u>27,869,132</u>				<u>38,622,379</u>		
Private companies																				
Far Eastern Resources Development Co., Ltd.		10	775,836		106,789,756	-		-		880,161	775,836	100.00		107,669,917				107,694,963	-	(Note D)
Yuan Ding Investment Co., Ltd.		10	1,822,822		43,790,144	-		-		(785,665)	1,822,822	99.40		43,004,479				43,349,810	-	(Note D)
Far Eastern Investment (Holding) Ltd.	US\$	0.01	5,461		28,278,359	1,390		8,325,100		4,390,330	6,851	100.00		40,993,789				40,993,789	-	(Notes D and E)
Far Eastern Construction Co., Ltd.		10	245,829		10,420,022	24,583		-		101,090	270,412	65.11		10,521,112				10,656,559	-	(Notes D and F)
Far Eastern Polytex (Holding) Ltd.	US\$	0.01	168		9,415,124	6		345,300	(1)	1,453	173	100.00		9,721,893				9,725,592	-	(Notes D, E and G)
Oriental Petrochemical Corporation		10	1,712,218		7,683,250	226,675		2,266,745		(1,640,781)	1,938,893	75.56		8,309,214				8,533,551	-	(Notes D and E)
Yuan Tong Investment Co., Ltd.		10	742,184		8,871,338	2,226		-		(4,569)	744,410	100.00		8,866,769				9,162,389	-	(Notes D and F)
Far Eastern Polychem Industries Ltd.	HK\$	0.0001	830,815		7,683,110	-		-		(267,232)	830,815	73.04		7,415,878				7,415,878	-	(Note D)
Kai Yuan International Investment Co., Ltd.		10	369,417		5,720,430	2,254		-		(72,991)	371,671	100.00		5,647,439				5,647,579	-	(Notes D and F)
PET Far Eastern (Holding) Ltd.	US\$	0.01	397		4,056,695	-		-		(1,041,292)	397	91.95		3,015,403				3,015,403	-	(Note D)
Yuan Ding Co., Ltd.		10	186,929		3,201,935	-		-		11,996	186,929	37.13		3,213,931				3,325,836	-	(Note D)
Ding Yuan International Investment Co., Ltd.		10	256,906		3,285,246	1,850		-		(81,261)	258,756	100.00		3,203,985				3,224,324	-	(Notes D and F)
An Ho Garment Co., Ltd.		10	76,165		2,182,745	464		-		(2,754)	76,629	100.00		2,179,991				2,255,191	-	(Notes D and F)
Oriental Securities Corporation		10	141,961		2,101,272	-		-		(200,077)	141,961	19.65		1,901,195				1,893,014	-	(Note D)
Pacific Liu Tong Investment Co., Ltd.		10	135,000		2,042,479	-		-		46,380	135,000	16.83		2,088,859				1,996,888	-	(Note D)
FEDP (Holding) Ltd.	US\$	0.01	244		760,474	-		-		21,668	244	50.43		782,142				782,142	-	(Note D)
Fu Kwok Knitting & Garment Co., Ltd.		10	4,000		254,514	-		-		44,640	4,000	100.00		299,154				297,995	-	(Note D)
FE Oriental Investment Holding (Singapore) Pte. Ltd.	US\$	0.01	50		161,991	-		-		37,647	50	100.00		199,638				199,638	-	(Note D)
Ding Ding Hotel Co., Ltd.		10	769		8,984	739		7,391	(739)	-	769	0.74		11,369				4,396	-	(Notes D, E and H)
Far Eastern Textile Ltd.		10	1,300		13,345	-		-		710	1,300	100.00		14,055				14,055	-	(Note D)
Far Eastern Apparel Co., Ltd.		10	-		-	44,772		181,416		44,772	44,772	100.00		209,543				213,034	-	(Notes D and E)
Far Eastern Fibertech Ltd.		10	-		-	91,000		1,380,326		(94,693)	91,000	100.00		1,285,633				1,275,202	-	(Notes D and E)
Oriental Resources Development Co., Ltd.		10	-		-	5,739		140,127		6,138	5,739	100.00		146,265				151,150	-	(Notes D and E)
Oriental Green Materials Co., Ltd.		10	-		-	66,116		825,569		(49,026)	66,116	100.00		776,543				776,543	-	(Notes D and E)
			<u>246,721,213</u>		<u>13,471,974</u>			<u>(39,984)</u>		<u>1,324,993</u>				<u>261,478,196</u>				<u>262,604,921</u>		
			<u>\$ 274,119,131</u>		<u>\$ 13,572,613</u>			<u>\$ (39,984)</u>		<u>\$ 1,695,568</u>				<u>\$ 289,347,328</u>				<u>\$ 301,227,300</u>		

Note A: Including:

- Current net profit of investee recognized based on the percentage of shares
- Current cash dividends distributed by investee
- Changes in capital surplus of investee
- Changes in unappropriated earnings of investee
- Changes in exchange differences arising on translation of foreign operations
- Unrealized gain on financial assets at FVTOCI
- Hedging instrument of investee
- Changes in remeasurement of defined benefit plans of investee
- Changes in gain on property revaluations of investee
- Cash dividends distributed to subsidiaries

\$ 9,249,244  
(10,277,476)  
4,384  
(327,287)  
4,146,885  
(1,358,334)  
1,192  
237,526  
18,465  
1,169  
\$ 1,695,568

Note B: Shares was provided to financial organization as collaterals for issuing long-term loans.  
Note C: The market value is calculated based on the share's closing market price on December 31, 2022 from Taiwan Stock Exchange.  
Note D: The amount is calculated by the percentage of holding shares based on the audited financial statement as of December 31, 2022.  
Note E: There was an increase in shares or value because of purchasing the investee's shares or participating in cash issuance of new shares from the investee.  
Note F: There was an increase in shares because the investee increase the capital from retain earnings.  
Note G: There was a decrease in shares and amounts because the proceeds from the capital reduction on investments.  
Note H: There was a decrease in shares, because the investee reduce the capital to upset the accumulate deficits.

## FAR EASTERN NEW CENTURY CORPORATION

## STATEMENT OF SHORT-TERM LOANS

DECEMBER 31, 2022

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

Type	Contract Period	Interest Rates (%)	Original Currency	In New Taiwan Dollars
Bank loans				
Mitsubishi UFJ	2022.04.25-2023.04.25	Note	\$ 1,500,000	\$ 1,500,000
	2022.11.14-2023.01.13	Note	US\$ 28,000	859,880
CTBC Bank Co., Ltd.	2022.11.11-2023.03.30	Note	US\$ 10,000	307,100
	2022.07.11-2023.01.06	Note	JPY 104,880	24,374
	2022.07.13-2023.01.06	Note	JPY 56,147	13,049
	2022.07.22-2023.01.18	Note	JPY 81,240	18,880
	2022.08.08-2023.02.03	Note	JPY 49,200	11,434
	2022.08.08-2023.02.03	Note	JPY 158,340	36,798
	2022.08.24-2023.02.20	Note	JPY 190,720	44,323
	2022.09.02-2023.03.01	Note	JPY 74,280	17,263
	2022.09.08-2023.03.01	Note	JPY 99,480	23,119
	2022.09.16-2023.03.15	Note	JPY 90,360	21,000
	2022.10.17-2023.04.14	Note	JPY 88,200	20,497
United Overseas Bank	2022.12.20-2023.06.01	Note	US\$ 16,600	509,786
Calyon Corporate an Investment Bank	2022.11.14-2023.01.13	Note	US\$ 15,000	460,650
E.SUN Bank	2022.11.14-2023.01.13	Note	US\$ 9,000	276,390
	2022.10.03-2023.03.30	Note	JPY 134,240	31,197
Mizuho Bank	2022.11.14-2024.03.03	Note	US\$ 8,000	245,680
DBS Bank	2022.11.15-2023.01.16	Note	US\$ 2,400	73,704
	2022.12.01-2023.02.03	Note	US\$ 5,000	153,550
Chang Hwa Commercial Bank	2022.11.18-2023.02.21	Note	US\$ 738	22,659
Bank of Taiwan	2022.08.26-2023.08.26	Note	US\$ 360	11,070
First Commercial Bank	2022.10.14-2023.03.29	Note	JPY 6,530	1,518
				<u>\$ 4,683,921</u>

Note: The interest rates for short-term borrowings were from 0.77%-6.15%.



## FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF COMMERCIAL PAPER  
DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Guarantee Agency	Period	Discount Rate (%)	Amount of Issue	Amount of Commercial Principal			Mortgage or Guarantee
				Unamortized Short-term Notes and Bills Payable	Discount	Carrying Amount	
Ta Ching	2022.04.14-2023.04.14	Note	\$ 400,000	\$ 1,240		\$ 398,760	-
	2022.04.20-2023.04.20	Note	200,000	686		199,314	-
	2022.04.26-2023.04.26	Note	100,000	368		99,632	-
	2022.04.27-2023.04.27	Note	100,000	381		99,619	-
	2022.05.27-2023.05.26	Note	200,000	1,166		198,834	-
CBFC	2022.11.25-2023.01.13	Note	900,000	538		899,462	-
	2022.04.12-2023.04.11	Note	500,000	1,436		498,564	-
	2022.04.14-2023.04.12	Note	600,000	1,740		598,260	-
	2022.04.21-2023.04.20	Note	200,000	692		199,308	-
	2022.04.21-2023.04.20	Note	100,000	346		99,654	-
Taishin Bank	2022.04.11-2023.04.11	Note	500,000	1,436		498,564	-
	2022.04.22-2023.04.21	Note	100,000	346		99,654	-
	2022.04.22-2023.04.21	Note	200,000	692		199,308	-
TFC	2022.04.11-2023.04.11	Note	100,000	287		99,713	-
	2022.11.11-2023.02.09	Note	700,000	1,311		698,689	-
Bank SinoPac	2022.04.11-2023.04.11	Note	1,150,000	3,271		1,146,729	-
	2022.04.12-2023.04.12	Note	200,000	575		199,425	-
	2022.04.14-2023.04.14	Note	350,000	1,035		348,965	-
Mega Bills	2022.04.15-2023.04.14	Note	100,000	310		99,690	-
	2022.04.22-2023.04.21	Note	100,000	349		99,651	-
	2022.04.22-2023.04.21	Note	100,000	352		99,648	-
	2022.04.26-2023.04.26	Note	100,000	378		99,622	-
	2022.04.27-2023.04.27	Note	100,000	381		99,619	-
IBFC	2022.05.18-2023.05.18	Note	200,000	1,118		198,882	-
	2022.05.03-2023.05.03	Note	200,000	821		199,179	-
	2022.04.18-2023.04.18	Note	100,000	322		99,678	-
	2022.04.20-2023.04.20	Note	500,000	1,639		498,361	-
	2022.04.22-2023.04.21	Note	200,000	723		199,277	-
	2022.05.17-2023.05.17	Note	600,000	3,329		596,671	-
	2022.04.11-2023.04.11	Note	200,000	575		199,425	-
	2022.04.14-2023.04.14	Note	300,000	930		299,070	-
	2022.04.15-2023.04.14	Note	100,000	310		99,690	-
	2022.04.18-2023.04.18	Note	200,000	644		199,356	-
	2022.04.19-2023.04.19	Note	500,000	1,625		498,375	-
	2022.04.20-2023.04.20	Note	100,000	328		99,672	-
	2022.04.20-2023.04.20	Note	100,000	328		99,672	-
	2022.04.21-2023.04.21	Note	150,000	501		149,499	-
	2022.04.22-2023.04.21	Note	150,000	501		149,499	-
	2022.04.25-2023.04.25	Note	100,000	349		99,651	-
	2022.04.29-2023.04.28	Note	100,000	391		99,609	-
	2022.05.05-2023.05.05	Note	100,000	431		99,569	-
	2022.05.11-2023.05.11	Note	300,000	1,441		298,559	-
	2022.05.13-2023.05.12	Note	200,000	968		199,032	-
	2022.05.13-2023.05.12	Note	300,000	1,462		298,538	-
	2022.05.19-2023.05.18	Note	100,000	529		99,471	-
	2022.05.20-2023.05.19	Note	200,000	1,064		198,936	-
	2022.05.20-2023.05.19	Note	200,000	1,072		198,928	-
	2022.05.23-2023.05.23	Note	200,000	1,111		198,889	-
	2022.05.24-2023.05.24	Note	100,000	559		99,441	-

(Continued)

Guarantee Agency	Period	Discount Rate (%)	Amount of Commercial Principal				Mortgage or Guarantee
			Amount of Issue	Unamortized Short-term Notes and Bills Payable Discount	Carrying Amount		
Grand Bills	2022.04.20-2023.04.20	Note	\$ 100,000	\$ 343	\$ 99,657	-	
	2022.04.22-2023.04.21	Note	100,000	346	99,654	-	
	2022.11.11-2023.02.09	Note	700,000	1,311	698,689	-	
Union Bank of Taiwan	2022.04.15-2023.04.14	Note	600,000	1,860	598,140	-	
	2022.04.19-2023.04.19	Note	200,000	656	199,344	-	
	2022.04.20-2023.04.20	Note	400,000	1,348	398,652	-	
	2022.04.21-2023.04.22	Note	300,000	1,066	298,934	-	
	2022.04.21-2023.04.22	Note	200,000	715	199,285	-	
	2022.05.18-2023.05.18	Note	100,000	551	99,449	-	
	2022.05.20-2023.05.19	Note	300,000	1,689	298,311	-	
			\$ 15,600,000	\$ 52,272	\$ 15,547,728		

Note: The interest rates for commercial paper were from 1.03%-1.71%.

(Concluded)

**FAR EASTERN NEW CENTURY CORPORATION**

**STATEMENT OF NOTES AND ACCOUNTS PAYABLE**

**DECEMBER 31, 2022**

**(In Thousands of New Taiwan Dollars)**

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<b>Vendor Name</b>	<b>Amount</b>
Nan Ya Plastics Corporation	\$ 169,535
Others (Note)	<u>1,684,517</u>
	<u>\$ 1,854,052</u>

Note: The amount from each vendor in others does not exceed 5% of the account balance.

