

**USI CORPORATION AND  
SUBSIDIARIES**

**Consolidated Financial Statements and  
Independent Auditors' Report**

For the Years Ended December 31, 2022 and 2021

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## Statement of Consolidated Financial Statements of Affiliated Companies

In 2022 (from January 1 to December 31 2022), the "companies" required to be included in the consolidated financial statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards No. 10 (IFRS 10), and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the proceeding consolidated financial statements of parent and subsidiary companies, thus the Company is not required to prepare separate consolidated financial statements of affiliates.

Hereby declare

Company name: USI Corporation

Representative: Yi-Gui Wu

March 7, 2023

## **Independent Auditors' Report**

TO USI Corporation

### **Audit opinion**

We have audited the consolidated balance sheets of USI Corporation and its subsidiaries (the Group) as of the years ended December 31, 2022 and 2021, and the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows and Notes to the Consolidated Financial Statements (including the Summary of Significant Accounting Policies) for the months from January 1 to December 31 of 2022 and 2021. The accountant opinions are that the accompanying consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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, making it impossible to properly express the consolidated financial position of the Group as of December 31, 2022 and 2021, and the consolidated financial performance and consolidated cash flow for the periods from January 1 to December 31, 2022 and 2021.

### **Basis for audit opinion**

The audit was conducted in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and Auditing Standards. 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance for the Group in our audit of the consolidated financial statements for the year 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.

The key audit matter identified in the audit of the Group's consolidated financial statements for the year ended December 31, 2022 is as follows.

### Authenticity of specific sales revenue

In 2022, the Group's sales revenue from specific customers and specific regions increased year-on-year. Whether the sales revenue is properly recognized at the time of meeting performance obligations will have a material impact on the Consolidated Financial Statements and is therefore considered a key audit matter for the current year.

For accounting policies relating to sales revenue and relevant disclosure information, please refer to Notes 4(17) and 26 to the Consolidated Financial Statements.

We have carried out the main audit procedures for the above-mentioned authenticity of the sales revenue from specific customers as follows:

1. Understand and test the effectiveness of the design and implementation of key internal control systems for the authenticity of sales revenue from specific customers.
2. Check the transaction documents of sales revenue of specific customers, including sales orders, shipping documents and collection documents, to confirm the authenticity of the recognition of sales revenue.

## **Other matters**

We have also audited the parent company only financial statements of USI Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

## **Responsibilities of management and those charging 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 the 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 in charge 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 auditor's 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 auditor's 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 related notes) 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 the 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 in charge 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 of the Group for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's 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 partner on the audit resulting in this independent auditors' report are Pi-Yu Chuang and Cheng-Hung Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 10, 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.*

USI CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
<b>Current assets</b>				
Cash and cash equivalents (Notes 4, 6 and 31)	\$ 11,498,415	15	\$ 10,365,353	12
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4, 7 and 36)	2,724,497	3	5,742,266	7
Financial assets at fair value through other comprehensive income (FVTOCI) - current (Notes 4 and 8)	97,183	-	145,921	-
Financial assets at amortized cost - current (Notes 4, 9 and 36)	439,929	1	349,137	1
Notes receivable, net (Notes 4 and 10)	544,546	1	875,745	1
Accounts receivable, net (Notes 4, 5 and 10)	7,395,035	10	8,515,477	10
Other receivables (Notes 4, 10 and 35)	259,201	-	511,725	1
Current tax assets (Notes 4 and 28)	18,802	-	8,931	-
Inventories (Notes 4, 5 and 11)	7,199,654	9	7,599,843	9
Prepayments (Note 31)	1,220,781	2	1,009,420	1
Other current assets (Notes 4 and 14)	216,907	-	243,222	-
<b>Total current assets</b>	<b>31,614,950</b>	<b>41</b>	<b>35,367,040</b>	<b>42</b>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	2,060,835	3	2,286,817	3
Financial assets at amortized cost - non-current (Notes 4, 9, 36 and 37)	358,679	-	382,501	-
Investments accounted for using the equity method (Notes 4 and 13)	13,611,385	17	19,335,554	23
Property, plant and equipment (Notes 4, 14, 31 and 36)	25,520,104	33	24,471,011	29
Right-of-use assets (Notes 4, 15 and 36)	1,634,654	2	727,341	1
Investment properties, net (Notes 4 and 16)	624,562	1	711,345	1
Goodwill (Notes 4, 17 and 31)	270,211	-	270,211	-
Other intangible assets, net (Notes 4, 17 and 31)	48,274	-	43,983	-
Deferred tax assets (Notes 4 and 28)	1,341,378	2	651,568	1
Other non-current assets (Notes 13, 23 and 36)	656,537	1	577,842	-
<b>Total non-current assets</b>	<b>46,126,619</b>	<b>59</b>	<b>49,458,173</b>	<b>58</b>
<b>Total Assets</b>	<b>\$ 77,741,569</b>	<b>100</b>	<b>\$ 84,825,213</b>	<b>100</b>
	<b>Liabilities and Equity</b>			
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 18 and 36)	\$ 2,400,326	3	\$ 2,498,041	3
Short-term notes payable (Note 18)	290,613	1	279,635	-
Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	27,839	-	3,380	-
Trade payables (Note 20)	3,349,040	4	3,528,998	4
Other payables (Notes 21 and 31)	2,262,374	3	2,894,818	3
Current tax liabilities (Notes 4 and 28)	1,647,045	2	2,618,632	3
Lease liability - current (Notes 4 and 15)	102,435	-	73,065	-
Current portion of long-term borrowings (Notes 18, 19 and 36)	-	-	3,059,116	4
Refund liabilities - current (Note 21)	28,247	-	28,630	-
Other current liabilities (Note 26)	667,938	1	565,262	1
<b>Total current liabilities</b>	<b>10,775,857</b>	<b>14</b>	<b>15,549,577</b>	<b>18</b>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Note 19)	5,992,228	8	5,989,773	7
Long-term borrowings (Notes 18 and 36)	6,366,223	8	4,453,323	5
Provisions - non-current (Notes 5, 22 and 37)	136,375	-	136,375	-
Deferred tax liabilities (Notes 4 and 28)	1,395,175	2	1,417,922	2
Lease liabilities - non-current (Notes 4 and 15)	1,262,591	1	387,502	1
Net defined benefit liabilities - non-current (Notes 4 and 23)	754,722	1	1,151,009	1
Other non-current liabilities (Note 24)	133,513	-	94,771	-
<b>Total non-current liabilities</b>	<b>16,040,827</b>	<b>20</b>	<b>13,630,675</b>	<b>16</b>
<b>Total Liabilities</b>	<b>26,816,684</b>	<b>34</b>	<b>29,180,252</b>	<b>34</b>
<b>Equity attributable to owners of the Company (Notes 4, 8, 12, 23, 25 and 28)</b>				
Share capital	11,887,635	15	11,887,635	14
Capital surplus	449,960	1	366,185	-
Retained earnings				
Legal reserve	3,872,190	5	3,343,086	4
Special reserve	375,127	-	375,127	-
Unappropriated earnings	8,377,890	11	9,881,214	12
<b>Total retained earnings</b>	<b>12,625,207</b>	<b>16</b>	<b>13,599,427</b>	<b>16</b>
Other equity	8,896	-	84,358	-
Treasury shares	(475,606)	-	(475,606)	-
<b>Total equity attributable to owners of the Company</b>	<b>24,496,092</b>	<b>32</b>	<b>25,461,999</b>	<b>30</b>
<b>Non-controlling Interests</b>	<b>26,428,793</b>	<b>34</b>	<b>30,182,962</b>	<b>36</b>
<b>Total equity</b>	<b>50,924,885</b>	<b>66</b>	<b>55,644,961</b>	<b>66</b>
<b>Total liabilities and equity</b>	<b>\$ 77,741,569</b>	<b>100</b>	<b>\$ 84,825,213</b>	<b>100</b>