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF OTHER PAYABLES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>
Director remuneration payable	\$ 1,406,960
Payroll and bonus payable	1,337,410
Commission payable	575,279
Interest payable	329,648
Employee compensation payable	285,617
Others (Note)	<u>969,132</u>
	<u>\$ 4,904,046</u>

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

## FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF LONG-TERM BORROWINGS  
DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Type/Creditor Bank	Repayment (Note)	Interest Rate (%)	Original Currency	Balance		Total Amount	Collateral
				In New Taiwan Dollars Expired in A Year	Expired after A Year		
Bank loans							
Credit loans							
First Commercial Bank	2022.12.29-2024.06.29, lump sum repayment on maturity, interest payment monthly	Note 2	-	\$ -	\$ 1,360,000	\$ 1,360,000	19,900 thousand of Asia Cement Corporation shares
First Commercial Bank	2022.10.28-2024.06.28, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	1,500,000	1,500,000	
Bank of Taiwan	2022.08.26-2024.02.26, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	3,500,000	3,500,000	Building and land in Xintpu Far Eastern section and Shuichetou section
Bank of Taiwan	2021.11.19-2025.05.19, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	700,000	700,000	
Mizuho Bank	2022.06.30-2025.06.30, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	2,800,000	2,800,000	
Mizuho Bank	2022.04.14-2025.06.22, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	2,500,000	2,500,000	
Mizuho Bank	2022.11.28-2025.06.22, lump sum repayment on maturity	Note 2	-	-	300,000	300,000	
DBS Bank Ltd.	2022.06.14-2025.06.14, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	200,000	200,000	
Sumitomo Mitsui Banking Corporation	2022.09.16-2024.05.31, lump sum repayment on maturity	Note 2	-	-	5,400,000	5,400,000	
The Bank of Tokyo-Mitsubishi UFJ	2022.07.27-2024.03.30, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	1,500,000	1,500,000	
Bangkok Bank	2022.12.02-2024.03.17, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	600,000	600,000	
Bank of Taiwan	2022.11.21-2024.08.26, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	1,000,000	1,000,000	
Hua Nan Commercial Bank	2022.12.12-2024.12.12, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	500,000	500,000	
BNP Paribas	2022.12.15-2024.07.26, lump sum repayment on maturity	Note 2	-	-	300,000	300,000	
Land Bank of Taiwan	2022.12.09-2024.11.30, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	1,000,000	1,000,000	
E.SUN Commercial Bank	2022.12.19-2024.06.01, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	800,000	800,000	
Bank SinoPac	2022.12.13-2024.04.30, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	2,500,000	2,500,000	
Taiwan Shin Kong Commercial Bank Co., Ltd.	2022.12.14-2025.12.15, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	500,000	500,000	
Bank of America, National Association	2022.04.14-2025.01.12, lump sum repayment on maturity	Note 2	-	-	885,000	885,000	
Yuantia Commercial Bank Co., Ltd.	2022.09.16-2024.08.23, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	1,500,000	1,500,000	
CTBC Bank Co., Ltd.	2022.09.15-2024.07.31, lump sum repayment on maturity, interest payment monthly	Note 2	-	-	1,500,000	1,500,000	
Calyon Corporate and Investment Bank	2020.09.29-2023.09.21, the first installment shall be repaid within 2 years from the issue date, then the repayment period has been every half year for a total of 3 installments	Note 2	-	666,667	-	666,667	
Bank loan				666,667	30,845,000	31,511,667	
Commercial paper							
Ta Ching	2022.11.14-2026.11.13, Interest prepayment, lump sum repayment on maturity	Note 2	-	-	999,453	999,453	
TFC	2020.06.23-2024.06.21, Interest prepayment, lump sum repayment on maturity	Note 2	-	-	1,497,574	1,497,574	
E.SUN Bank	2021.06.30-2025.06.27, Interest prepayment, lump sum repayment on maturity	Note 2	-	-	1,498,779	1,498,779	
				-	3,995,806	3,995,806	
				\$ 666,667	\$ 34,840,806	\$ 35,507,473	

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

Note B: The interest rates for long-term borrowings were from 1.23%-2.02%. The interest rates for long-term commercial paper were from 0.66%-2.00%.

## FAR EASTERN NEW CENTURY CORPORATION

## STATEMENT OF BONDS PAYABLE

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Period	Trustee	Maturity	Repayment	Annual Rate (%)	Original Currency	Issued Amount	Repayment Paid	Unamortized Bonds Discounts	Outstanding Balance			Collateral
									Expired Within A Year	Expired After A Year	Total Amount	
Ordinary bonds No. 106-2	Unsecured	2018.01.08-2023.01.08	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.95		\$ 3,000,000	\$ -	\$ 26	\$ 2,999,974	\$ -	\$ 2,999,974	-
No. 107-1	Unsecured	2018.05.18-2023.05.18	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.92		6,000,000	3,000,000	907	2,999,093	-	2,999,093	-
No. 107-2	Unsecured	2018.07.18-2023.07.18	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.90		8,000,000	4,000,000	1,744	3,998,256	-	3,998,256	-
No. 108-1	Unsecured	2019.04.29-2024.04.29	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.93		8,000,000	-	4,247	-	7,995,753	7,995,753	-
No. 108-2	Unsecured	2019.08.08-2024.08.08	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.79		6,000,000	-	3,849	-	5,996,151	5,996,151	-
No. 109-1	Unsecured	2020.04.22-2025.04.22	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.66		6,000,000	-	5,543	-	5,994,457	5,994,457	-
No. 109-2-A	Unsecured	2020.06.10-2025.06.10	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.77		2,200,000	-	1,310	-	2,198,690	2,198,690	-
No. 109-2-B	Unsecured	2020.06.10-2027.06.10	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.85		3,000,000	-	3,248	-	2,996,752	2,996,752	-
No. 109-3	Unsecured	2020.09.17-2027.09.17	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.83		5,500,000	-	5,555	-	5,494,445	5,494,445	-
No. 109-4	Unsecured	2020.12.21-2025.12.21	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.54		3,800,000	-	3,390	-	3,796,610	3,796,610	-
No. 110-1	Unsecured	2021.04.28-2026.04.28	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.67		9,500,000	-	9,474	-	9,490,526	9,490,526	-

(Continued)

Period	Trustee	Maturity	Repayment	Annual Rate (%)	Original Currency	Issued Amount	Repayment Paid	Unamortized Bonds Discounts	Outstanding Balance			Collateral
									Expired Within A Year	Expired After A Year	Total Amount	
No. 110-2	Unsecured	2021.05.24-2026.05.24	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.52		\$ 1,200,000	\$ -	\$ 1,222	\$ -	\$ 1,198,778	\$ 1,198,778	-
No. 110-3	Unsecured	2021.09.27-2026.09.27	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.63		6,500,000	-	7,294	-	6,492,706	6,492,706	-
No. 111-1	Unsecured	2022.09.14-2027.09.14	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.(Note)	1.75		2,500,000	-	2,823	-	2,497,177	2,497,177	-
No. 111-2-A	Unsecured	2022.10.26-2025.10.26	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	1.70		1,600,000	-	1,504	-	1,598,496	1,598,496	-
No. 111-2-B	Unsecured	2022.10.26-2027.10.26	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	1.80		<u>900,000</u>	<u>-</u>	<u>868</u>	<u>-</u>	<u>899,132</u>	<u>899,132</u>	-
						<u>\$ 73,700,000</u>	<u>\$ 7,000,000</u>	<u>\$ 53,004</u>	<u>\$ 9,997,323</u>	<u>\$ 56,649,673</u>	<u>\$ 66,646,996</u>	

Note: It is a sustainability-linked bond (SLB), bearing an annual fixed rate of 1.75%. Interest payment terms are adjusted if there is a triggering event at the target measurement date. Triggering event has to observe two key performance indicators (KPIs) and whether sustainability performance targets (SPTs) will be achieved at the target measurement date (December 31, 2025), including: (a) greenhouse gas emissions (Scope 1 + Scope 2) by 2025 compared to 2020 should be 20% reduction and (b) 80% growth in green product revenue by 2025 compared to 2015. Information on the SLB is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(Concluded)

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Quality</b>	<b>Amount</b>
Sales of goods		
PET	617,181 tones	\$ 26,753,584
Polyester cotton	133,425 tones	6,194,901
Knitted fabrics	9,873 tones	2,833,092
DTY	35,969 tones	2,755,321
Others (Note)		<u>12,709,174</u>
		<u>\$ 51,246,072</u>

Note: The amount of each item does not exceed 5% of total revenue.



## FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF COST OF OPERATING REVENUE  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (In Thousands of New Taiwan Dollars)

Item	Amount
Cost of goods sold	
Raw material, beginning of year	\$ 2,345,636
Raw material purchased	31,248,600
Less: Raw materials, end of year	(2,457,316)
Raw materials consumption	<u>31,136,920</u>
Supplies consumption	<u>2,029,770</u>
Direct labor	<u>1,705,862</u>
Manufacturing expenses	
Depreciation	1,936,316
Payroll	1,798,285
Electricity	1,113,567
Outsourcing processing fees	1,082,678
Repair costs	909,912
Fuel expense	775,791
Others	<u>1,638,037</u>
	<u>9,254,586</u>
Manufacturing cost	44,127,138
Work in process, beginning of year	2,434,272
Work in process, end of year	(2,283,276)
Cost of finished goods	<u>44,278,134</u>
Finished goods, beginning of year	1,941,650
Finished goods, end of year	<u>(2,227,780)</u>
	43,992,004
Transferred cost to related parties	(404,270)
Reversal of write-down of inventories	(128,876)
Idle capacity	<u>492,141</u>
	<u>\$ 43,950,999</u>

## FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF OPERATING EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Expected Credit Loss
Transportation expense	\$ 4,255,320	\$ -	\$ -	\$ -
Payroll and bonus expense	391,077	1,123,128	392,162	-
Contract fee	-	269,396	-	-
Remuneration of directors	-	153,878	-	-
Expected credit loss	-	-	-	6,695
Depreciation expense	-	155,324	108,876	-
Commission	389,247	-	-	-
Computer processing fees	-	105,415	-	-
Research and development expenses	-	-	80,212	-
Others (Note)	<u>286,449</u>	<u>173,793</u>	<u>231,894</u>	<u>-</u>
	<u>\$ 5,322,093</u>	<u>\$ 1,980,934</u>	<u>\$ 813,144</u>	<u>\$ 6,695</u>

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

## FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES  
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
 (In Thousands of New Taiwan Dollars)

	2022			2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	\$ 2,969,940	\$ 1,906,367	\$ 4,876,307	\$ 2,966,096	\$ 1,854,145	\$ 4,820,241
Insurance	264,360	146,519	410,879	265,908	136,360	402,268
Pension expense	92,345	77,685	170,030	101,385	75,740	177,125
Remuneration of directors	-	155,438	155,438	-	182,267	182,267
Other employee benefits expense	141,273	72,921	214,194	144,921	75,883	220,804
	<u>\$ 3,467,918</u>	<u>\$ 2,358,930</u>	<u>\$ 5,826,848</u>	<u>\$ 3,478,310</u>	<u>\$ 2,324,395</u>	<u>\$ 5,802,705</u>
Depreciation expense	<u>\$ 1,936,316</u>	<u>\$ 320,884</u>	<u>\$ 2,257,200</u>	<u>\$ 1,999,485</u>	<u>\$ 312,063</u>	<u>\$ 2,311,548</u>
Amortization expense	<u>\$ 4,548</u>	<u>\$ 5,518</u>	<u>\$ 10,066</u>	<u>\$ 2,165</u>	<u>\$ 7,064</u>	<u>\$ 9,229</u>

Notes: 1. The average number of employees for this year and the previous year were 4,323 and 4,379 respectively, of which the number of directors who did not serve concurrently was both 9.

2. a. The average employee benefit expenses for the year were \$1,315 thousand and \$1,286 thousand respectively. (Total employee benefit expenses - Total director's remuneration/Number of employees - Number of directors who are not part-time employees).
- b. The average employee salary expenses for the year were \$1,130 thousand and \$1,103 thousand respectively. (Total salary expenses/Number of employees - Number of directors who are not part-time employees).
- c. The average employee salary expense this year increased by 2% compared to last year. (Average employee salary expense of the current year - Average employee salary expense of the previous year/Average employee salary expense of the previous year).
3. a. Pursuant to the Company Act and Article 26 of the "Articles of Incorporation of Far Eastern New Century Corporation", 2% to 3.5% of the profit of the current year should be distributed as employees' compensation and not more than 2.5% of the profit of the current year should be distributed as directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by the board of directors, determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares distributable as employees' compensation; in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting. The remuneration paid to independent directors is a fixed amount. The actual ratio and amount of the profit distributable as directors' remuneration shall also be determined by the board of directors in accordance with the "Board Performance Evaluation Rule", and a report of such distribution shall be submitted to the shareholders' meeting. The remuneration of directors, presidents, executive vice presidents, and managers was paid according to not only the peer standards but also the correlations with the personnel assessment, operational performance, and future risks. The remaining compensation is determined based on the business results of the whole company and each department; meanwhile, results of market surveys on the general salary level of TWSE-listed companies and reports by professional consulting companies will also be used as references. In addition, the remuneration committee of the Company regularly (at least once a year) reviews and evaluates the remuneration policies, systems, standards and structures of directors and managers, and presents its recommendations to the board of directors for discussion in order to balance the Company's sustainability and risk control.
- b. The salary of employees includes monthly salary and remuneration paid by the Company based on annual profitability. The Company determines the total amount of performance bonuses and remunerations based on the Company's operating results and with reference to the level of domestic industry distribution. The amount each employee receives depends on their position, contribution, and performance.

## VII. Review and Analysis of the Financial Condition, Performance and Risk Management

### 1. Review and Analysis of Financial Conditions

#### Financial Conditions Analysis (on a consolidated basis)

Unit: NT\$ thousands

Item \ Year	2022	2021	Variance	
			Amount	%
Current assets	161,873,156	144,073,658	17,799,498	12.35
Property, plant and equipment	172,053,588	165,089,960	6,963,628	4.22
Intangible assets	82,096,055	87,572,942	(5,476,887)	(6.25)
Other assets	241,735,111	238,591,025	3,144,086	1.32
Total assets	657,757,910	635,327,585	22,430,325	3.53
Current liabilities	158,191,762	124,141,318	34,050,444	27.43
Non-current liabilities	227,894,071	241,771,349	(13,877,278)	(5.74)
Total liabilities	386,085,833	365,912,667	20,173,166	5.51
Common stock	53,528,751	53,528,751	-	-
Capital surplus	3,408,541	3,403,003	5,538	0.16
Retained earnings	153,213,765	153,067,440	146,325	0.10
Other equity	(1,117,516)	(3,925,396)	2,807,880	71.53
Treasury stocks	(25,063)	(25,063)	-	-
Total equity attributable to owners of the Company	209,008,478	206,048,735	2,959,743	1.44
Non-controlling interests	62,663,599	63,366,183	(702,584)	(1.11)
Total equity	271,672,077	269,414,918	2,257,159	0.84
<b>Analysis of variation exceeding 20% and NT\$10 million of the numbers in the previous year:</b> Current liabilities increased: mainly due to "short-term borrowings" & "short-term notes payable" increased. Other equity increased: mainly due to the increase of "Exchange Difference on Translating Foreign Operation"				

## 2. Review and Analysis of Financial Performances

Unit: NT\$ thousands

Item	Year	2022	2021	Variance	
				Amount	%
Operating revenues		263,944,525	238,806,217	25,138,308	10.53
Operating costs		213,924,074	192,320,517	21,603,557	11.23
Gross profit		50,020,451	46,485,700	3,534,751	7.60
Realized construction income		555	555	-	-
Operating expenses		36,254,642	34,993,397	1,261,245	3.60
Operating income		14,349,799	11,711,538	2,638,261	22.53
Nonoperating income (expenses)		2,799,831	6,115,767	(3,315,936)	(54.22)
Income before income tax		17,149,630	17,827,305	(677,675)	(3.80)
Income tax expenses		3,808,480	2,982,820	825,660	27.68
Net income		13,341,150	14,844,485	(1,503,335)	(10.13)
Other comprehensive income (net of income tax)		3,116,351	(979,731)	4,096,082	(418.08)
Total comprehensive income		16,457,501	13,864,754	2,592,747	18.70
<b>1. Analysis of variance:</b> Operating income & income tax expenses: mainly due to the increase of "mobile service profit of the telecom business" Nonoperating income (expenses): mainly due to the decrease of "share of the profit or loss of associates" Other comprehensive income (net of income tax): mainly due to the increase of "Exchange Difference on Translating Foreign Operation" <b>2. Expected sales volume in next one year and the reason for such expectation. The impact of such expectation on the Company's financial situation and operational performances, and the Company's plan:</b> Please refer to the "Letter to Shareholders".					

## 3. Review and Analysis of Cash Flow

Unit: NT\$ thousands

Cash and cash equivalents - Beginning balance	Total cash inflows from operating activities	Total cash outflows	Cash and cash equivalents - Ending balance	Remedy plans for negative balance of cash and cash equivalents	
				Investment plan	Financing plan
34,544,963	38,510,852	25,811,316	47,244,499	N/A	N/A
<b>1. Cash flow analysis for year 2022:</b> (1) Operating activities: mainly the inflow of operating activities and cash dividends received from invested companies. (2) Investing activities: mainly the equity investments & capital expenditures. (3) Financing activities: mainly issue (payback) corporate bonds, utilize bank borrowings, payout cash dividend and reimburse leasing liabilities. <b>Remedial measures for projected cash shortfall and liquidity analysis: N/A</b>					
Cash and cash equivalents - Beginning balance (1)	Total cash inflows from operating activities (2)	Total cash outflows (3)	Cash and cash equivalents - Ending balance (1)+(2)-(3)	Remedy plans for negative balance of cash and cash equivalents	
				Investment plan	Financing plan
47,244,499	35,226,240	35,654,989	46,815,750	N/A	N/A
<b>2. 2023 estimated cash flow analysis of variance in cash flow balance:</b> (1) Operating activities: the Company expects the cash inflow generated from operation and cash dividends received. (2) Investing activities: mainly due to equity investment & capital expenditures. (3) Financing activities: plan to issue (payback) corporate bonds, payout cash dividend and reimburse leasing liabilities. <b>Remedial measures for projected cash shortfall and liquidity analysis: N/A</b>					

## 4. Major Capital Expenditures in Recent Years and Impacts on Financial and Operational Situations

### 4.1 Major Capital Expenditures and Sources of Funding

Unit: NT\$ thousands

Plan Item	Actual or estimated source of capital	Actual or estimated project completion date	Total capital needed (Note)	Capital utilization schedule				
				Actual		Estimated		
				Before 2021	2022	2023	2024	2025
Vietnam vertical integration plant	Retained earnings and bank borrowings	Jun 2023	19,422,461	18,681,201	516,748	224,512	-	-
Vietnam green material recycling		Jun 2023	1,492,476	931,067	415,898	145,511	-	-
Vietnam polyester staple fiber FL-52		Oct 2023	939,637	658,424	192,335	88,878	-	-
Pellet plant expansion		Oct 2023	1,104,432	76,094	284,227	744,111	-	-
FIGP HIMEJI R-PET		Oct 2023	3,461,389	-	2,662,205	799,184	-	-
Malaysia R-PET		Dec 2024	1,889,475	-	292,525	798,475	798,475	-
Fully drawn yarn production line		Oct 2022	150,796	38,473	112,323	-	-	-
Recycled PET resin		Dec 2024	574,881	-	-	442,216	132,665	-
PET Shrinkable film line 4&5		Apr 2026	1,730,100	-	29,779	182,437	543,179	974,705

Note: Working capital is excluded.

### 4.2 Expected Benefit

Production Volume, Sales Volume, and Revenue Expected to Increase:

Unit: NT\$ thousands

Year	Item	Unit	Production volume	Sales volume	Revenue
2023	Polyester filament	MT	28,600	16,200	1,049,748
	rPET resin	MT	19,597	17,568	371,910
	Fully drawn yarn	MT	3,435	3,435	182,281
2024	Polyester filament	MT	79,200	43,200	2,882,031
	rPET resin	MT	133,000	133,000	8,178,934
	Fully drawn yarn	MT	3,435	3,435	189,888

## 5. Investment Policies in Recent Years

### 5.1 Investment Policies

The Company co-ordinates all resources in the Far Eastern Group to achieve two targets: 1) explore new business opportunities and extend the business territory of the Group; 2) upgrade and improve the existing affiliates and subsidiaries to achieve a sustainable growth of earnings.

### 5.2 Reasons for Profit/Loss in Recent Years and Plans for Improvement

The total affiliate earnings booked through equity method by the Company in 2022 was NT\$ 4.4 billion, and the profit generated by invested subsidiaries remained stable.

### 5.3 Future Investment Plan: (Please refer to page 93-94)

## 6. Sources of Risks and Evaluations

### 6.1 The Impacts of Fluctuations in Interest/Exchange Rates and Inflation on the Company's Profits and Losses and Corresponding Measures

6.1.1 Looking back at the international economic situation in 2022, the world has experienced the Russia-Ukraine war, inflationary pressures, and the tightening monetary policies of major economies have slowed down economic growth. According to the report published by the Directorate General of Budget, Accounting and Statistics in February 2023, Taiwan's GDP growth in 2022 was 2.45%, and CPI was up 2.95%. Its projected GDP growth in 2023 is 2.12% with CPI up 2.16%. Looking forward to 2023, the global economy is facing many severe challenges, including: the amplitude and duration of interest rate hikes in major countries, geopolitics and the European energy crisis, climate change and inflation threats, as well as the uncertainty of the US-China trade dispute and other uncertain factors. Confronting forthcoming transformations in the economic landscape, Taiwan's central bank is expected to adopt a mildly progressive tightening monetary policy; interest rates are expected to rise at a moderate pace to keep prices and the overall financial system stable.

Faced with the pressure of rising inflation on a global scale, central banks around the world, one after another, have been tightening money supply and raising interest rates to keep inflation in check. The Company has been undertaking short-term operations with investments of various durations. It also applies mid-term, long-term and fixed-rate financing instruments to hedge against potential losses incurred from rising financing rates, thereby preventing fluctuations of interest rates from pushing up the Company's financing costs. The Company will continue to monitor the trend of interest rates, keeping its overall capital cost low with both short and long-term financial instruments.

6.1.2 The foreign-denominated assets and liabilities of the Company and its consolidated subsidiaries derived from international trade are hedged by the Finance Department with spot or forward transactions, executed with considerations of the original FX costs of the foreign-denominated assets and liabilities and the trends of the related foreign currencies. Going forward, this policy will remain in place in order to minimize the impact of FX risks on the earnings of the Company and its consolidated subsidiaries.

## **6.2 Policies Governing High-Risk and Hyper-leveraged Investments, Loaning of Funds, Endorsement/Guarantee and Derivative Transactions; Major Causes of Loss and Profit and Corresponding Measures**

- 6.2.1 The Company and its consolidated subsidiaries do not engage in any high-risk or hyper-leveraged investment. Derivative transactions are undertaken to hedge against volatility in interest and foreign exchange rates. Under this principle, all positions of derivative products are covered by physical holdings of assets and liabilities owned by the Company and its consolidated subsidiaries; in other words, these positions are not naked positions. Therefore, the risks of trading derivatives are minimized and can be effectively controlled. Profits or losses, if any, often result from investment horizon mismatches, and are therefore little and negligible. The Company and its consolidated subsidiaries will uphold this principle and will not proactively engage in naked positions of high-risk or hyper-leveraged derivative products. All trading of derivative products will be managed in accordance with the "Procedures for Acquisition and Disposition of Assets" approved by the Board of Directors and Shareholders' Meeting.
- 6.2.2 The Company and its consolidated subsidiaries have instituted a bylaw on the "Procedures for Lending of Capital to Others" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the competent authorities in Taiwan. It has been submitted to each company's Board of Directors and approved at the Shareholders' Meetings. All matters regarding fund lending to others must be executed in full compliance with the aforementioned bylaw to avoid negative impacts on the Company and its consolidated subsidiaries.
- 6.2.3 The Company and its consolidated subsidiaries have instituted a bylaw on the "Procedures for Endorsements and Guarantees" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the competent authorities in Taiwan. It has been submitted to each company's Board of Directors and approved at the Shareholders' Meetings. All matters regarding making endorsements/guarantees must be executed in full compliance with the aforementioned bylaw to avoid negative impacts on the Company and its consolidated subsidiaries.

## **6.3 R&D Plans and Estimated Expenses in Coming Years**

### **6.3.1 The R&D projects for the Polyester Material Division :**

The projected R&D expenses for 2023 are approximately NT\$ 69.588 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness



**6.3.2 The R&D projects for the Fibers &Textile Division:**

The projected R&D expenses for 2023 are approximately NT\$ 91.268 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

**6.3.3 The R&D projects for the New Green Materials & Application Division:**

The projected R&D expenses for 2023 are approximately NT\$ 95.715 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

**6.4 Impacts and Responses of the Company in Regard to Material Changes of Policies and Regulations in Taiwan and Foreign Countries**

The management team closely monitors and evaluates the changes and impacts of policies and regulations in domestic and overseas markets on the Company. Responsive measures will be planned and implemented accordingly.

**6.5 Technology Developments and Impacts on the Company**

The innovation and breakthrough of technology have changed the world in several ways, be it good or bad. The innovation of plastics is one such example. Plastic products provide convenience in our daily lives, but generate pollution as well, stemming from inappropriate disposals of plastic wastes. Therefore, developing a new material that is as convenient as plastic but more environmentally friendly is one of the most popular research projects in the world, and may also be the most important trend in the future of material development.

Given that the usage of plastic products is constrained by the Taiwanese government while green products are being promoted in globally, the Company believes that the applications of conventional petrochemical products will be limited. Therefore, the Company vows to be a pioneer to create more environmentally friendly materials, in hopes of enjoying the first-mover advantages. The Company has already engaged in the production of several bio-based or bio-degradable products such as polylactic acid (PLA), a material made from the fermentation process of corn. A wide range of product mix has been created via this or similar technologies and more applications are currently being innovated.

## **Review and Analysis of the Financial Condition, Performance, and Risk Management**

Currently, non-textile products account for more than 60% of the Company's sales, just to name but a few, PLA materials, shoes materials, diapers, bio-degradable heat shrinkable films, bio-degradable shopping bags, health care products, special industrial yarns, PET bottles, PET packaging sheets, and etc. These recycled, bio-based or bio-degradable products are widely used for textile, packaging, bottling, and bio-medical dressing. In the future, the Company aims to be one of the largest providers of these products.

The Company considers information security management system to be very important. It has adopted ISO 27001 since 2014, and ensures that information security engineers' capabilities are consistently up-to-date and ready for their duties. As China's Cyber Security Law came into effect in June 2017, the Company had put together a taskforce in charge of information security management for business operations in China. This team integrates the information security management measures for all the production sites in compliance with the law. They have an IT audit trail system in place, and also promote the management protocol for information security, making the Company's management and maintenance of information security solid and comprehensive. To raise employees' awareness of information security, an introductory course has also been built into the Company's online learning program. The information security risk management framework, information security policy, specific management plan and resources invested of the Company please refer to page 107-109.

### **6.6 Changes of Corporate Image and Impacts on the Company's Crisis Management:**

None

### **6.7 Expected Benefits and Risks from Mergers and Acquisitions:** None

### **6.8 Expected Benefits and Risks from Plant Expansion:** Please refer to page 144

### **6.9 Risks from Concentration in Supply and Sales and Measures the Company Undertake:**

In order to secure the supplies of raw materials, the Company invested in Far Eastern Industries (Shanghai) Ltd. and Oriental Petrochemical (Taiwan) Co., Ltd. and actively integrated upward its production process; the Company's products are sold worldwide with a diversified client portfolio.

### **6.10 Impacts and Risks from Changes in Directors, Supervisors and Shareholders with Greater than 10% Shareholding or Their Selling of a Large Number of Shares in Recent Years until the Annual Report Being Published:**

The change is mainly due to the individual financial behaviors of Directors and there is no significant influence on the Company's operations.

### **6.11 Impact and Risks from Change of Ownership in Recent Year until the Annual Report Being Published:** None

### **6.12 Material Impacts on Shareholders' Equity or Share Price from Litigations, Non-Litigations or Administrative Actions in Directors, Supervisors, Chairman, President, Shareholders with Greater than 10% Shareholding and Subsidiaries in Recent Year until the Annual Report being Published:** None

### 6.13 Other Major Risks:

Since Russia invaded Ukraine in Feb 2022, the fear of rising oil prices, increasing inflation, and high risks in trading with Ukraine or Russia has escalated globally. The Company immediately launched the risk management systems of "Procedures of Country-Level Risk Monitoring and Management" and "Policies and Risk Control Measures towards Russia-Ukraine war". Despite that, the Company has proactively cooperated with the brand customers (such as Coca-Cola, NIKE, Adidas, Bridgestone, etc.), following the international trade policies and practices, to mitigate its trading risks with these two countries. Overall, the Company has demonstrated strong capabilities in proactive risk assessment and effective response measures. As a result, we have successfully recovered all exposed debts without significant impact on our core business. The Company also looks for new business opportunities for further collaboration with international brands after the war.

## 7. Others

### 7.1 Valuation techniques and Assumptions Applied to Measure Fair Value of the Company and Subsidiaries:

- 7.1.1 The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined by referring to quoted market prices. If these prices are not available, valuation techniques are applied.
- 7.1.2 The fair values of derivative instruments are calculated using quoted prices. If these prices are not available, a discounted cash flow analysis is made using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.
- 7.1.3 The fair values of other financial assets and financial liabilities (i.e., excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- 7.1.4 Categories of financial instruments:
  - (1) Financial assets: Financial assets at fair value through profit or loss, financial assets for hedging, financial assets at amortized cost, and financial assets at fair value through other comprehensive income
  - (2) Financial liabilities: Financial liabilities at fair value through profit or loss, financial liabilities for hedging, and financial liabilities at amortized cost.