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

USI 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)

	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 26)	\$ 66,437,122	100	\$ 71,755,542	100
COST OF GOODS SOLD (Notes 4, 11, 14, 15, 17, 23, 27 and 35)	<u>55,496,976</u>	<u>83</u>	<u>54,001,841</u>	<u>75</u>
GROSS PROFIT	<u>10,940,146</u>	<u>17</u>	<u>17,753,701</u>	<u>25</u>
OPERATING EXPENSES (Notes 4, 10, 14, 15, 17, 23, 24, 27 and 35)				
Selling and marketing expenses	3,406,260	5	3,163,322	4
Administrative expenses	1,360,037	2	1,279,057	2
Research and development expenses	436,993	1	429,830	1
Expected credit loss (profit) reversed on accounts receivable	<u>865</u>	<u>-</u>	<u>( 1,426 )</u>	<u>-</u>
Total operating expenses	<u>5,204,155</u>	<u>8</u>	<u>4,870,783</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>5,735,991</u>	<u>9</u>	<u>12,882,918</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 27)	146,498	-	79,601	-
Other income (Notes 4, 24, 27 and 35)	950,949	1	627,387	1
Other gains and losses (Notes 4, 16, 27 and 39)	233,549	-	57,628	-
Finance costs (Notes 4, 18, 19 and 27)	<u>( 215,420 )</u>	<u>-</u>	<u>( 167,097 )</u>	<u>-</u>
Share of loss of associates and joint ventures accounted for using the equity method (Notes 4 and 13)	<u>( 6,154,577 )</u>	<u>( 9 )</u>	<u>( 727,995 )</u>	<u>( 1 )</u>
Total non-operating income and expenses	<u>( 5,039,001 )</u>	<u>( 8 )</u>	<u>( 130,476 )</u>	<u>-</u>
Net profit before income tax	696,990	1	12,752,442	18
Income tax expense (Notes 4 and 28)	<u>758,179</u>	<u>1</u>	<u>2,672,991</u>	<u>4</u>
Net (loss) income for the year	<u>( 61,189 )</u>	<u>-</u>	<u>10,079,451</u>	<u>14</u>

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	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of the defined benefit plan (Notes 4, 23 and 25)	\$ 247,135	-	( \$ 9,779 )	-
Unrealized gain (loss) on equity instruments at FVTOCI (Notes 4 and 25)	( 222,591 )	-	107,187	-
Income tax relating to items that will not be reclassified (Notes 4, 25 and 28)	( 38,886 )	-	( 1,691 )	-
	( 14,342 )	-	95,717	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Notes 4 and 25)	860,412	1	( 337,228 )	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 25 and 28)	( 131,480 )	-	54,262	-
	728,932	1	( 282,966 )	-
Other comprehensive income for the period, net of income tax	714,590	1	( 187,249 )	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 653,401	1	\$ 9,892,202	14
Net (loss) profit attributable to				
Owners of the Company	\$ 1,555,097	2	\$ 5,191,394	7
Non-controlling Interests	( 1,616,286 )	( 2 )	4,888,057	7
	( \$ 61,189 )	-	\$ 10,079,451	14
Total comprehensive income attributable to				
Owners of the Company	\$ 1,567,260	2	\$ 5,615,597	8
Non-controlling Interests	( 913,859 )	( 1 )	4,276,605	6
	\$ 653,401	1	\$ 9,892,202	14
Earnings per share (Note 29)				
From continuing operations				
Basic earnings per share	\$ 1.45		\$ 4.84	
Diluted earnings per share	\$ 1.45		\$ 4.83	