### 7.2 Estimated Impairment of Notes and Accounts Receivable:

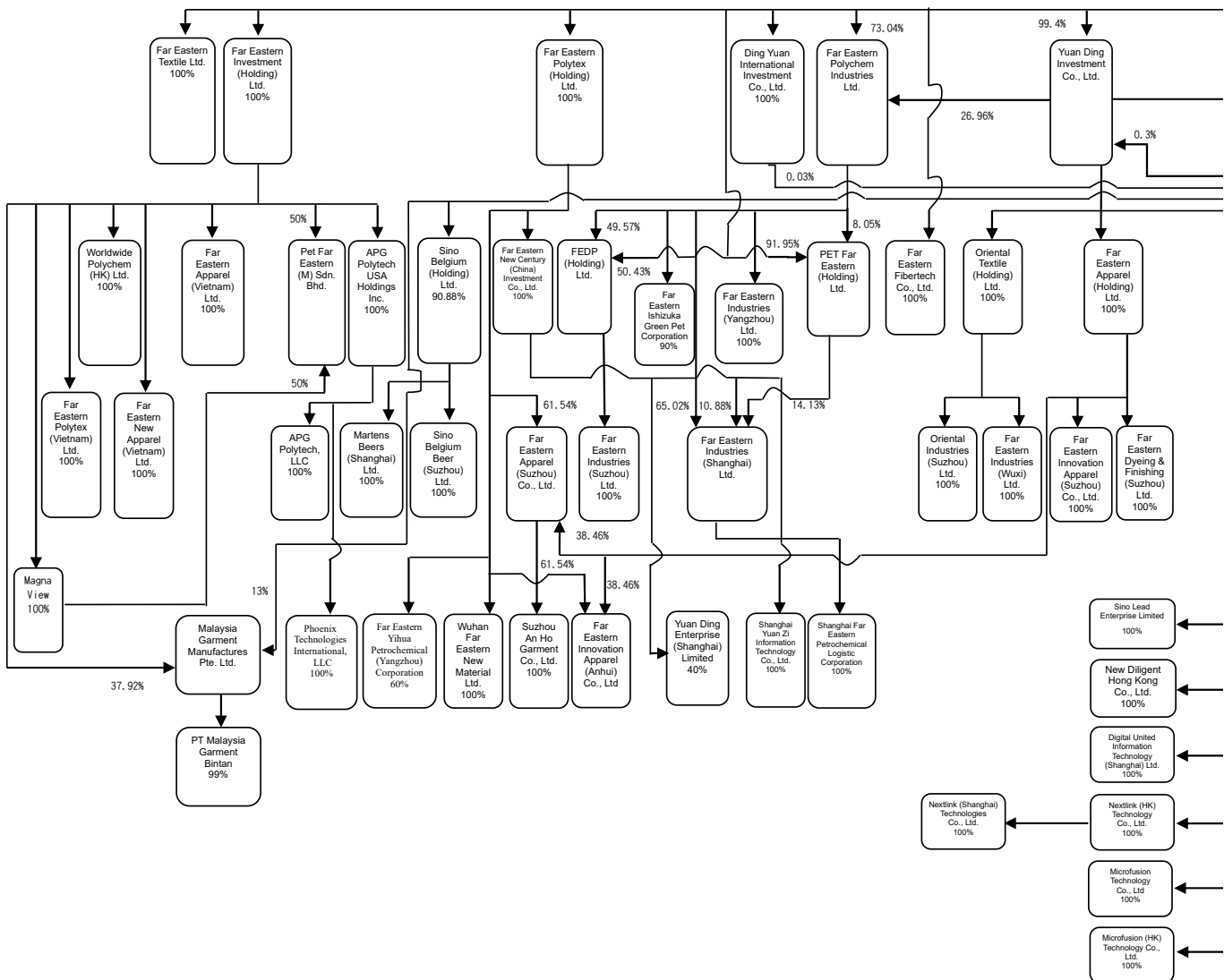
When there is objective evidence of impairment loss, the Company and subsidiaries take into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If the actual future cash flows are less than expected, a material impairment loss may arise.

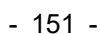
## VIII. Special Disclosure

### 1. Affiliated Companies

#### 1.1 Subsidiaries and Affiliated Companies in the Consolidated Financial Report

##### 1.1.1 Holding Structure of the Organization





## Special Disclosure

### 1.1.2 Information of Far Eastern New Century and Subsidiaries and Affiliates:

Unit: NT\$ thousands, unless stated otherwise

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
0	Far Eastern New Century Corp.	1954/1/13	36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	53,528,751	Petrochemical and polyester materials, semi-finished products, finished goods, woven and knitted garments
1	Yuan Ding Investment Co., Ltd.	1986/11/7	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	18,338,262	Investment
2	Oriental Petrochemical (Taiwan) Co., Ltd.	1987/1/26	47, Jingjian 4th Road, Guanyin Industrial Park, Guanyin, Taoyuan City, Taiwan	25,660,930	Production and sales of PTA
3	Yuan Tong Investment Co., Ltd.	1999/12/3	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	7,444,104	Investment
4	Far Eastern Resources Development Co., Ltd.	2003/9/30	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	7,758,355	Development, sales and lease of real estates
5	Far Eastern Construction Co., Ltd.	1978/9/4	5F, 267, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	4,153,220	Construction contractor for residential housings; broker of housing rental and sales service
6	Kai Yuan International Investment Co., Ltd.	1998/10/6	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	3,716,709	Investment
7	Ding Yuan International Investment Co., Ltd.	1998/10/2	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	2,587,555	Investment
8	Far Eastern General Contractor Inc.	1982/10/4	5F, 267, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	1,802,629	Construction of housing and public infrastructures.
9	Far Eastern Fibertech Co., Ltd.	1995/4/10	17, Gongye 5th Rd., Guanyin Industrial Park, Guanyin, Taoyuan City, Taiwan	910,000	Production of nylon fibers
10	An Ho Garment Co., Ltd.	1977/1/24	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	766,293	Investment
11	Oriental Resources Development Co., Ltd.	1988/6/27	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	57,385	Production and wholesale of medical supplies
12	Oriental Green Materials Ltd.	2019/9/19	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	661,165	Waste recycling and re-processing
13	Far Eastern Apparel Co., Ltd.	1976/2/27	36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	447,723	Sales of textile, garments, and clothing
14	Yuan Faun Co., Ltd.	1980/12/13	33F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	66,750	Production management consulting services
15	Fu Kwok Knitting & Garment Co., Ltd.	1971/3/6	110, Neihuan S. Rd., Nanzi District, Kaohsiung City, Taiwan	40,000	Garment production and sales
16	Yuan Cheng Human Resources Consultant Corp.	1999/6/8	18F, No.655, Bannan Rd., Zhonghe Dist, New Taipei City, Taiwan	13,500	Personnel recruitment; temporary employment arrangement
17	Far Eastern Textile Ltd.	2011/12/28	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	13,000	Garment production and sales
18	Far Eastern Investment (H) Ltd.	1989/8/29	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	2,104 USD 69	Investment
19	Far Eastern Polychem Industries Ltd.	1995/4/13	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	448 HKD 114	Investment and sales of polyester products
20	FEDP (H) Ltd.	2002/3/22	Clarendon House 2 Church street Hamilton HM 11, Bermuda	161 USD 5	Investment
21	PET Far Eastern (H) Ltd.	1996/10/1	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	126 RMB 29	Investment
22	Far Eastern Polytex (H) Ltd.	2006/3/22	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	53 USD 1.7	Investment
23	Far Eastern Apparel (H) Ltd.	1996/10/1	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	34 USD 1.1	Investment and sales of textile products
24	Oriental Textile (H) Ltd.	2001/1/10	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	34 USD 1.1	Investment and sales of polyester products
25	Sino Belgium (H) Ltd.	2007/8/15	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	12 USD 0.4	Investment
26	Magna View Sdn. Bhd	1996/8/9	Suite 6.1A.Level 6,Menara Pelangi, Jalan Kuning,Taman Pelangi,80400, Johor Bahru, Johor	20,097 MYR 3,000	Investment

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
27	Far Eastern Industries (Shanghai) Ltd.	1996/9/25	198 Baisha Road, Spark Development Zone, Pudong, Shanghai, China	16,194,943 RMB 3,673,989	Production and sales of polyester products.
28	Far Eastern New Century (China) Investment Co., Ltd.	2007/6/18	Suite 3301, 33F, 800, Dongfang Road, Pudong New Area, Shanghai, China	4,716,787 RMB 1,070,052	Investment
29	Martens Beers (Shanghai) Ltd.	2007/10/26	Suite 2105, 27F, 800, Dongfang Road, Pudong New Area, Shanghai, China	329,085 RMB 74,656	Trading of beer and relevant beverages
30	Shanghai Yuan Hua Logistic Corp.	2006/3/2	198 Baisha Road, Spark Development Zone, Pudong, Shanghai, China	83,752 RMB 19,000	Transportation and storage
31	Shanghai Far Eastern IT Corp.	2003/4/15	Suite 1801, 18F, 800, Dongfang Road, Pudong New Area, Shanghai, China	56,026 RMB 12,710	Software development, equipment maintenance and consulting services
32	Yuan Ding Enterprise (Shanghai) Limited	2013/8/20	17, Lane 855, Chengshan Road, Pudong New Area, Shanghai, China	7,773,177 RMB 1,763,425	Leasing and management of real estate
33	Wuhan Far Eastern New Material Ltd.	2003/7/9	93, Zhushanhu Rd., Wuhan Economical-Technical Development Zone, Hubei, Wuhan, China	753,978 RMB 171,048	Production and sales of PET sheet, chip, filament, staple fibers, and apparel
34	Oriental Industries (Suzhou) Ltd.	2005/6/24	1588, Yin Zhong South Road, HeDong Industrial Park, Wu Zhong Economic Development District, Suzhou, China	4,826,084 RMB 1,094,847	Production and sales of polyester resins and industrial fabrics.
35	Far Eastern Industries (Suzhou) Ltd.	2004/3/22	6, Hengshan Road, New District, Suzhou, China	1,738,382 RMB 394,370	Production and sales of polyester products
36	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	2003/10/22	1588, Yin Zhong South Road, Wu Zhong Economic Development District, Suzhou, China	1,627,756 RMB 369,273	Spinning, weaving and dyeing of high-end apparel, and sales and production of specialty garments
37	Sino-Belgium Beer (Suzhou) Ltd.	2007/9/4	6, Hengshan Road, New District, Suzhou, China	1,680,145 RMB 381,158	Development of beer brewing technology
38	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	2018/5/22	South Zone in Ducun Industrial Park, Linhu Town, Wu Zhong District, Suzhou, China	1,047,422 RMB 237,619	Production of knitted and woven garments and beddings
39	Far Eastern Apparel (Suzhou) Co., Ltd.	1996/10/24	88, Tian ling Rd. Wu Zhong District Economic Development Zone, Suzhou, China	901,776 RMB 204,577	Production of knitted and woven garments and beddings
40	Far Eastern Innovation Apparel (Anhui) Co., Ltd	2021/7/29	No. 1, Weier Road, Wujiang Town, He County, Ma'anshan City	40,774 RMB 9,250	Production of knitted and woven garments and beddings
41	Suzhou An Ho Apparel Ltd.	2008/1/31	88, Tian Ling Rd. Wu Zhong District Economic Development Zone, Suzhou, China	4,408 RMB 1,000	Production and sales of knitting and weaving garments
42	Far Eastern Industries (Wuxi) Ltd.	2002/5/28	Wuxi WNDZ 89 Land, WuXi, Jiangsu Province, China	2,122,322 RMB 481,471	Production of cotton yarn, other natural fibers, and chemical fibers
43	Far Eastern Yihua Petrochemical (Yangzhou) Corp.	2011/12/9	3, Yadong Road, Yangzhou Chemical Industry Park, Yangzhou, China	6,986,497 RMB 1,584,958	PTA and its by-product production and sales
44	Far Eastern Industries (Yangzhou) Ltd.	2012/5/10	9, Won Nien South Road, Yangzhou, China	1,361,642 RMB 308,902	Production and sales of polyester products
45	Far Eastern Ishizuka Green PET Corporation.	2012/5/11	880, Aza-Semino, Ohaza-Shimokobashi, Sakaimachi, Sashima-Gun, Ibaraki-Pref. Japan	23,240 JPY 100,000	Recycled PET production and sales
46	Far Eastern Apparel (Vietnam) Ltd.	2007/2/23	46 Dai Lo Tu Do, Vietnam Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	356,236 USD 11,600	Apparel production
47	Far Eastern Polytex (Vietnam) Ltd.	2015/6/23	Land lot B_4B_CN and B_5B_CN, Road DC, Bau Bang Industrial Park, Bau Bang District, Binh Duong Province, Vietnam	12,551,177 USD 408,700	Production of polyester and textile products
48	Far Eastern New Apparel (Vietnam) Ltd.	2015/6/30	D1 Street, Bac Dong Phu Industrial Park, Dong Phu District, Binh Phuoc Province, Vietnam	1,013,430 USD 33,000	Apparel production
49	PET Far Eastern (M) Sdn Bhd	1995/7/22	Plo 69 ,Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bahru, Johor Malaysia	107,184 MYR 16,000	Production of PET bottles and preforms
50	FE Green PET (M) Sdn. Bhd	2022/10/25	Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, Johor Bahru, Johor Malaysia	- (Note)	Recycled PET production and sales

## Special Disclosure

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
51	Worldwide Polychem (HK) Limited	2011/8/30	11/F, Lippo Leighton Tower, 103-109 Leighton Road, Causeway Bay, Hong Kong	107,485 USD 3,500	Import & export trading
52	Malaysia Garment Manufacturers Private Ltd.	1963/8/6	No.9, Little Road #02-02 Singapore 536985	181,027 SGD 7,912	Apparel production and investment
53	PT Malaysia Garment Bintan	1998/8/4	No.9, Little Road #02-02 Singapore 536986	4,308 IDR 2,175,600	Apparel production
54	Far EasTone Telecommunications Co., Ltd.	1997/4/11	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	32,585,008	Wireless telecommunications service, leased circuit service, ISR and internet services and sale of cellular phone equipments and accessories
55	Far Eastern Info Service (H) Ltd.	2002/7/17	Clarendon House 2 Church Street Hamilton HM11 Bermuda	369 USD 12	International investments
56	KGEx.com Co., Ltd.	2000/8/9	4F, 468, Ruei-Guang Rd., Neihsu Dist., Taipei City, Taiwan	689,074	Telecommunications service
57	Yuan Cing Co., Ltd.	2000/8/5	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	20,000	Phone subscriber service
58	ARCOA Communication Co., Ltd.	1981/5/4	36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	1,342,800	Sale of cell phones and other telecom equipments
59	Data Express Infotech Co., Ltd.	2004/7/22	6th Floor, No. 468, Ruei Guang Rd., Nei Hu, Taipei, Taiwan, R.O.C.	243,472	Sale of communication products
60	Home Master Technology Ltd	2011/8/11	6th Floor, No. 468, Ruei Guang Rd., Nei Hu, Taipei, Taiwan, R.O.C.	31,458	Sale of communication products
61	New Century InfoComm Tech Co., Ltd.	2000/6/1	10th Floor, No. 220, Gangchen Rd, Nei Hu, Taipei, Taiwan, R.O.C.	21,000,000	Telecommunications services
62	New Diligent Co., Ltd.	2001/5/2	1F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	540,000	Investment
63	New Diligent Hong Kong Co. Ltd.	2014/12/04	10/F., Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong	3,051 USD 100	Investment
64	Sino Lead Enterprise Limited.	2006/4/11	10/F., Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong	125 HKD 30	telecommunications services
65	Information Security Service Digital United	2004/12/22	6th Floor, No. 220, Gangchen Rd, Nei Hu, Taipei, Taiwan, R.O.C.	120,291	Security and monitoring services via Internet
66	Digital United (Cayman) Ltd.	2000/8/16	P.O. Box 2681, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies	316,927 USD 10,320	Investment
67	Digital United Information Technology (Shanghai) Ltd.	2000/10/8	Area A-3, 8th Floor, No. 28, Baolianjing Road., Pudong Sin Section, Shanghai, P.R.C.	103,820 RMB 23,553	Design and research of computer system
68	Yuanshi Digital Technology Co., Ltd.	2013/8/8	7F, 468, Ruei-Guang Rd., Neihsu Dist., Taipei City, Taiwan	112,502	Electronic information providing services
69	Prime Ecopower Co., Ltd.	2018/8/1	4F-1&2, No. 271, Sec. 4, Ximen Rd., North Dist., Tainan City, Taiwan	160,000	Energy technology services
70	Nextlink Technology Co., Ltd.	2006/10/13	5F-8, No. 267, Lequn 2nd Rd., Zhongshan Dist., Taipei City, Taiwan	159,490	Electronic information services
71	Microfusion Technology Co., Ltd.	2007/5/7	No. 275, Lequn 2nd Rd., Zhongshan Dist., Taipei City, Taiwan	44,950	Electronic information services
72	Nextlink (HK) Technology Co., Ltd.	2016/5/19	46/F LEE GARDEN ONE 33 HYSAN AVENUE CAUSEWAY BAY	973 HKD 247	Electronic information services
73	Microfusion (HK) Technology Co., Ltd.	2020/9/3	K11 ATELIER VICTORIA DOCKSIDE 18 SALISBURY ROAD TSIM SHA TSUI	1,494 HKD 400	Electronic information services
74	Nextlink (Shanghai) Technologies Co., Ltd.	2018/5/24	26F, No. 823-838, Zhangyang Road, China (Shanghai) Pilot Free Trade Zone	2,203 RMB 500	Electronic information services
75	Far EasTone Property Insurance Agent Co., Ltd.	2020/2/21	2nd Floor, No. 468, Ruei Guang Rd., Nei Hu, Taipei, Taiwan, R.O.C.	5,000	Property insurance agent
76	IDEAWORKS Entertainment Co., Ltd	2022/3/22	8th Floor, No. 468, Ruei Guang Rd., Nei Hu, Taipei, Taiwan, R.O.C.	82,500	Television and film production and distribution
77	Mission International Co., Ltd	2022/4/22	8th Floor, No. 468, Ruei Guang Rd., Nei Hu, Taipei, Taiwan, R.O.C.	80,000	Television and film production and distribution



	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
78	Yuan-Ding Co., Ltd.	1984/10/1	23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	5,034,047	Lease of real estates and hotel management
79	Ding Ding Hotel Co., Ltd.	1983/3/22	1-5F, 201&203, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	1,040,470	Hotel management
80	Yuan Hong Electric Co., Ltd.	1999/12/13	23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	25,000	Investment
81	Far Eastern Technical Consultants Co., Ltd.	1996/1/17	23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	50,000	Construction management and consulting service
82	Ding Ding Integrated Marketing Service Co., Ltd.	2004/10/22	22F, No.16, Xinzhan Rd., Banqiao Dist., New Taipei City, Taiwan	363,110	Market research and advertisement
83	YDT Technology International Co., Ltd.	1989/8/4	23F, No.16, Xinzhan Rd., Banqiao Dist., New Taipei City, Taiwan	139,920	Sale of communication products
84	Far Eastern Electronic Toll Collection Co., Ltd.	2004/4/7	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	3,000,000	Information software service, telecom hardware construction, engineering design of auto-controlling system
85	Yuan Hsin Digital Payment Co.,Ltd. (Note 2)	2014/6/27	5F,1, Yuan don Road, Banqiao Dist., New Taipei City, Taiwan	681,462	Digital Payment
86	FETC International Co., Ltd.	2017/5/19	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	200,000	Dispatched labor, procuring equipment, and sales agent services
87	DDIM (Virgin Islands) Ltd.	2011/08/31	P.O.Box.957 Offshore Incorporations Centre, Road Town Tortola, British Virgin Islands	732,362 USD 23,846	Investment
88	YDC (Virgin Islands) Ltd.	1998/2/11	Columbus Centre Building, Wickhams Cay, Road Town, Tortola, British Virgin Islands	34,702 USD 1,130	Investment
89	Yuan Ding Integrated Information Service Inc. (Shanghai)	2011/8/10	Room 1506, 719, Yan'an West Road, Changning District, Shanghai, China	664,058 RMB 150,648	Software development and internet service design
90	Speedy (Shanghai) digital Tech. Co., Ltd.	2004/4/27	Room 1502, 719, Yan'an West Road, Changning District, Shanghai, China	28,825 RMB 6,539	Intelligent control equipment and security
91	APG Polytech USA Holdings, Inc.	2018/2/9	1209 Orange Street, Wilmington, Delaware, 19801	2 USD 0.06	Investment
92	APG Polytech, LLC	2018/2/9	1209 Orange Street, Wilmington, Delaware, 19801	2,763,900 USD 90,000	Production and sales of PET.
93	Phoenix Technologies International, LLC	2003/11/24	1098 Fairview Avenue, Bowling Green, OH 43402, USA	813,815 USD 26,500	Recycled PET production and sales
94	FE Oriental Investment Holding (Singapore) Pte. Ltd.	2019/12/4	No.9, Little Road, Singapore 536985	153,550 USD 5,000	Investment
95	FE New Century Industry (Singapore) Pte. Ltd.	2020/6/19	No.9, Little Road, Singapore 536985	150,479 USD 4,900	Sales of textile products
96	FETC International (Thailand) Co., Ltd.	2020/6/9	1687/1 Phahonyothin Road Chatuchak Sub-district, Chatuchak District Bangkok 10900 Thailand	109,125 THB 122,050	Dispatched labor, procuring equipment, and sales agent services
97	FETC International (Malaysia) Co., Ltd.	2022/9/23	Level 11, Menara LGB, 1, Jalan Wan Kadir, Taman Tun Dr Ismail 60000 Kuala Lumpur W.P. Kuala Lumpur Malaysia	- Note	Dispatched labor, procuring equipment, and sales agent services
98	Oriental Investment Holding (Netherlands) B.V.	2020/1/24	Kingsfordweg 151, 1043GR Amsterdam	- Note	Investment
99	Oriental Martens (Netherlands) B.V.	2020/2/13	Kingsfordweg 151, 1043GR Amsterdam	- Note	Investment

Note: Please refer to Note1~4 on page 168.

## Special Disclosure

1.1.3 Companies Presumed to Have a Relationship of Control and Subordination with Far Eastern New Century under Article 369-3 of the R.O.C. Company Act: None

1.1.4 Industries Covered by the Business Operated by the Affiliates and Description of the Mutual Dealings and Division of Work among Such Affiliates:

Petrochemical, Polyester, Textile, Garment and apparel, Investment, Construction, General Contractor, Leasing, Management consulting, Human resources consulting, Wireless telecommunication services, mobile virtual network operator services, wholesale and retail sale of telecom related products and equipments...etc. Please refer the aforesaid table of "Information of Far Eastern New Century and Subsidiaries and Affiliates" for major business activities of the Company's affiliates.

1.1.5 Information about Directors, Supervisors, and Managers at Each Subsidiary and Affiliate:

Unit: Number of shares; %

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
0	Far Eastern New Century Corp.	Directors	Douglas Tong Hsu (Chairman)	91,748,698	1.71
			Asia Cement Corp.	1,272,277,085	23.77
			Johnny Hsi, Peter Hsu, Shaw Y. Wang, Jeff Hsu	-	-
			Far Eastern Department Stores Ltd.	19,964,370	0.37
			Richard Yang, Tonia Katherine Hsu	-	-
			U-Ming Marine Transport Corp.	31,181,470	0.58
			Kwan-Tao Li, Alice Hsu	-	-
			Yue Ding Industries Co., Ltd.	33,617,781	0.63
			Champion Lee	-	-
		Independent Directors	Chen-En Ko, Johnsee Lee, Raymond R.M. Tai	-	-
1	Yuan Ding Investment Co., Ltd.	Directors	K.S. Wu, Humphrey Cheng	-	-
			Far Eastern New Century Corp.	1,822,822,230	99.40
			Douglas Tong Hsu (Chairman), Johnny Hsi, Peter Hsu, Shaw Y. Wang, C.S. Tu, Alan Tsai, David Wang	-	-
		Supervisors	Da Ju Fiber Co., Ltd.	5,502,000	0.30
		President	Humphrey Cheng, Charles Wang	-	-
2	Oriental Petrochemical (Taiwan) Co., Ltd.	Directors	C.S. Tu	-	-
			Far Eastern New Century Corp.	1,938,892,578	75.56
			Douglas Tong Hsu (Chairman), Johnny Hsi, K.S. Wu, James Chou, David Shih, Eric Chueh	-	-
			Oriental Union Chemical Corp.	350,286,055	13.65
		Supervisors	Justin Tsai	-	-
			Yuan Ding Investment Co., Ltd.	133,333,811	5.20
3	Yuan Tong Investment Co., Ltd.	Directors	David Wang, Humphrey Cheng	-	-
			Eric Chueh	-	-
			Far Eastern New Century Corp.	744,410,398	100.00
		Supervisors	David Wang (Chairman), Humphrey Cheng, Allen Sha	-	-
			Far Eastern New Century Corp.	744,410,398	100.00
4	Far Eastern Resources Development Co., Ltd.	Directors	Alan Tsai	-	-
			David Wang	-	-
			Far Eastern New Century Corp.	775,835,546	100.00
		Supervisors	Douglas Tong Hsu (Chairman), Johnny Hsi, Peter Hsu, Shaw Y. Wang, C.S. Tu	-	-
			Far Eastern New Century Corp.	775,835,546	100.00
		President	Humphrey Cheng	-	-
			C.S. Tu	-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
5	Far Eastern Construction Co., Ltd.	Directors	Far Eastern New Century Corp. Shaw Y. Wang (Chairman), Douglas Tong Hsu, Peter Hsu, S.F. Cheng, Lin Kuo, D.F. Yang, C.C. Liao, S.Y. Wei, H.R. Gao, C.M. Chen, T.J. Chang	270,412,364	65.11
		Supervisors	Der Ching Investment Co., Ltd. Charles Wang, S.Y. Gao	140,218,343	33.76
6	Kai Yuan International Investment Co., Ltd.	Directors	Far Eastern New Century Corp. Humphrey Cheng (Chairman), David Wang, Allen Sha	371,670,880	100.00
		Supervisors	Far Eastern New Century Corp. Alan Tsai	371,670,880	100.00
		President	Humphrey Cheng	-	-
7	Ding Yuan International Investment Co., Ltd.	Directors	Far Eastern New Century Corp. Alan Tsai (Chairman), Humphrey Cheng, Allen Sha	258,755,547	100.00
		Supervisors	Far Eastern New Century Corp. David Wang	-	-
				258,755,547	100.00
8	Far Eastern General Contractor Inc	Directors	Far Eastern Construction Co., Ltd. S.F. Cheng (Chairman), Douglas Tong Hsu, Shaw Y. Wang, Lin Kuo, J.H. Li, Ying Wei, D.F. Yang, W.L. Chen, H.C. Cheng	178,369,549	98.95
		Supervisors	Yuan Ding Investment Co., Ltd. Jackson Wu, Li-Chi Chen	1,803,111	1.00
				-	-
9	Far Eastern Fibertech Co., Ltd.	Directors	Far Eastern New Century Corp. Douglas Tong Hsu (Chairman), Johnny Hsi, B.C. Chang, Humphrey Cheng, Eric Huang	91,000,000	100.00
		Supervisors	Far Eastern New Century Corp. David Wang	91,000,000	100.00
		President	B.C. Chang	-	-
10	An Ho Garment Co., Ltd.	Directors	Far Eastern New Century Corp. Alan Tsai (Chairman), David Wang, Li-Chi Chen	76,629,308	100.00
		Supervisors	Far Eastern New Century Corp. Carol Wang	76,629,308	100.00
				-	-
11	Oriental Resources Development Co., Ltd.	Directors	Far Eastern New Century Corp. David Wang, Fanny Liao, Li-Chi Chen	5,738,521	100.00
		Supervisors	Far Eastern New Century Corp. Davis Dai	5,738,521	100.00
		President	Fanny Liao	-	-
12	Oriental Green Materials Ltd.	Directors	Far Eastern New Century Corp. Donald Fan (Chairman), C.T. Peng, Li-Chi Chen	66,116,483	100.00
		Supervisors	Far Eastern New Century Corp. Davis Dai	66,116,483	100.00
		President	C.T. Peng	-	-
13	Far Eastern Apparel Co., Ltd.	Directors	Far Eastern New Century Corp. Ben Ho (Chairman), Judy Lee, Li-Chi Chen, Allen Sha, Jenny Ho	44,772,263	100.00
		Supervisors	Far Eastern New Century Corp. Alan Tsai	44,772,263	100.00
				-	-
14	Yuan Faun Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd. K.S. Wu (Chairman), Donald Fan, M.J. Wu, David Wang, Humphrey Cheng	6,675,000	100.00
		Supervisors	Yuan Ding Investment Co., Ltd. Alan Tsai, Emily Wu	6,675,000	100.00
				-	-

## Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
15	Fu Kwok Knitting & Garment Co., Ltd.	Directors	Far Eastern New Century Corp. Alan Tsai (Chairman), Allen Sha, Tony Liang, Jenny Ho	4,000,000	100.00
		Supervisors	Far Eastern New Century Corp. Li-Chi Chen	4,000,000	100.00
		President	Tony Liang	-	-
16	Yuan Cheng Human Resources Consultant Corp.	Directors	Yuan Faun Co., Ltd. C.Y. Lin (Chairman), Emily Wu, David Wang, Li-Chi Chen	744,999	55.19
			Taiwan Chang Cheng (H) Co., Ltd. J.C. Wang	600,001	44.44
		Supervisors	Da Ju Fiber Co., Ltd. Davis Dai	5,000	0.37
17	Far Eastern Textile Ltd.	Directors	Far Eastern New Century Corp. Douglas Tong Hsu (Chairman), Johnny Hsi, Peter Hsu	1,300,000	100.00
		Supervisors	Far Eastern New Century Corp. Shaw Y. Wang	1,300,000	100.00
		President	C.S. Tu	-	-
18	Far Eastern Investment (H) Ltd.	Directors	Far Eastern New Century Corp. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	6,851,422	100.00
19	Far Eastern Polychem Industries Ltd.	Directors	Yuan Ding Investment Co., Ltd. Far Eastern New Century Corp.	306,643,943	26.96
			Shaw Y. Wang, K.S. Wu, Humphrey Cheng	830,814,727	73.04
20	FEDP (H) Ltd.	Directors	Far Eastern Polychem Industries Ltd. Far Eastern New Century Corp.	240,304	49.57
			Shaw Y. Wang, K.S. Wu, Humphrey Cheng	244,480	50.43
21	PET Far Eastern (H) Ltd.	Directors	Far Eastern Polychem Industries Ltd. Far Eastern New Century Corp.	34,793	8.05
			Shaw Y. Wang, K.S. Wu, Humphrey Cheng	397,393	91.95
22	Far Eastern Polytex (H) Ltd.	Directors	Far Eastern New Century Corp. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	172,831	100.00
23	Far Eastern Apparel (H) Ltd.	Directors	Yuan Ding Investment Co., Ltd. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	111,200	100.00
24	Oriental Textile (H) Ltd.	Directors	Yuan Ding Investment Co., Ltd. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	109,620	100.00
25	Sino Belgium (H) Ltd.	Directors	Yuan Tong Investment Co., Ltd. Shaw Y. Wang, Humphrey Cheng	36,025	90.88
			Martens HK Limited Jan Martens	3,615	9.12
26	Magna View Sdn. Bhd	Directors	Far Eastern Investment (H) Ltd. Donald Fan, Daniel Tsai, Leong Siew Foong	3,000,000	100.00
27	Far Eastern Industries (Shanghai) Ltd.	Directors	Far Eastern Polychem Industries Ltd. PET Far Eastern (H) Ltd. Far Eastern New Century (China) Investment Co., Ltd. Pacific Petrochemical (Holding) Ltd.	-	65.02
			James Chou (Chairman), R.H. Shao, Chuck Tseng, K.S. Wu, Donald Fan, Eric Chueh, Chien-Hung Ting, Justin Tsai	-	14.13
				-	10.88
				-	9.97
		Supervisors	Wen-Ji Wei	-	-
28	Far Eastern New Century (China) Investment Co., Ltd.	President	Chuck Tseng	-	-
		Directors	Far Eastern Polytex (H) Ltd. R.H. Shao (Chairman), Humphrey Cheng, David Wang, Alan Tsai, Allen Sha	-	100.00
		Supervisors	Charles Wang	-	-
		President	Humphrey Cheng	-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
29	Martens Beer (Shanghai) Ltd.	Directors	Sino Belgium (H) Ltd. Eric Hu (Chairman), Jan Martens, Alfons Martens, S.Y. Lai, Fanny Liao	-	100.00
		Supervisors	Brian Lee	-	-
		President	S.Y. Lai	-	-
30	Shanghai Yuan Hua Logistic Corp.	Directors	Far Eastern Industries (Shanghai) Ltd. K.S. Wu (Chairman), S.Y. Lai, Paul Chuang, Steve Liu, Li-Chi Chen	-	100.00
		Supervisors	Brian Lee	-	-
		President	Chien-Hung Ting	-	-
31	Shanghai Far Eastern IT Corp.	Directors	Far Eastern New Century (China) Investment Co., Ltd. Alan Tsai (Chairman), Li-Chi Chen, Mike Wu, Steve Liu, H.L. Yi	-	100.00
		Supervisors	Brian Lee	-	-
		President	H.L. Yi	-	-
32	Yuan Ding Enterprise (Shanghai) Limited	Directors	Far Eastern New Century (China) Investment Co., Ltd. Oriental Holdings Co., Ltd. FEDS Development Ltd. Humphrey Cheng (Chairman), Douglas Tong Hsu, Peter Hsu, David Wang, R.H. Shao, C.L. Wu, S.F. Cheng	-	40.00 40.00 20.00
		Supervisors	Alan Tsai, James Tang	-	-
				-	-
33	Wuhan Far Eastern New Material Ltd.	Directors	Far Eastern Polytex (H) Ltd. Donald Fan (Chairman), B.C. Chang, C.T. Peng, S.Y. Lai, Y.H. Wang	-	100.00
		Supervisors	Brian Lee	-	-
		President	Chuck Tseng	-	-
34	Oriental Industries (Suzhou) Ltd.	Directors	Oriental Textile (H) Ltd. M.J. Wu (Chairman), Kao-Sheng Tsai, Davis Dai, Steve Liu, Tzu-Wen Hsieh	-	100.00
		Supervisors	Yu-Sheng Lin	-	-
		President	Kao-Sheng Tsai	-	-
35	Far Eastern Industries (Suzhou) Ltd.	Directors	FEDP (H) Ltd. M.J. Wu (Chairman), Brian Lee, Steve Liu	-	100.00
		Supervisors	Davis Dai	-	-
		President	M.J. Wu	-	-
36	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Directors	Far Eastern Apparel (H) Ltd. Judy Lee (Chairman), Tzu-Wen Hsieh, Steve Liu, Patrick Ho, Wen-Ji Wei	-	100.00
		Supervisors	Yu-Sheng Lin	-	-
		President	Tzu-Wen Hsieh	-	-
37	Sino-Belgium Beer (Suzhou) Ltd.	Directors	Sino Belgium (H) Ltd. M.J. Wu (Chairman), Brian Lee, Allen Sha, Jenny Ho	-	100.00
		Supervisors	P.T. Huang	-	-
		President	M.J. Wu	-	-
38	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Directors	Far Eastern Apparel (H) Ltd. Judy Lee (Chairman), Steve Liu, Allen Sha, Jenny Ho	-	100.00
		Supervisors	Davis Dai	-	-
		President	Judy Lee	-	-
39	Far Eastern Apparel (Suzhou) Co., Ltd.	Directors	Far Eastern Polytex (H) Ltd. Far Eastern Apparel (H) Ltd. Judy Lee (Chairman), Tzu-Wen Hsieh, Steve Liu, Wen-Ji Wei, Yu-Sheng Lin	-	61.54 38.46
		Supervisors	Davis Dai	-	-
		President	Tzu-Wen Hsieh	-	-

## Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
40	Far Eastern Innovation Apparel (Anhui) Co., Ltd	Directors	Far Eastern Polytex (H) Ltd.	-	61.54
			Far Eastern Apparel (H) Ltd.	-	38.46
			Alan Tsai (Chairman), Judy Lee, Steve Liu, Wen-Ji Wei, Allen Sha	-	-
		Supervisors	Davis Dai	-	-
		President	Judy Lee	-	-
41	Suzhou An Ho Apparel Ltd.	Directors	Far Eastern Apparel (Suzhou) Co., Ltd.	-	100.00
			Judy Lee (Chairman), Brian Lee, Allen Sha, Steve Liu	-	-
		Supervisors	Davis Dai	-	-
		President	Judy Lee	-	-
42	Far Eastern Industries (Wuxi) Ltd.	Directors	Oriental Textile (H) Ltd.	-	100.00
			M.J. Wu (Chairman), Te-Kuang Wei, Wen-Ji Wei, Steve Liu, Davis Dai	-	-
		Supervisors	Yu-Sheng Lin	-	-
		President	Te-Kuang Wei	-	-
43	Far Eastern Yihua Petrochemical (Yangzhou) Corp.	Directors	Far Eastern Polytex (H) Ltd.	-	60.00
			K.S. Wu (Chairman), Humphrey Cheng, James Chou	-	-
			Sinopec Yizheng Chemical Fibre Co. Ltd.	-	40.00
			Jian-Jun Liu, Lai-Yu Cao	-	-
		Supervisors	S.M. Peng, H. Jiang	-	-
		President	Jian-Jun Liu	-	-
44	Far Eastern Industries (Yangzhou) Ltd.	Directors	Far Eastern Polychem Industries Ltd.	-	100.00
			Humphrey Cheng (Chairman), Brian Lee, Donald Fan, Mark Yeh, Allen Sha	-	-
		Supervisors	Davis Dai	-	-
		President	Donald Fan	-	-
45	Far Eastern Ishizuka Green PET Corporation	Directors	Far Eastern Polychem Industries Ltd.	3,578,040	90.00
			Donald Fan (Chairman), Humphrey Cheng, C.T. Peng, David Wang, Yasuda Shinichi	-	-
			Ishizuka Glass Co., Ltd.	397,560	10.00
			Ishizuka Hisatugu	-	-
		Supervisors	Alan Tsai	-	-
		President	Yasuda Shinichi	-	-
46	Far Eastern Apparel (Vietnam) Limited	Directors	Far Eastern Investment (H) Ltd.	-	100.00
			Alan Tsai (Chairman), Judy Lee, Allen Sha, Carol Wang	-	-
		Supervisors	Davis Dai	-	-
		President	Brian Lee	-	-
47	Far Eastern Polytex (Vietnam) Ltd.	Directors	Far Eastern Investment (H) Ltd.	-	100.00
			Humphrey Cheng (Chairman), Y.H. Tseng, Judy Lee, Mark Yeh, Patrick Ho, David Wang, Li-Chi Chen	-	-
		Supervisors	Alan Tsai	-	-
		President	Mark Yeh	-	-
48	Far Eastern New Apparel (Vietnam) Ltd.	Directors	Far Eastern Investment (H) Ltd.	-	100.00
			Alan Tsai (Chairman), Judy Lee, Allen Sha, Carol Wang	-	-
		Supervisors	Davis Dai	-	-
		President	Brian Lee	-	-
49	PET Far Eastern (M) SDN BHD	Directors	Far Eastern Investment (H) Ltd.	8,000,000	50.00
			Magna View Sdn. Bhd	8,000,000	50.00
			Y.H. Tseng (Chairman), Donald Fan, David Wang, Daniel Tsai, HUANG SWEE LIN	-	-
		President	Donald Fan	-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
50	FE Green PET (M) Sdn. Bhd (Note)	Directors	FE Oriental Investment Holding (Singapore) Pte. Ltd. Donald Fan (Chairman), C.T. Peng, Daniel Tsai, Davis Dai, Carol Wang, HUANG SWEE LIN	1	100
		President	C.T. Peng	-	-
51	Worldwide Polychem (HK) Limited	Directors	Far Eastern Investment (H) Ltd. Y.J. Lou, Mike Wu, Alan Tsai	2,700,000	100.00
52	Malaysia Garment Manufacturers Private Ltd.	Directors	Da Ju Fiber Co., Ltd.	34,160	43.17
			Humphrey Cheng, Raymond Hsu	-	-
			Yuan Tong Investment Co., Ltd.	10,285	13.00
			Shaw Y. Wang	-	-
			Far Eastern Investment (H) Ltd.	30,000	37.92
			K.L. Li	-	-
53	PT Malaysia Garment Bintan	Directors	Malaysia Garment Manufacturers Private Ltd. K.L. Li, Austin Lee, C.T. Hu, M.J. Wang	2,970	99.00
		Supervisors	W.H. Wu, C.S. Lin	30	1.00
54	Far EasTone Telecommunications Co., Ltd.	Directors	Yuan-Ding Investment Co., Ltd.	1,066,657,614	32.73
			Douglas Tong Hsu (Chairman), Peter Hsu, Jan Nilsson	-	-
			U-Ming Marine Transport Corp.	331,000	0.01
			Jiann-Chyuan Wang	-	-
			Yuan Ding Co., Ltd.	4,163,500	0.13
			Champion Lee, Jeff Hsu	-	-
			Asia Investment Corporation	1,426,303	0.04
			Bonnie Peng	-	-
			Ding Yuan International Investment Co., Ltd.	919,653	0.03
		Independent Directors	Toon Lim	-	-
			Lawrence Juen-Yee Lau, Jyuo-Min Shyu, Ta-Sung Lee	-	-
55	Far Eastern Info Service (H) Ltd.	Directors	Far EasTone Telecommunications Co., Ltd. Chee Ching (Chairman), Sharon Lin	1,200	100.00
		President	Chee Ching	-	-
56	KGEx.com Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd. Philip Tseng (Chairman), Vivian Lee, Leon Li	68,897,234	99.99
		Supervisors	Sharon Lin	-	-
		President	Philip Tseng	-	-
57	Yuan Cing Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd. Chee Ching (Chairman), Vivian Lee, Andy Tu	2,000,000	100.00
		Supervisors	Far EasTone Telecommunications Co., Ltd. Sharon Lin	2,000,000	100.00
		President	Andy Kuo	-	-
58	ARCOA Communication Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd. Chee Ching (Chairman), Alan Tsai, Charlene Lin, Brian Chao, Lopes Lu, Andy Tu	82,762,221	61.63
			Wan-Shih-Shin Co., Ltd.	-	-
			Gary Lin	457,325	0.34
		Supervisors	Li-Chi Chen, David Tsai, Sharon Lin	-	-
59	Data Express Infotech Co., Ltd.	Directors	ARCOA Communications Co., Ltd. Chee Ching (Chairman), Andy Tu, Brian Chao	17,043,041	70.00
			Jing Ho Tech Ltd.	-	-
		Supervisors	Grace Chu	4,623,884	18.99
			Ann Chang	-	-

## Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
60	Home Master Technology Ltd	Directors	Data Express Infotech Co., Ltd. Brian Chao	- -	100.00 -
61	New Century InfoComm Tech Co., Ltd.	Directors	Far EastTone Telecommunications Co., Ltd. Douglas Tong Hsu (Chairman), Chee Ching, Philip Tseng	2,100,000,000 -	100.00 -
		Supervisors	Far EastTone Telecommunications Co., Ltd. Sharon Lin	2,100,000,000 -	100.00 -
		President	Chee Ching	-	-
62	New Diligent Co., Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Philip Tseng (Chairman), David Tsai, James Lee	54,000,000 -	100.00 -
		Supervisors	New Century InfoComm Tech Co., Ltd. Sharon Lin	54,000,000 -	100.00 -
63	New Diligent Hong Kong Co. Limited	Directors	New Diligent Co., Ltd. Sharon Lin, T.Y. Yin	- -	100.00 -
64	Sino Lead Enterprise Limited.	Directors	New Diligent Co., Ltd. Philip Tseng	30,000 -	100.00 -
65	Information Security Service Digital United	Directors	New Century InfoComm Tech Co., Ltd. Philip Tseng (Chairman), Jason Chu, Kai Lin, Leon Li	12,029,064 -	100.00 -
		Supervisors	New Century InfoComm Tech Co., Ltd. Sharon Lin	12,029,064 -	100.00 -
		President	Eric Li	-	-
66	Digital United (Cayman) Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Philip Tseng (Chairman), Sharon Lin	10,320,000 -	100.00 -
67	Digital United Information Technology (Shanghai) Ltd.	Directors	Digital United (Cayman) Ltd. Philip Tseng (Chairman), James Lee, Milly Lin	- -	100.00 -
		President	Digital United (Cayman) Ltd. Sharon Lin	- -	100.00 -
68	Yuanshi Digital Technology Co., Ltd.	Directors	Far EastTone Telecommunications Co., Ltd. Chee Ching (Chairman), Andy Tu, Brian Chao, Philby Lee, Eric Chu	10,820,870 -	96.18 -
		Supervisors	New Century InfoComm Tech Co., Ltd. Sharon Lin	374,968 -	3.33 -
		President	Vincent Hsieh	-	-
69	Prime Ecopower Co., Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Chee Ching (Chairman), Charlene Lin, Allan Lee	16,000,000 -	100.00 -
		Supervisors	New Century InfoComm Tech Co., Ltd. Sharon Lin	16,000,000 -	100.00 -
		President	Oliver Liu	-	-
70	Nextlink Technology Co., Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Philip Tseng (Chairman), Peter Hu, Vivian Lee, Mark Lee, Eric Li	11,164,300 -	70.00 -
			Avalon Enterprises Ltd. K.S. Ho, Family Chang	4,784,700 -	30.00 -
		Supervisors	Sharon Lin	-	-
71	Microfusion Technology Co., Ltd.	Directors	Nextlink Technology Co., Ltd. Philip Tseng (Chairman), Peter Hu, K.S. Ho	4,495,000 -	100.00 -
		Supervisors	Nextlink Technology Co., Ltd. Sharon Lin	4,495,000 -	100.00 -
72	Nextlink (HK) Technology Co., Ltd.	Directors	Nextlink Technology Co., Ltd. Milly Lin	- -	100.00 -
73	Microfusion (HK) Technology Co., Ltd.	Directors	Nextlink Technology Co., Ltd. Eric Li	- -	100.00 -