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

USI 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											Non-controlling Interests (Notes 8, 1 2 and 25)	Total equity
	Share Capital (Notes 4 and 25)	Capital surplus			Retained earnings			Other Equity		Treasury shares (Note 25)	Total		
		Treasury Share Transactions (Note 25)	Shares of Changes in Capital Surplus of Associates (Notes 4, 12 and 25)	Others (Note 25)	Legal Reserve (Note 25)	Special Reserve (Note 25)	Unappropriated Earnings (Notes 4, 8, 12, 23 and 25)	Exchange differences on translating the financial statements of foreign operations (Notes 4, 25 and 28)	Unrealized gain (loss) on financial assets at FVTOCI (Notes 4, 8, 25 and 28)				
Balance as of January 1, 2021	\$ 11,887,635	\$ 264,647	\$ 37,211	\$ 19,940	\$ 3,109,625	\$ 781,059	\$ 5,606,462	( \$ 583,855 )	\$ 343,660	( \$ 475,606 )	\$ 20,990,778	\$ 27,732,865	\$ 48,723,643
Distribution of earnings in 2020													
Provision for legal reserve	-	-	-	-	233,461	-	( 233,461 )	-	-	-	-	-	-
Reversal of special surplus reserve	-	-	-	-	-	( 405,932 )	-	-	-	-	-	-	-
Cash dividends distributed to the Company	-	-	-	-	-	-	( 1,188,763 )	-	-	-	( 1,188,763 )	-	( 1,188,763 )
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 1,714,633 )	( 1,714,633 )
Net profit for the year 2021	-	-	-	-	-	-	5,191,394	-	-	-	5,191,394	4,888,057	10,079,451
Other comprehensive income for the year 2021, net of income tax	-	-	-	-	-	-	( 804 )	( 127,118 )	552,125	-	424,203	( 611,452 )	( 187,249 )
Total comprehensive income for the year 2021	-	-	-	-	-	-	5,190,590	( 127,118 )	552,125	-	5,615,597	4,276,605	9,892,202
Changes in equity of subsidiaries recognized by equity method	-	-	4,691	-	-	-	-	-	-	-	4,691	2,586	7,277
Changes in capital surplus	-	-	-	1,367	-	-	-	-	-	-	1,367	-	1,367
Dividends distributed to subsidiaries to adjust capital reserve	-	38,329	-	-	-	-	-	-	-	-	38,329	-	38,329
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	100,454	-	( 100,454 )	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	( 114,461 )	( 114,461 )
Balance as of December 31, 2021	11,887,635	302,976	41,902	21,307	3,343,086	375,127	9,881,214	( 710,973 )	795,331	( 475,606 )	25,461,999	30,182,962	55,644,961
Distribution of earnings in 2022													
Provision for legal reserve	-	-	-	-	529,104	-	( 529,104 )	-	-	-	-	-	-
Cash dividends distributed to the Company	-	-	-	-	-	-	( 2,615,280 )	-	-	-	( 2,615,280 )	-	( 2,615,280 )
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 2,804,905 )	( 2,804,905 )
Net profit (loss) for the year 2022	-	-	-	-	-	-	1,555,097	-	-	-	1,555,097	( 1,616,286 )	( 61,189 )
Other comprehensive income for the year 2022, net of income tax	-	-	-	-	-	-	86,594	339,780	( 414,211 )	-	12,163	702,427	714,590
Total comprehensive income for the year 2022	-	-	-	-	-	-	1,641,691	339,780	( 414,211 )	-	1,567,260	( 913,859 )	653,401
Changes in equity of subsidiaries recognized by equity method	-	-	( 1,955 )	-	-	-	( 1,662 )	-	-	-	( 3,617 )	4,326	709
Other changes in capital surplus	-	-	-	1,405	-	-	-	-	-	-	1,405	-	1,405
Dividends distributed to subsidiaries to adjust capital reserve	-	84,325	-	-	-	-	-	-	-	-	84,325	-	84,325
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	1,031	-	( 1,031 )	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	( 39,731 )	( 39,731 )
Balance as of December 31, 2022	<u>\$ 11,887,635</u>	<u>\$ 387,301</u>	<u>\$ 39,947</u>	<u>\$ 22,712</u>	<u>\$ 3,872,190</u>	<u>\$ 375,127</u>	<u>\$ 8,377,890</u>	<u>( \$ 371,193 )</u>	<u>\$ 380,089</u>	<u>( \$ 475,606 )</u>	<u>\$ 24,496,092</u>	<u>\$ 26,428,793</u>	<u>\$ 50,924,885</u>

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

USI CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax for the year	\$ 696,990	\$ 12,752,442
Income (expenses) items		
Depreciation expenses	2,350,740	2,272,146
Amortization expense	58,946	63,774
Expected credit loss (profit) reversed on accounts receivable	865	( 1,426 )
Net loss (gain) on financial assets and liabilities at FVTPL	117,767	( 336,404 )
Finance costs	215,420	167,097
Interest income	( 146,498 )	( 79,601 )
Dividend income	( 463,584 )	( 390,903 )
Share of loss of associates and joint ventures accounted for using the equity method	6,154,577	727,995
(Gain) loss of disposal and scrapping of property, plant and equipment	( 1,188 )	64,669
Provision for write-downs of inventories and obsolescence losses	262,016	32,415
Gain on revised lease	-	( 660 )
Recognition of refund liabilities	7,330	19,165
Changes in operating assets and liabilities		
Decrease in financial assets and liabilities mandatorily classified as at FVTPL	2,924,461	88,477
Decrease (increase) in notes receivable	331,199	( 204,169 )
Decrease (increase) in accounts receivable	1,119,159	( 1,703,446 )
Decrease (increase) in other receivables	262,793	( 269,309 )
Decrease (increase) in inventories	134,495	( 3,334,541 )
Increase in prepayments	( 610,074 )	( 196,392 )
Decrease (increase) in other current assets	26,315	( 61,585 )
(Decrease) increase in accounts payable	( 179,958 )	122,161
(Decrease) increase in other payables	( 614,894 )	525,173
Decrease in refund liabilities	( 7,713 )	( 6,925 )
Decrease in net defined benefit liabilities	( 301,437 )	( 140,684 )
Increase in other current liabilities	<u>102,676</u>	<u>190,761</u>
Cash generated from operations	12,440,403	10,300,230
Interest received	136,229	79,222

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	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Interest paid	( \$ 215,453 )	( \$ 159,354 )
Income tax paid	( 2,611,392 )	( 1,286,929 )
Net cash generated from operating activities	<u>9,749,787</u>	<u>8,933,169</u>
Cash flows from investing activities		
Acquisition of FVTOCI	( 43 )	( 4,835 )
Disposal of FVTOCI	28,399	203,458
Return of capital from financial assets at FVTOCI	41,329	52,244
Purchase of financial assets at amortized cost	( 83,098 )	( 71,820 )
Acquisition of long-term equity investments using the equity method	( 90,000 )	-
Net cash outflows from acquisition of subsidiaries (Note 31)	-	( 34,056 )
Acquisitions of property, plant and equipment	( 2,770,191 )	( 3,622,312 )
Proceeds from disposal of property, plant and equipment	41,615	36,325
Increase in refundable deposits	( 48,811 )	( 6,401 )
Acquisition of other intangible assets	( 10,581 )	( 733 )
Acquisition of right-of-use assets	-	( 25,567 )
Acquisition of investment properties	( 3,714 )	( 3,298 )
Increase in other non-current assets	( 82,451 )	( 280,145 )
Dividends received	<u>463,584</u>	<u>390,903</u>
Net cash used in investing activities	<u>( 2,513,962 )</u>	<u>( 3,366,237 )</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	( 97,715 )	( 228,229 )
Increase (decrease) in short-term notes payable	11,000	( 377,000 )
Issuing of bonds	-	3,991,268
Repayments of bonds	( 3,000,000 )	( 2,000,000 )
Proceeds from mid- to long-term borrowings	21,407,630	24,225,000
Repayments of mid- to long-term borrowings	( 19,566,743 )	( 27,277,000 )
Proceeds from guarantee deposits received	16,661	6,186
Repayments of the principal portion of lease liabilities	( 89,717 )	( 70,349 )
Increase (decrease) in other non-current liabilities	22,081	( 1,670 )
Cash dividends paid	( 2,615,280 )	( 1,188,763 )
Change in non-controlling interests	( 39,731 )	( 114,461 )
Cash dividends paid on non-controlling interests	<u>( 2,804,905 )</u>	<u>( 1,714,633 )</u>
Net cash used in financing activities	<u>( 6,756,719 )</u>	<u>( 4,749,651 )</u>

(Continued)

(Continued)

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>\$ 653,956</u>	<u>( \$ 88,935 )</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,133,062	728,346
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>10,365,353</u>	<u>9,637,007</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 11,498,415</u>	<u>\$ 10,365,353</u>

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

USI CORPORATION AND SUBSIDIARIES  
 Notes to the Consolidated Financial Statements  
 For the Years Ended December 31, 2022 and 2021  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

USI Corporation ("USI", the "Company" or the "parent company") was incorporated in May 1965. The Company mainly produces and sells polyethylene. In May 1972, the Company's shares have been listed on the Taiwan Stock Exchange ("TWSE").

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to and issued by the Company's board of directors on March 7, 2023.

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

a. Initial application of 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 IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group's accounting policies.

b. New IFRSs endorsed and issued into effect by the FSC applied in 2023

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendment 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 are applicable to the annual reporting periods beginning on or after January 1, 2023.

Note 2. The amendments are applicable to the changes of the accounting estimates and changes of accounting policies which happen on the annual reporting periods beginning on or after January 1, 2023.

Note 3. Except for the recognition of deferred income tax on temporary differences between lease and decommissioning obligations on January 1, 2022, the amendments are applicable to transactions that occur after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the amendments to the aforesaid standards and interpretations had no significant impact on the Group's financial position and financial performance.

c. IFRSs issued by IASB but not endorsed and issued by FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
Amendments to IFRS 16 "Lease 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
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1. Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. The seller, who is also the lessee, should retrospectively apply the amendments to IFRS 16 for a sale and leaseback transaction entered into after the date of the 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 that the application of other standards and interpretations will have on the Group's consolidated 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 and issued into effect by the FSC.

##### b. Basis of preparation

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

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

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

##### c. Classification standard 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 (not including the asset 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 balance sheet date; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

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

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 statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, 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 Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries is attributed to the owners of the Company and 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 interests of the Group 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 if the Group had directly disposed of the related assets or liabilities.

Please refer to Note 12, Table 7 and Table 8 for detailed information on subsidiaries, percentages of ownership and main businesses.

e. Business combination

Business combination is accounted for by acquisition method. Acquisition related costs are included as expenses in the period when costs are incurred and services are acquired. Goodwill is measured by the aggregate of the fair value of the transfer consideration and the fair value at the acquisition date of the acquirer's previously held interests in the

acquire exceeding the net identifiable assets acquired and liabilities assumed at the acquisition date.

f. Foreign currency

In preparing the financial statements of each individual 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.

Monetary items denominated in foreign currencies are retranslated at the rates prevailing on each balance sheet 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 from the re-translation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the re-translation 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 translated using the exchange rate on the date of the transaction and will not be translated again.

In presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including subsidiaries, associates and joint ventures in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, at the exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates on the balance sheet date. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Group and non-controlling interests as appropriate).

When disposing of all or part of the subsidiaries of foreign operations which resulted in losing control of the foreign operations, all the accumulated exchange differences attributable to the owners of the Company and related to such foreign operations are classified as profit and loss.

When disposing of part of the subsidiaries and associates which did not result in losing control of the foreign operations, the accumulated exchange differences will be attributed pro rata to the non-controlling interests of the subsidiary rather than profit or loss. In other

disposal of foreign operations, the accumulated exchange differences will be classified as profit and loss based on its proportion.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process 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 Company similar or related items. Net realizable value is the balance that the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventory costs are calculated by moving average method.

h. Investments in associates

An associate is an entity over which the Group has significant influence on and that is not a subsidiary or joint venture. A joint venture is a joint agreement whereby the Group has joint control with another company and has rights to the net assets.

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 An associate is an entity over which . In addition, changes in the Group's share of equity in the associates and joint ventures are recognized according to the shareholding ratio.

When the Company subscribes for additional new shares of an 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 capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the 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 using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's shares of losses of an associate equal or exceed its equity in that associate (which includes any carrying amount of the investment accounted for by using

the equity method and long-term equity that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its 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 an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized 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 the investment's 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 recognized in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

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

i. Property, plant and equipment

Property, plant and equipment are recognized at cost, and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

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

Except for self-owned land, which is not depreciated, the remaining real property, plant and equipment are depreciated separately for each significant part on a straight-line basis over their useful lives. The Group shall review the estimated useful life, residual value and depreciation method at least at each financial year-end, and shall prospectively apply the effects of changes in accounting estimates.

On de-recognition 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.

j. Investment properties

Investment property refers to property held for the purpose of earning rent or capital appreciation or both (including right-of-use assets that meet the definition of investment property).

Self-owned investment properties are initially recognized at cost (including transaction cost) and subsequently at cost less accumulated depreciation and accumulated impairment loss.

Investment properties acquired by lease are initially measured at cost (including the original measurement amount of the lease liability and the lease payment paid before the lease start date), and subsequently measured at cost less the accumulated amount of depreciation and impairment loss, and re-measurements of adjustments on lease liabilities. All investment property is depreciated on a straight-line basis.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property from subsequent accounting is its carrying amount on the date of transfer to owner-occupation.

Property, plant and equipment are recognized as investment properties at the carrying amount at the time of termination for owner-occupation.

When investment property is de-recognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit and loss.

k. Goodwill

Goodwill acquired through M&A uses the goodwill value recognized on the M&A day as the cost, subsequently measured by cost deducting accrued impairment loss.

For purposes of impairment test, the goodwill shares to the Group benefits cash generation unit or its group due to integrative M&A effect (hereinafter referred to as the "cash generation unit").

The cash generation unit shared with the goodwill conducts impairment test through comparison between its face value containing goodwill and recoverable value every year (and the time with sign showing potential impairment). If the goodwill with such shares was acquired by corporate M&A, then, the unit should conduct impairment test at end of the year. If the recoverable amount of the cash generation unit with shared goodwill is less than its face value, firstly, the loss deducts the face value with shared goodwill, second, decrease the face value of each asset with respect of the proportion in the unit.

Any impairment loss is recognized directly as a loss of the current period and goodwill impairment loss may not be reversed subsequently.

The disposal of profit/loss is defined by including disposal related goodwill value during operation of the cash generation unit with goodwill shares.