	Company	Title	Name or representative	Registered shares owned	
				Shares	%
74	Nextlink (Shanghai) Technology Co., Ltd.	Directors	Nextlink (HK) Technology Co., Ltd.	-	100.00
			Family Chang	-	-
		Supervisors	Nextlink (HK) Technology Co., Ltd.	-	100.00
			K.S. Ho	-	-
		President	Family Chang	-	-
75	Far EasTone Property Insurance Agent Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	500,000	100.00
			Jessie Teng (Chairman), Vivian Lee, Frank Su	-	-
		Supervisors	Far EasTone Telecommunications Co., Ltd.	500,000	100.00
			Sharon Lin	-	-
		President	Frank Su	-	-
76	IDEAWORKS Entertainment Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	4,125,000	50.00
			Chee Ching, Eric Chu, Vivian Lee, Belinda Chen	-	-
			Star Ritz International Entertainment Co., Ltd.	2,145,000	26.00
			Angie Chai, Hungta Wei	-	-
		Supervisors	Pili International Multimedia Co., Ltd.	1,567,500	19.00
			Liang-Hsun Huang	-	-
			Sharon Lin, Alex Chen	-	-
				-	-
77	Mission International Co., Ltd.	Directors	IDEAWORKS Entertainment Co., Ltd.	8,000,000	100.00
			Angie Chai, Eric Chu, Vivian Lee, Belinda Chen, Hungta Wei, Liang-Hsun Huang, Gary Tsai	-	-
		Supervisors	IDEAWORKS Entertainment Co., Ltd.	-	-
			Sharon Lin	-	-
		President	Angie Chai	-	-
78	Yuan-Ding Co., Ltd.	Directors	Douglas Tong Hsu (Chairman)	3,144	-
			Far Eastern New Century Corp.	186,928,831	37.13
			Morton Mate Huang, Alan Tsai, Humphrey Cheng	-	-
			Asia Cement Corp.	178,707,648	35.50
			K.Y. Lee, Peter Hsu, X.Y. Kao	-	-
			Far Eastern Department Stores Ltd.	2,796	-
		Supervisors	Nancy Hsu	-	-
			U-Ming Commerce Co., Ltd.	12,585	-
			David Wang	-	-
			Yuan Ding Investment Co., Ltd.	64,758,813	12.86
			Shaw Y. Wang	-	-
			Der Ching Investment Co., Ltd.	72,989,090	14.50
		President	Y.F. Chang	-	-
			Humphrey Cheng	-	-
79	Ding Ding Hotel Co., Ltd.	Directors	Yuan-Ding Co., Ltd.	102,508,864	98.52
			Douglas Tong Hsu (Chairman), J.W. Huang, T.J. Chang	-	-
			Far Eastern New Century Corp.	769,053	0.74
			Nancy Hsu, F. Hsu	-	-
		Supervisors	Asia Cement Corp.	555,638	0.53
			Humphrey Cheng, Juliana Pidner Hsu	-	-
			Der Ching Investment Co., Ltd.	213,442	0.21
			Charles Wang	-	-
		President	Marco Sergio Vazzoler	-	-
80	Yuan Hong Electric Co., Ltd.	Directors	Yuan-Ding Co., Ltd.	2,500,000	100.00
			Humphrey Cheng (Chairman), P.C. Hu, S.J. Lai	-	-
		Supervisors	Yuan-Ding Co., Ltd.	2,500,000	100.00
			H.W. Tu	-	-

## Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
81	Far Eastern Technical Consultants Co., Ltd.	Directors	Yuan-Ding Co., Ltd. Humphrey Cheng(Chairman), Ying Wei, H.W. Tu, P.C. Hu, S.J. Lai	4,550,000	91.00
		Supervisors	Far Eastern General Contractor Inc. S.F. Cheng	450,000	9.00
				-	-
82	Ding Ding Integrated Marketing Service Co., Ltd.	Directors	Yuan-Ding Co., Ltd. Douglas Tong Hsu (Chairman), Humphrey Cheng, P.C. Hu, T.C. Zhou	21,786,577	60.00
			Far EastTone Telecommunications Co., Ltd. Chee Ching	5,446,644	15.00
			Far Eastern Department Stores Ltd. Nancy Hsu	3,631,096	10.00
			Pacific Sogo Co., Ltd. J.W. Huang	3,631,096	10.00
		Supervisors	New Century InfoComm Tech Co., Ltd. Sharon Lin	1,815,548	5.00
		President	G.L. Liang	-	-
				-	-
				-	-
				-	-
83	YDT Technology International Co., Ltd.	Directors	Yuan-Ding Co., Ltd. Y.S. Yang (Chairman), P.C. Hu, S.J. Lai	13,992,000	100.00
		Supervisors	Yuan-Ding Co., Ltd. H.W. Tu	13,992,000	100.00
				-	-
84	Far Eastern Electronic Toll Collection Co., Ltd.	Directors	Far EastTone Telecommunications Co., Ltd. Douglas Tong Hsu (Chairman), Chee Ching, Philip Tseng	118,250,967	39.42
			Yuan Tong Investment Co., Ltd. Y.C. Chang	35,933,614	11.98
			SYSTEMEX Corporation S.C. Yang	25,263,076	8.42
			MiTAC Information Technology Corp. Liang Su	27,724,093	9.24
			TECO Electric & Machinery Co., Ltd. Chi-Tseng Peng	32,979,907	10.99
			S.J. Hsu	-	-
			S.W. Chao	-	-
		Supervisors	Sharon Lin, LI-YU Huang	-	-
			Syscore Corporation Larry Chung	7,716,831	2.57
			He Li Investment B.L. Tsai	5,255,813	1.75
		President	Y.C. Chang	-	-
				-	-
				-	-
				-	-
				-	-
85	Yuan Hsin Digital Payment Co., Ltd. (Note2)	Supervisors	Pacific Sogo Co., Ltd. H.T. Peng	8,289,135	12.16
		President	S.J. Li	-	-
				-	-
86	FETC International Co., Ltd.	Directors	Far Eastern Electronic Toll Collection Co., Ltd. Douglas Tong Hsu (Chairman), Chee Ching, Philip Tseng, Y.C. Chang, S.C. Yang, Chi-Tseng Peng, Liang Su, S.J. Hsu, S.W. Chao	20,000,000	100.00
		Supervisors	Far Eastern Electronic Toll Collection Co., Ltd. Sharon Lin, Larry Chung, LI-YU Huang B.L. Tsai	20,000,000	100.00
				-	-
87	DDIM (Virgin Islands) Ltd.	Directors	Yuan Hong Electric Co., Ltd. Humphrey Cheng, P.C. Hu, S.J. Lai	1,501	53.87
				-	-
88	YDC (Virgin Islands) Ltd.	Directors	Yuan-Ding Co., Ltd. Humphrey Cheng, P.C. Hu, S.J. Lai	200	17.70
				-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
89	Yuan Ding Integrated Information Service Inc. (Shanghai)	Directors	DDIM(Virgin Islands) Ltd.	-	99.54
			YDC(Virgin Islands) Ltd.	-	0.46
			R.H. Shao, G.L. Liang, P.C. Hu	-	-
		Supervisors	Y.Z. Tsai	-	-
		President	R.H. Shao	-	-
90	Speedy (Shanghai) digital Tech. Co., Ltd.	Directors	YDC (Virgin Islands) Ltd.	-	100.00
			F.H. Ho	-	-
		Supervisors	P.C. Hu	-	-
		President	F.H. Ho	-	-
91	APG Polytech USA Holdings, Inc.	Directors	Far Eastern Investment (H) Ltd.	6,072	100.00
			Humphrey Cheng, David Wang, L.C. Kuo Tung, Fanny Liao, Justin Tsai	-	-
92	APG Polytech, LLC	Directors	APG Polytech USA Holdings, Inc.	-	100.00
			Donald Fan, P.T. Huang, Y.H. Wang	-	-
		President	Y.H. Wang	-	-
93	Phoenix Technologies International, LLC	Directors	APG Polytech USA Holdings, Inc.	-	100.00
			Donald Fan, Y.H. Wang, Richard Gerardo Maack, Carol Wang	-	-
		President	Y.H. Wang	-	-
94	FE Oriental Investment Holding (Singapore) Pte. Ltd.	Directors	Far Eastern New Century Corp.	50,000	100.00
			Humphrey Cheng, K.S. Wu, L.C. Kuo Tung, K.L. Li, Jung-Hsiang Lin	-	-
95	FE New Century Industry (Singapore) Pte. Ltd.	Directors	FE Oriental Investment Holding (Singapore) Pte. Ltd.	49,000	100.00
			Humphrey Cheng, David Wang, Alan Tsai, Carol Wang, P.T. Huang, K.L. Li	-	-
				-	-
96	FETC International (Thailand) Co., Ltd.	Directors	FETC International Co., Ltd.	12,204,997	100.00
			Y.C. Chang	1	-
			C.C. Wu	1	-
			P.W. Chou	1	-
			S.K. Chen	-	-
97	FETC International (Malaysia) Co., Ltd. (Note)	Directors	FETC International Co., Ltd.	-	100.00
			Y.C. Chang, C.C. Wu, P.W. Chou, PANG KWAI YOONG	-	-
98	Oriental Investment Holding (Netherlands) B.V. (Note)	Directors	FE Oriental Investment Holding (Singapore) Pte. Ltd.	-	100.00
			Humphrey Cheng, K.S. Wu, L.C. Kuo Tung	-	-
99	Oriental Martens (Netherlands) B.V. (Note)	Directors	Oriental Investment Holding (Netherlands) B.V.	-	100.00
			Humphrey Cheng, Eric Hu, Fanny Liao	-	-

Note: Please refer to Note1~4 on page 168.

## Special Disclosure

### 1.1.6 Operation Results of Each Subsidiary and Affiliate

Unit: NT\$ thousands, unless stated otherwise

Book closure date: 31 December 2022

	Name	Paid-in Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (loss)	Net Income (loss)	EPS (NT\$)
0	Far Eastern New Century Corp.	53,528,751	657,757,910	386,085,833	271,672,077	263,944,525	14,349,799	8,160,292	1.63
1	Yuan Ding Investment Co., Ltd.	18,338,262	84,617,469	40,996,134	43,621,335	29,480,471	6,260,974	5,272,064	2.87
2	Oriental Petrochemical (Taiwan) Co., Ltd.	25,660,930	37,172,556	25,878,815	11,293,741	37,422,270	(1,919,063)	(2,259,127)	(0.88)
3	Yuan Tong Investment Co., Ltd.	7,444,104	10,559,328	1,396,939	9,162,389	670,244	667,392	652,041	0.88
4	Far Eastern Resources Development Co., Ltd.	7,758,355	124,201,268	16,506,305	107,694,963	863,134	163,697	879,387	1.13
5	Far Eastern Construction Co., Ltd.	4,153,220	24,849,778	7,866,829	16,982,949	461,915	275,834	603,216	1.45
6	Kai Yuan International Investment Co., Ltd.	3,716,709	6,778,535	1,130,956	5,647,579	359,868	359,440	351,293	0.95
7	Ding Yuan International Investment Co., Ltd.	2,587,555	3,716,575	492,251	3,224,324	208,417	207,979	205,801	0.80
8	Far Eastern General Contractor Inc.	1,802,629	6,783,294	3,795,416	2,987,878	5,771,064	651,938	542,038	3.01
9	Far Eastern Fibertech Co., Ltd.	910,000	2,310,230	1,035,028	1,275,202	2,216,352	186,681	151,411	1.66
10	An Ho Garment Co., Ltd.	766,293	2,856,455	601,264	2,255,191	222,743	222,304	217,857	2.84
11	Oriental Resources Development Co., Ltd.	57,385	194,933	43,783	151,150	187,722	81,654	71,620	12.48
12	Oriental Green Materials Ltd.	661,165	1,659,930	883,387	776,543	2,452,190	133,120	97,934	1.48
13	Far Eastern Apparel Co., Ltd.	447,723	576,703	363,669	213,034	700,916	(25,224)	(12,929)	(0.29)
14	Yuan Faun Co., Ltd.	66,750	181,687	142	181,545	-	(1,797)	10,257	1.54
15	Fu Kwok Knitting & Garment Co., Ltd.	40,000	438,618	140,623	297,995	936,177	84,401	88,399	22.10
16	Yuan Cheng Human Resources Consultant Corp.	13,500	33,064	11,104	21,960	256,896	437	945	0.70
17	Far Eastern Textile Ltd.	13,000	14,088	33	14,055	-	(227)	710	0.55
18	Far Eastern Investment (H) Ltd.	2,104 USD 69	44,838,983 1,460,078	3,845,194 1,334,868	40,993,789 1,334,868	1,994,692 66,825	1,762,771 59,055	1,599,422 53,583	292.88 9.81
19	Far Eastern Polychem Industries Ltd.	448 HKD 114	11,663,623 2,961,814	1,510,449 383,558	10,153,174 2,578,256	397,205 104,219	354,869 93,111	325,945 85,522	0.29 0.08
20	FEDP (H) Ltd.	161 USD 5	1,550,946 50,503	-	1,550,946 50,503	(4,310) (144)	(4,779) (160)	19,686 660	40.61 1.36
21	PET Far Eastern(H) Ltd.	126 RMB 29	3,857,466 875,106	578,071 131,142	3,279,395 743,964	(1,569,771) (354,978)	(1,613,561) (364,881)	(1,630,484) (368,708)	(3,772.64) (853.12)
22	Far Eastern Polytex (H) Ltd.	53 USD 1.7	9,815,272 319,611	89,680 2,920	9,725,592 316,691	(108,900) (3,648)	(111,271) (3,728)	(124,890) (4,184)	(722.61) (24.21)
23	Far Eastern Apparel (H) Ltd.	34 USD 1.1	6,323,652 205,915	1,116,825 36,367	5,206,827 169,548	476,592 15,966	476,234 15,954	449,407 15,056	4,041.43 135.39
24	Oriental Textile (H) Ltd.	34 USD 1.1	10,249,604 333,754	1,666,482 54,265	8,583,122 279,489	119,932 4,018	117,346 3,931	76,600 2,566	698.78 23.41
25	Sino Belgium (H) Ltd.	12 USD 0.4	7,539 245	941,196 30,647	(933,657) (30,402)	4,443 149	4,080 137	(12,194) (409)	(307.62) (10.31)
26	Magna View Sdn.Bhd	20,097 MYR 3,000	149,485 22,314	56 8	149,429 22,306	-	(134) (21)	30,740 4,728	10.25 1.58
27	Far Eastern Industries (Shanghai) Ltd.	16,194,943 RMB 3,673,989	20,103,233 4,560,625	9,223,268 2,092,393	10,879,965 2,468,232	26,393,529 5,968,470	(1,294,359) (292,698)	(1,162,505) (262,882)	NA NA
28	Far Eastern New Century (China) Investment Co., Ltd.	4,716,787 RMB 1,070,052	4,022,738 912,599	393,110 89,181	3,629,628 823,418	(136,273) (30,843)	(136,394) (30,843)	(125,796) (28,447)	NA NA
29	Martens Beers (Shanghai) Ltd.	329,085 RMB 74,656	12,926 2,932	-	12,926 2,932	-	6,721 1,520	6,806 1,539	NA NA
30	Shanghai Yuan Hua Logistic Corp.	83,752 RMB 19,000	204,656 46,428	45,848 10,401	158,808 36,027	185,363 41,917	3,589 812	6,724 1,521	NA NA
31	Shanghai Far Eastern IT Corp.	56,026 RMB 12,710	70,279 15,943	10,862 2,464	59,417 13,479	135,610 30,666	(292) (66)	516 117	NA NA
32	Yuan Ding Enterprise (Shanghai) Limited	7,773,177 RMB 1,763,425	6,792,793 1,541,015	26,767 6,073	6,766,026 1,534,942	93,367 21,113	(178,377) (40,337)	(177,325) (40,099)	NA NA
33	Wuhan Far Eastern New Material Ltd.	753,978 RMB 171,048	1,212,421 275,050	239,542 54,342	972,879 220,708	1,408,570 318,525	15,376 3,477	17,425 3,940	NA NA
34	Oriental Industries (Suzhou) Ltd.	4,826,084 RMB 1,094,847	13,469,231 3,055,633	6,376,420 1,446,556	7,092,811 1,609,077	10,625,726 2,402,832	856,456 193,674	621,751 140,599	NA NA
35	Far Eastern Industries (Suzhou) Ltd.	1,738,382 RMB 394,370	1,608,790 364,971	10,679 2,423	1,598,111 362,548	-	(9,706) (2,195)	(4,310) (975)	NA NA
36	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	1,627,756 RMB 369,273	5,535,587 1,255,805	2,587,966 587,107	2,947,621 668,698	5,814,878 1,314,941	642,741 145,345	560,242 126,690	NA NA
37	Sino-Belgium Beer (Suzhou) Ltd.	1,680,145 RMB 381,158	379,072 85,996	794,890 180,329	(415,818) (94,333)	-	(541) (122)	(2,363) (534)	NA NA
38	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	1,047,422 RMB 237,619	1,126,465 255,550	7,232 1,641	1,119,233 253,909	-	(284) (64)	17,578 3,975	NA NA
39	Far Eastern Apparel (Suzhou) Co., Ltd.	901,776 RMB 204,577	1,921,691 435,955	416,913 94,581	1,504,778 341,374	2,487,006 562,396	(33,871) (7,659)	(492) (111)	NA NA
40	Far Eastern Innovation Apparel (Anhui) Co., Ltd	40,774 RMB 9,250	40,536 9,196	113 26	40,423 9,170	-	(349) (79)	(352) (80)	NA NA
41	Suzhou An Ho Apparel Ltd.	4,408 RMB 1,000	58,336 13,234	65 15	58,271 13,219	-	(71) (16)	928 210	NA NA
42	Far Eastern Industries (Wuxi) Ltd.	2,122,322 RMB 481,471	2,616,568 593,595	62,821 14,251	2,553,747 579,344	2,509,549 567,494	(369,420) (83,538)	(361,516) (81,751)	NA NA