1. Intangible assets

1) Separate acquisition

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at the amount of cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis over the useful life. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period by the Group, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets without definite service life shall be presented at cost minus accumulated impairment loss.

2) Acquisition by business combination

Intangible assets acquired by a business combination shall be recognized at fair value on the acquisition date, and subsequently measured by the same method as that of intangible assets acquired separately, and the goodwill shall be recognized separately.

3) Derecognition

On de-recognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the current profit or loss.

m. Impairment of property, plant and equipment, right-of-use asset, investment property and intangible assets (other than goodwill)

On each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment property and intangible assets 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of 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.

The recoverable amount is the higher of fair value less costs of sale 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 asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization or depreciation) that would have been determined to have no impairment loss recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Non-current assets available for sale

Non-current assets are classified as available for sale when their carrying amounts are expected to be recovered primarily through a sale transaction rather than continued use. Non-current assets that qualify for this classification must be available for immediate sale in their current state and must be highly likely available for sale. A non-current asset is highly likely available for sale when an appropriate management level commits to a plan to sell the asset and the sale is expected to be completed within one year from the date of classification.

Non-current assets classified as available for sale are measured at the lower of their carrying amount and fair value minus the cost of sale, of which the depreciation of shall be ceased.

o. Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instruments.

When financial assets and financial liabilities are initially measured, in case financial assets and financial liabilities are not measured at FVTPL, they are measured with the fair value added to transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities. 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 held by the Group 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 measured at fair value through profit and loss are financial assets that are forced to be measured at fair value through profit and loss. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and derivative instruments and fund beneficiary certificates that do not meet the criteria to classify as at amortized cost or at FVTOCI.

Financial assets at FVTPL are measured at fair value, with the generated dividends and interest recognized in other income and interest income respectively, and with the profits or losses arising from re-measurement are recognized in other profits and losses. Please refer to Note 34 for the method of determining the fair value.

ii. Financial assets measured at amortized cost

The Group's 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 cash flows on specified dates 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, notes receivable at amortized cost, accounts receivable, other receivables, pledged time deposit and refundable deposits) 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.

Except for the following cases, the interest income is calculated by applying the effective interest rate to multiply the gross carrying amount of a financial asset:

- i) For credit-impaired financial assets purchased or initiated, the interest income is calculated based on the adjusted effective interest rate multiplying the amortized cost of the financial asset.
- ii) For the financial assets that are not purchased or initiated, but subsequently become credit-impaired, the interest income shall be calculated based on the effective interest rate multiplying the amortized cost of the financial asset from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to the issuer or debtor who has major financial difficulties, defaults, and the debtor is likely to apply for bankruptcy or other financial restructuring, or the active market for financial assets disappear due to financial difficulties.

Cash equivalents include time deposits and reverse repurchase agreements collateralized by bonds, 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 as 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 measured at fair value, and subsequently gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in other equity. The cumulative gains 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 using equity instruments at other FVTOCI 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

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable) on each balance sheet date.

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable as allowance for loss. For other financial assets, the Group evaluates if there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial asset has not increased significantly, the Company recognizes the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. If there is a significant increase, the Company recognizes the lifetime expected credit losses accordingly.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than specific days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) De-recognition 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 de-recognition 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. Upon de-recognition of investment using equity instruments measured at fair value through other comprehensive profits and losses as a whole, the accumulated gains and losses are directly transferred to retained earnings and are not reclassified in profit and loss.

2) Equity instruments

Debt and equity instruments issued by 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 the Group are recognized at the acquired prices deducting costs of direct issuance

Reacquiring the Company's own equity instruments is recognized and deducted under equity. The purchase, sales, issuance or cancellation of the same above is not recognized as the profit or loss.

3) Financial liabilities

a) Subsequent measurement

Except for financial liabilities measured at fair value through profit and loss, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities held for transactions are measured pursuant to fair price, wherein their profits or losses generated from re-measurements is recognized as other benefits and losses. Please refer to Note 34 for the method of determining the fair value.

b) De-recognition 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) Derivatives

The Group enters into a variety of derivatives to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

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. When the fair value of a derivative is positive, the derivative is recognized as a financial asset; when the fair value of a derivative is negative, the derivative is recognized as a financial liability.

p. Provisions

The amount recognized as a liability provision is considered with business risk and uncertainty, which is the best estimate for expenditure required for repayment obligations on the balance sheet date. Provision for liabilities is measured at the discount of cash flow estimated from repayment obligations.

q. Revenue recognition

The Group identifies contracts with the customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. Provision for refund liabilities are reasonable estimates of future returns based on past experience and other relevant factors.

1) Revenue from the sale of goods

Revenue from the sale of goods mainly comes from sales of polyethylene plastic particles and other related products. The sale of goods above is recognized as revenue when the goods are delivered to a customer because it is the time when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. The receipts in advance from goods sales are recognized as contract liabilities.

When the material is removed for processing, the control of the ownership of the processed product has not been transferred, so the income is not recognized when the material is removed.

2) Service revenue

Service revenue comes from warehousing and transportation service of a variety of petrochemical materials consigned to operate; it is recognized in the provision of service.

r. Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale. A component of an entity which is for operational and financial reporting purposes has cash flows which can be clearly distinguished from the rest of the entity.

s. Leasing

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

1) The Group as lessor

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

When the Group subleases the right-of-use asset, it uses the right-of-use asset (instead of underlying asset) to determine the classification of sublease. However, if the main lease is a short-term lease for which the Group applies the recognition exemption, the sublease is classified as an operating lease.

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

The variable rent not depending on the rate under a lease agreement is recognized as revenue for the year.

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.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability and the lease payment paid before the lease start date), and subsequently measured at the amount after the cost less the accumulated depreciation, and the remeasured amount of the lease liability is adjusted. Except for those as defined for investment properties, the right-of-use assets are presented on a separate line in the consolidated balance sheets. For the recognition and measurement of right-of-use asset as defined for investment properties, please refer to i. Investment Properties Accounting Policy.

Right-of-use assets are depreciated using the straight-line basis 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, which comprise fixed payments, in-substance fixed payments and variable lease payments which depend on an index or a rate. 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 the lessee's 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 or a change in an index or a rate used to determine those payments leading to a change in future lease payments, the Group re-measures 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 re-measurement is recognized in profit or loss. 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.

t. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until the time when the assets are substantially ready for their intended use or sale. Other than the above-stated, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

u. Government subsidy

Government subsidies are not usually recognized, unless they are reasonable to be certain that the Group will follow supplemental conditions for the same and they are receivable. Revenue-related government subsidies are recognized as the profit and loss based on system with attempted compensation of related costs recognized as expenditure by the Group. Government subsidies conditioned on the acquisition, construction or other acquisition of non-current assets by the Group are recognized as deferred income, and are recognized as profit or loss over the useful life of the relevant assets on a reasonable and systematic basis.

If the government subsidy is used to compensate expenditure or loss, or for immediate financial support to the Group without upcoming related cost, it is recognized as profit and loss during collectable period.

The difference between the amount of the government loans obtained by the Group at below-market interest rates and their fair value calculated at the prevailing market interest rates is recognized as a government subsidy.

v. 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 expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and re-measurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Re-measurement (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. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plans.

w. Share-based payment arrangements

The equity-settled share-based payment transaction for employee given by the Group is measured at the fair value of equity tool on the given day.

Employee subscription right is recognized as expenses on straight basis over the given period pursuant to the fair value of equity tool on the given day and the best quantity forecast as expected, while making adjustments on the non-controlling interests. If it is acquired on the given day, all of them are recognized as expense on the given day.

The Group amends the expected employee stock option forecast on every balance sheet date. Any effect from amendments to original forecast is recognized as profit or loss to reflect accrued expenses and make adjustment on the non-controlling interests.

x. Income tax

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

1) Current tax

The Group determines proceeds (loss) of current period pursuant to the laws and regulations prescribed in every income tax declaration region and calculates tax payable (recoverable).

According to the Income Tax Act, an additional tax on unappropriated earnings is provided for as income tax in the year of the shareholder meetings.

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 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, 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 profits 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 balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each balance sheet date and recognized to the extent that it has become probable that sufficient taxable profits will be available to allow all or part of the 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 balance sheet, to recover or settle the carrying amount of its assets and liabilities.

3) Current tax and deferred tax 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; in which case, the current and deferred taxes are also recognized in other comprehensive income.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group will incorporate the recent developments of the COVID-19 pandemic and its possible impact on the economic environment into accounting estimates. Management will continue to review the estimates and underlying assumptions. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

a. Impairment loss estimates of accounts receivable

The impairment loss estimates of trade receivable is assumed on the basis of the Group for breach of contract rate and expected loss rate. With historic experience, current market and prospects are considered, the Group makes assumption and chooses input of impairment evaluation. If the actual cash flow in future is less as expected, the Group may suffer from material impairment loss. Refer to Note 10 for the Group's adoption of important assumptions, inputs and carrying amount.

b. Inventory Impairment

As a result that inventory requires pricing at lower one between cost and net realized value; hence, the Group has to judge and estimate the net realization of inventory at the end of financial statements. The Group evaluated inventory price due to normal

consumption, overdue or no market value as of the end of financial statements and write down inventory cost to net realization. This inventory evaluation is mainly based on product historic sales experiences and in demand during upcoming specified period, as such significant change might derive. Refer to Note 11 for the carrying amount of the Group's inventory.

c. Estimate of compensation for the subsidiary's gas explosion incident

As for the civil damages incurred by the gas explosion of the subsidiary, China General Terminal & Distribution Co., which is recognized as a liability provision, the management estimates the amount of the liability provision by taking into account the progress of civil and criminal proceedings and settlements as well as the legal advice. However, actual results may differ from current estimates. Please refer to Note 37 for a detailed description.

6. CASH AND CASH EQUIVALENTS

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 4,560	\$ 70,667
Checking accounts and demand deposits	3,232,891	3,383,659
Cash equivalents		
Time deposits	6,606,811	6,655,811
Reserve repurchase agreements collateralized by bonds	<u>1,654,153</u>	<u>255,216</u>
	<u>\$ 11,498,415</u>	<u>\$ 10,365,353</u>

The range of market interest rates for time deposits and reserve repurchase agreements collateralized by bonds on the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Time deposits	0.88%~4.91%	0.08%~2.50%
Reserve repurchase agreements collateralized by bonds	1.05%~4.23%	0.06%~0.90%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets mandatorily at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
- Foreign exchange forward contracts	\$ 2,121	\$ 8,297
Non-derivative financial assets		
- Domestic listed (OTC) shares	228,677	603,956
- Fund beneficiary certificates	2,259,780	4,896,869
- Beneficiary securities	233,828	232,680
- Overseas listed shares	91	464
Sub-total	<u>2,722,376</u>	<u>5,733,969</u>
	<u>\$ 2,724,497</u>	<u>\$ 5,742,266</u>
<u>Financial liabilities held for trading</u>		
Derivative financial assets (not under hedge accounting)		
- Foreign exchange forward contracts	\$ 27,839	\$ 3,380

At the end of the balance sheet date, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	<u>Currency</u>	<u>Expiration date</u>	<u>Contract Amount (In Thousands)</u>	
<u>December 31, 2022</u>				
Sell	RMB/NTD	2023.01.09-2023.03.30	RMB 511,100 /NTD	2,236,999
Sell	USD/MYR	2023.03.13	USD 100 /MYR	440
Sell	EUR/MYR	2023.03.17-2023.03.31	EUR 270 /MYR	1,254
Buy	NTD/USD	2023.01.03-2023.02.23	NTD 672,391 /USD	21,620
Buy	JPY/USD	2023.01.20-2023.02.24	JPY 120,000 /USD	862
<u>December 31, 2021</u>				
Sell	RMB/NTD	2022.01.03-2022.03.24	RMB 375,900 /NTD	1,625,844
Sell	USD/MYR	2022.04.29-2022.10.31	USD 2,150 /MYR	9,075
Sell	USD/NTD	2022.01.03-2022.03.30	USD 45,290 /NTD	1,259,790
Sell	EUR/MYR	2022.01.31-2022.02.28	EUR 60 /MYR	304
Buy	NTD/USD	2022.03.07	NTD 128,458 /USD	4,640
Buy	JPY/USD	2022.01.18-2022.02.24	JPY 100,000 /USD	883

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness, and therefore, the Group did not apply hedge accounting treatments for derivative contracts.

Please refer to Note 36 for the pledge of investments in equity instruments at FVTPL

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Investments in equity instruments		
Domestic investments		
Listed (OTC) shares	\$ <u>97,183</u>	\$ <u>145,921</u>
<u>Non-current</u>		
Investments in equity instruments		
<u>Domestic investments</u>		
Listed (OTC) shares	\$ 1,531,870	\$ 1,672,941
Emerging market shares	-	21,677
Unlisted shares	<u>359,548</u>	<u>437,569</u>
	<u>1,891,418</u>	<u>2,132,187</u>
<u>Overseas investments</u>		
Listed (OTC) shares	30,041	40,855
Unlisted shares	<u>139,376</u>	<u>113,775</u>
	<u>169,417</u>	<u>154,630</u>
	<u>\$ 2,060,835</u>	<u>\$ 2,286,817</u>

The Group invested the listed shares and over-the-counter shares, emerging market shares and unlisted shares for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as it believes 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.