	Name	Paid-in Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (loss)	Net Income (loss)	EPS (NT\$)
43	Far Eastern Yihua Petrochemical (Yangzhou) Corp.	6,986,497 RMB 1,584,958	7,408,579 1,680,712	374,820 85,032	7,033,759 1,595,680	- -	(65,798) (14,879)	154 35	NA NA
44	Far Eastern Industries (Yangzhou) Ltd.	1,361,642 RMB 308,902	1,431,693 324,794	28,491 6,463	1,403,202 318,331	- -	(19,112) (4,322)	2,293 519	NA NA
45	Far Eastern Ishizuka Green PET Corporation.	23,240 JPY 100,000	7,151,754 30,773,468	5,359,763 23,062,663	1,791,991 7,710,805	4,955,600 21,814,500	571,972 2,517,815	379,156 1,669,041	95.37 419.82
46	Far Eastern Apparel (Vietnam) Ltd.	356,236 USD 11,600	2,932,310 95,484	1,756,135 57,185	1,176,175 38,299	6,075,848 203,549	385,658 12,920	278,646 9,335	NA NA
47	Far Eastern Polytex (Vietnam) Ltd.	12,551,177 USD 408,700	30,290,941 986,354	15,940,953 519,080	14,349,988 467,274	20,465,561 685,624	989,112 33,137	659,784 22,104	NA NA
48	Far Eastern New Apparel (Vietnam) Ltd.	1,013,430 USD 33,000	1,953,729 63,619	1,510,651 49,191	443,078 14,428	2,831,833 94,870	5,950 199	(16,550) (554)	NA NA
49	PET Far Eastern (M) Sdn Bhd	107,184 MYR 16,000	728,966 108,817	431,011 64,339	297,955 44,478	1,425,261 219,208	77,962 11,991	61,748 9,497	3.86 0.59
50	FE Green PET (M) Sdn. Bhd (Note1)	-	-	-	-	-	-	-	-
51	Worldwide Polychem (HK) Limited	107,485 USD 3,500	3,472,778 113,083	3,396,829 110,610	75,949 2,473	8,725,199 292,306	(99,154) (3,322)	(74,533) (2,497)	(27.60) (0.92)
52	Malaysia Garment Manufacturers Private Ltd.	181,027 SDG 7,912	1,548,746 67,690	260,388 11,381	1,288,358 56,309	-	(33,843) (1,564)	(448) (21)	(5.66) (0.26)
53	PT Malaysia Garment Bintan	4,308 IDR 2,175,600	9 4,545	46 23,232	(37) (18,687)	-	-	-	-
54	Far EasTone Telecommunications Co., Ltd.	32,585,008	170,638,699	106,450,523	64,188,176	89,151,365	12,633,523	9,607,895	2.95
55	Far Eastern Info Service (H) Ltd.	369 USD 12	5,433 177	-	5,433 176	-	-	480 16	400.07 13.40
56	KGEx.com Co., Ltd.	689,074	967,833	59,744	908,089	462,322	146,033	137,527	2.00
57	Yuan Qing Co., Ltd.	20,000	76,989	30,727	46,262	148,445	23,374	18,777	9.39
58	ARCOA Communication Co., Ltd.	1,342,800	3,434,943	1,549,193	1,885,750	11,905,111	95,702	169,867	1.27
59	Data Express Infotech Co., Ltd.	243,472	1,279,773	849,891	429,882	5,683,522	134,858	119,503	4.91
60	Home Master Technology Ltd	31,458	423,265	364,794	58,471	1,778,208	21,761	15,611	NA
61	New Century InfoComm Tech Co., Ltd.	21,000,000	28,531,194	3,511,340	25,019,854	9,302,379	2,038,197	1,750,503	0.83
62	New Diligent Co., Ltd.	540,000	83,999	100	83,899	-	(205)	10,896	0.20
63	New Diligent Hong Kong Co. Ltd.	3,051 USD 100	2,391 78	-	2,391 78	-	49 2	285 10	NA NA
64	Sino Lead Enterprise Limited.	125 HKD 30	886 225	477 121	409 104	2,805 736	54 14	88 23	2.94 0.77
65	Information Security Service Digital United	120,291	448,417	298,994	149,423	550,417	22,273	19,009	1.58
66	Digital United (Cayman) Ltd.	316,927 USD 10,320	440,498 14,344	70 2	440,428 14,342	-	(37,471) (1,255)	(17,097) (573)	(1.64) (0.05)
67	Digital United Information Technology (Shanghai) Ltd.	103,820 RMB 23,553	32,298 7,327	16,009 3,632	16,289 3,695	51,924 11,742	4,630 1,047	4,827 1,092	NA NA
68	Yuanshi Digital Technology Co., Ltd.	112,502	317,298	780,645	(463,347)	3,043,006	(172,006)	(172,095)	(15.30)
69	Prime Ecopower Co., Ltd.	160,000	438,194	312,069	126,125	185,058	3,600	674	0.04
70	Nextlink Technology Co., Ltd.	159,490	622,170	393,734	228,436	1,078,947	(4,239)	60,453	3.79
71	Microfusion Technology Co., Ltd.	44,950	347,974	284,466	63,508	995,509	31,564	16,194	3.60
72	Nextlink (HK) Technology Co., Ltd.	973 HKD 274	556,244 141,250	518,963 131,783	37,281 9,467	3,022,684 793,095	(1,062) (279)	(2,956) (776)	NA NA
73	Microfusion (HK) Technology Co., Ltd.	1,494 HKD 400	20,480 5,201	20,202 5,130	278 71	85,209 22,357	(2,366) (621)	(2,762) (724)	NA NA
74	Nextlink (Shanghai) Technologies Co., Ltd.	2,203 RMB 500	3,716 843	1,247 283	2,469 560	3,241 733	262 59	464 105	NA NA
75	Far EasTone Property Insurance Agent Co., Ltd.	5,000	243,537	149,240	94,297	589,435	103,971	83,335	166.67
76	IDEAWORKS Entertainment Co., Ltd.	82,500	75,216	133	75,083	0	(286)	(7,417)	(0.90)
77	Mission International Co., Ltd.	80,000	75,055	2,346	72,709	5	(7,353)	(7,291)	(0.91)
78	Yuan-Ding Co., Ltd.	5,034,047	10,941,521	1,984,254	8,957,267	1,676,018	507,747	20,745	0.04
79	Ding Ding Hotel Co., Ltd.	1,040,470	1,490,443	896,426	594,017	1,219,490	(698,595)	(692,956)	(6.66)
80	Yuan Hong Electric Co., Ltd.	25,000	33,429	42	33,387	-	(32)	(2,668)	(1.07)
81	Far Eastern Technical Consultants Co., Ltd.	50,000	120,044	37,152	82,892	78,161	12,349	13,854	2.77
82	Ding Ding Integrated Marketing Service Co., Ltd.	363,110	760,550	578,778	181,772	417,873	29,602	(64,652)	(1.78)
83	YDT Technology International Co., Ltd.	139,920	306,993	27,367	279,626	94,871	(8,741)	5,276	0.38
84	Far Eastern Electronic Toll Collection Co., Ltd.	3,000,000	7,379,562	3,357,425	4,022,137	2,494,128	563,027	485,481	1.62
85	Yuan Hsin Digital Payment Co.,Ltd. (Note 2)	681,462	243,152	591	242,561	20,094	(165,105)	(278,051)	(4.08)
86	FETC International Co., Ltd.	200,000	593,629	318,558	275,071	716,083	93,147	77,497	3.87
87	DDIM (Virgin Islands) Ltd.	732,362 USD 23,846	38,904 1,267	-	38,904 1,267	(4,986) (167)	(5,046) (169)	(5,045) (169)	(1,939.64) (64.98)
88	YDC (Virgin Islands) Ltd.	34,702 USD 1,130	58,758 1,913	-	58,758 1,913	(353) (12)	(397) (13)	(2,606) (87)	(2,306.19) (77.26)
89	Yuan Ding Integrated Information Service Inc. (Shanghai)	664,058 RMB 150,648	41,373 9,386	2,384 541	38,989 8,845	8,613 1,948	(5,545) (1,254)	(5,009) (1,133)	NA NA

## Special Disclosure

	Name	Paid-in Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (loss)	Net Income (loss)	EPS (NT\$)
90	Speedy (Shanghai) digital Tech. Co., Ltd.	28,825 RMB 6,539	51,544 11,693	14,655 3,324	36,889 8,369	32,922 7,445	(939) (212)	(330) (75)	NA NA
91	APG Polytech USA Holdings, Inc.	2 USD 0.05	21,192,262 690,077	281,379 9,163	20,910,883 680,914	1,482,221 49,656	1,422,796 47,666	1,235,399 41,388	203,458.33 6,816.13
92	APG Polytech, LLC	2,763,900 USD 90,000	9,906,813 322,592	3,730,200 121,465	6,176,613 201,127	18,600,073 623,128	1,666,845 55,842	1,566,814 52,490	NA NA
93	Phoenix Technologies International, LLC	813,815 USD 26,500	1,814,000 59,069	1,520,154 49,501	293,846 9,568	1,999,612 66,990	(18,013) (603)	(25,769) (863)	NA NA
94	FE Oriental Investment Holding (Singapore) Pte. Ltd.	153,550 USD 5,000	200,036 6,514	398 13	199,638 6,501	19,711 660	19,336 648	19,356 648	387.12 12.97
95	FE New Century Industry (Singapore) Pte. Ltd.	150,479 USD 4,900	2,693,612 87,711	2,496,027 81,277	197,585 6,434	11,519,775 385,928	30,479 1,021	19,711 660	402.27 13.48
96	FETC International (Thailand) Co., Ltd.	109,125 THB 122,050	129,026 144,308	40,711 45,533	88,315 98,775	31,676 37,026	(7,771) (9,084)	(9,913) (11,587)	(0.81) (0.95)
97	FETC International (Malaysia) Co., Ltd. (Note3)	-	-	-	-	-	-	-	-
98	Oriental Investment Holding (Netherlands) B.V. (Note4)	-	-	-	-	-	-	-	-
99	Oriental Martens (Netherlands) B.V. (Note1)	-	-	-	-	-	-	-	-

Note1: Capital payment has not been remitted until Dec 31, 2022.

Note2: Yuan Hsin Digital Payment Co., Ltd passed a resolution to dissolve company at a special shareholders' meeting on Dec 20, 2022. The effective date of dissolution is set for Jan 2, 2023.

Note3: As of December 31, 2022, no investment has been actually exported. Additionally, an injection of MYR 100,000 was made on January 13, 2023.

Note4: As of December 31, 2022, no investment has been actually exported. Additionally, an injection of EUR 2,000,000 was made on January 9, 2023.

## 1.2 Declaration for the Consolidated Financial Statements of Affiliated Enterprises of the Company

### REPRESENTATION LETTER

The affiliates that should be included in the combined financial statements of FENC as of and for the year ended December 31, 2022 in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" in the Republic of China (ROC) are the same as those prepared under the International Accounting Standard 10 - "Consolidated and Separate Financial Statements." The information required to be disclosed in the combined financial statements has already been disclosed in the consolidated financial report. Thus, FENC and its affiliates do not prepare a separate set of combined financial statements.

Very truly yours,  
Far Eastern New Century Corporation  
By

Douglas Tong Hsu  
Chairman



March 8, 2023

## 1.3 Affiliation Report: Not applicable

**2. Private Placement Securities in the Latest Year**

None

**3. The Company's Shares Held or Disposed by Subsidiaries in Recent Years until the Annual Report being Published**

Name	Paid-in Capital (NT\$ million)	Source of funding	Holdings percentage	Date of acquisition or disposal	Number & amount of shares acquired	Number & amount of shares disposed	Investment income (loss)	Number & amount of shares held until the annual report being published	Creation of pledge	Amount of loan guaranteed by the Company	Amount of loan lent by the Company
Yuan-Ding Co., Ltd.	5,034,047	-	37.13%	-	-	-	-	Shares: 779,000 Amount: NT\$ 25.063 million	-	-	-

**4. Other Supplementary Information**

None

**5. Pursuant to the Article 36-3-2 of Security Exchange Act, Event Having Material Impact on Shareholders' Equity or Share Price in the Latest Year until the Annual Report being Published**

None.



**FAR EASTERN NEW CENTURY**

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