For the year ended December 31, 2022, the Group sold the investments in equity instruments at FVTOCI, and the related other equity - the unrealized gain of financial assets measured at fair value through other comprehensive income of NT\$1,031 thousand is transferred to retained earnings.

For the year ended December 31, 2021, the Group sold the investments in equity instruments at FVTOCI, and the related other equity - the unrealized benefit of financial assets measured at fair value through other comprehensive income of NT\$149,287 thousand is transferred to retained surplus of NT\$100,454 thousand and non-controlling equity of NT\$48,833 thousand, respectively. For the years ended December 31, 2022 and 2021, due to the reduction of capital and refund of shares respectively by the invested company, the Group shall recover NT\$41,329 thousand and NT\$52,244 thousand according to the proportion of shares held, respectively.

The Group recognized dividend income of NT\$120,996 thousand and NT\$190,222 thousand, respectively, for the years ended December 31, 2022 and 2021.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Pledged time deposits	\$ 424,685	\$ 349,137
Constricted bank deposits	<u>15,244</u>	<u>-</u>
	<u>\$ 439,929</u>	<u>\$ 349,137</u>
 <u>Non-current</u>		
Constricted bank deposits	<u>\$ 358,679</u>	<u>\$ 382,501</u>
 Range of Interest Rates		
Pledged time deposits	0.19%~2.60%	0.04%~1.85%

Restricted bank deposit means the subsidiary's earning repatriation and for Taiwan Water Corporation's petition of provisional attachment with the court due to gas explosion case. The Group's filed applying to the Management, Utilization and Taxation for Patriated Offshore Funds Act was approved to repatriate the funds by the Ministry of Finance in 2020 and deposited the net value after tax to foreign exchange deposit account. The deposit is limited for free utilization by laws and regulations that three-year withdrawal is not permitted until five years of the deposit, except for financial investment or physical investments with partially free utilization by law.

Please refer to Note 36 for the information related to financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Notes receivable (a)</u>		
Measured at amortized cost		
Gross carrying amount	<u>\$ 544,546</u>	<u>\$ 875,745</u>
 <u>Accounts receivable (a)</u>		
Measured at amortized cost		
Gross carrying amount	\$ 7,481,614	\$ 8,600,861
Less: allowance for loss	<u>( 86,579 )</u>	<u>( 85,384 )</u>
	<u>\$ 7,395,035</u>	<u>\$ 8,515,477</u>
 <u>Other receivables (b)</u>		
Tax refund receivable	\$ 200,055	\$ 299,915
Lent material fees receivable	-	70,090
Others	<u>59,146</u>	<u>141,720</u>
	<u>\$ 259,201</u>	<u>\$ 511,725</u>

a. Notes and accounts receivable

The average credit period of sales of goods was 10 to 150 days. No interest was charged on the receivables.

In order to minimize credit risk, the management of the Group 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. Before accepting a new customer, the Group surveys the customers' credit history and measures the potential customer's credit quality to grant a credit term. A customer's credit term and rating are reviewed annually. In addition, the Group reviews the recoverable amount of each individual trade debt on the balance sheet date 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 measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. Expected credit losses over the life period are calculated using a reserve matrix, which takes into account the customer's past default record and current financial condition, industry economic situation and industry outlook.

The Group writes off accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the due receivables. Where recoveries are made, they are recognized in profit or loss.

The following table details the loss allowance of notes receivables and accounts receivable based on the Group's allowance matrix.

December 31, 2022

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 91 Days</u>	<u>Total</u>
Gross carrying amount	\$ 4,888,004	\$ 391	\$ 3,624	\$ 4,892,019
Loss allowance (Lifetime ECLs)	( 11,842 )	( 391 )	( 3,615 )	( 15,848 )
Amortized cost	<u>\$ 4,876,162</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 4,876,171</u>

Based on credit quality

	<u>Credit Rating A</u>	<u>Credit Rating B</u>	<u>Credit Rating C</u>	<u>Others</u>	<u>Total</u>
Gross carrying amount	\$ 235,721	\$ 768,055	\$ 301,535	\$ 1,828,830	\$ 3,134,141
Loss allowance (Lifetime ECLs)	-	( 4,374 )	( 5,025 )	( 61,332 )	( 70,731 )
Amortized cost	<u>\$ 235,721</u>	<u>\$ 763,681</u>	<u>\$ 296,510</u>	<u>\$ 1,767,498</u>	<u>\$ 3,063,410</u>

December 31, 2021

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 91 Days</u>	<u>Total</u>
Gross carrying amount	\$ 4,887,767	\$ 835	\$ 8,156	\$ 4,896,758
Loss allowance (Lifetime ECLs)	( 12,511 )	( 330 )	( 4,209 )	( 17,050 )
Amortized cost	<u>\$ 4,875,256</u>	<u>\$ 505</u>	<u>\$ 3,947</u>	<u>\$ 4,879,708</u>

Based on credit quality

	<u>Credit Rating A</u>	<u>Credit Rating B</u>	<u>Credit Rating C</u>	<u>Others</u>	<u>Total</u>
Gross carrying amount	\$ 366,796	\$ 1,174,614	\$ 296,804	\$ 2,741,634	\$ 4,579,848
Loss allowance (Lifetime ECLs)	-	( 6,728 )	( 5,191 )	( 56,415 )	( 68,334 )
Amortized cost	<u>\$ 366,796</u>	<u>\$ 1,167,886</u>	<u>\$ 291,613</u>	<u>\$ 2,685,219</u>	<u>\$ 4,511,514</u>

The aging schedule of notes and accounts receivable with loss reserve measured based on credit quality was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 2,922,962	\$ 4,251,618
Up to 60 days	147,336	251,874
Over 61 days	<u>63,843</u>	<u>76,356</u>
	<u>\$ 3,134,141</u>	<u>\$ 4,579,848</u>

The above aging schedule was based on the number of days past due from the end of the credit term.

Changes in the allowance for impairment loss recognized on notes and accounts receivable were as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Balance at January 1	\$ 85,384	\$ 90,056
Provision (reversal) in the current year	865	( 1,426 )
Less: Amounts written off during the period as uncollectible	( 88 )	( 2,981 )
Foreign exchange translation gains and losses	<u>418</u>	( 265 )
Balance at December 31	<u>\$ 86,579</u>	<u>\$ 85,384</u>

b. Other receivables

Other receivables mainly consisted of tax refund receivable, lent material fees receivable, etc. The average aging of other receivables was less than 60 days based on the number of days past due from the invoice date, and an impairment loss was assessed based on the expected credit losses. There were no other overdue receivables with an unrecognized allowance for doubtful accounts in the Group as of December 31, 2022 and 2021.

11. INVENTORIES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Finished goods	\$ 4,213,873	\$ 4,567,525
Work in progress	750,562	476,649
Raw materials	1,810,162	1,980,596
Supplies	394,092	359,533
Inventory in transit	<u>30,965</u>	<u>215,540</u>
	<u>\$ 7,199,654</u>	<u>\$ 7,599,843</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31 in 2022 and 2021 were NT\$55,496,976 thousand and NT\$54,001,802 thousand, respectively.

The net realizable value of inventory write-downs included in the cost of goods sold for the years ended December 31 in 2022 and 2021 were NT\$262,016 thousand and NT\$32,415 thousand, respectively.

12. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

The consolidated financial statements are prepared by the following subjects:

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership		Remark
			December 31, 2022	December 31, 2021	
The Company	USI Investment Co., Ltd. (USII)	Investment business	<u>100.0%</u>	<u>100.0%</u>	
	Swanlake Traders Ltd. (Swanlake)	Trading and investment	<u>100.0%</u>	<u>100.0%</u>	
	USI (Hong Kong) Company Ltd.	Trading and investment	<u>100.0%</u>	<u>100.0%</u>	
	USI Management Consulting Corp. (UM)	Providing management services	<u>100.0%</u>	<u>100.0%</u>	
	Chong Loong Trading Co., Ltd. (CLT)	Import and export trade	<u>100.0%</u>	<u>99.9%</u>	13
	Union Polymer International Investment Corporation (UPIIC)	Investment business	<u>100.0%</u>	<u>100.0%</u>	
	Cypress Epoch Limited	Investment business	<u>-</u>	<u>-</u>	1
	INOMA Corporation (INOMA)	Optical products and fire protection materials	<u>94.4%</u>	<u>94.4%</u>	
	USIG (Shanghai) Co., Ltd. (USIG)	Import and distribution of various types of chemical raw materials and products	<u>100.0%</u>	<u>100.0%</u>	1
	USI Green Energy Corporation (USIGE)	Solar power generation business	<u>100.0%</u>	<u>100.0%</u>	2
The Company	Taiwan United Venture Capital Corp. ("TUVC")	Venture capital	70.0%	70.0%	
Asia Polymer Corporation (APC)			<u>8.3%</u>	<u>8.3%</u>	
			<u>78.3%</u>	<u>78.3%</u>	11
The Company	Swanson Plastics Corporation (SPC)	Production and marketing of stretch film, embossed film and industrial use multi-layer wrap	40.6%	40.6%	

(Continued)

(Continued)

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership		Remark
			December 31, 2022	December 31, 2021	
Asia Polymer Corporation USIFE Investment Co., Ltd.			8.0% <u>6.4%</u> 55.0%	8.0% <u>6.0%</u> 54.6%	3
The Company	Acme Electronics Corp. (ACME)	Production and marketing of manganese-zinc soft ferrite powder	26.9%	26.9%	
China General Plastics Corporation USIFE Investment Co., Ltd. Asia Polymer Corporation Taita Chemical Company, Ltd. APC Investment Corporation			1.7% 9.3% 3.3% 2.4% <u>1.0%</u> 44.6%	1.7% 9.3% 3.3% 2.4% <u>1.0%</u> 44.6%	15
The Company	USI Optronics Corporation (USIO)	Manufacturing and marketing of sapphire crystal	50.9%	50.9%	
Acme Electronics Corporation Asia Polymer Corporation USIFE Investment Co., Ltd.			34.0% 9.2% <u>0.2%</u> 94.3%	34.0% 9.2% <u>0.2%</u> 94.3%	
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Reinvestment business	51.3%	51.3%	
Swanlake Traders Ltd. APC (BVI) Holding Co., Ltd.			23.1% 16.6%	16.7% 16.6%	4
TAITA (BVI) Holding Co., Ltd.			<u>5.4%</u> 96.4%	<u>5.4%</u> 90.0%	
Acme Electronics Corporation ACME Electronics (Cayman) Corp.	Golden Amber Enterprises Limited Acme Electronics (Kunshan) Co., Ltd. ("ACME Electronics (KS)")	Reinvestment business Manufacturing and marketing of manganese-zinc soft ferrite core	<u>100.0%</u> <u>100.0%</u>	<u>100.0%</u> <u>100.0%</u>	
	ACME Components (Malaysia) Sdn.Bhd.	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	
Golden Amber Enterprises Limited	Acme Electronics (Guang-Zhou) Co., Ltd.	Manufacturing and marketing of manganese-zinc soft ferrite core	<u>100.0%</u>	<u>100.0%</u>	
Union Polymer International Investment Corporation	Asia Polymer Corporation (APC)	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	36.1%	36.1%	
China General Terminal & Distribution Co. USIFE Investment Co., Ltd. Taiwan VCM Corporation			0.9% 0.3% -	0.9% 0.3% -	15
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd. (APC (BVI))	Reinvestment business	<u>37.3%</u> <u>100.0%</u>	<u>37.3%</u> <u>100.0%</u>	
Asia Polymer Corporation	USI International Corporation	Reinvestment business	70.0%	70.0%	
APC (BVI) Holding Co., Ltd.			<u>30.0%</u> <u>100.0%</u>	<u>30.0%</u> <u>100.0%</u>	
Asia Polymer Corporation	APC Investment Corporation (APC)	Investment business	<u>100.0%</u>	<u>100.0%</u>	
APC (BVI) Holding Co., Ltd.	USI Trading (Shanghai) Co., Ltd.	Management of chemical products, equipment and plastic products and whole sale of electronic materials, commission agency services and related supporting import and export services	<u>100.0%</u>	<u>100.0%</u>	
Union Polymer International Investment Corporation	Taita Chemical Company, Ltd. (TTC)	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	36.8%	36.8%	
China General Terminal & Distribution Co. USIFE Investment Co., Ltd.			0.6% 0.4%	0.6% 0.4%	15
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co, Ltd. (TAITA (BVI))	Reinvestment business	<u>37.8%</u> <u>100.0%</u>	<u>37.8%</u> <u>100.0%</u>	5

(Continued)

(Continued)

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership		Remark
			December 31, 2022	December 31, 2021	
TAITA (BVI) Holding Co, Ltd.	Taita Chemical (Zhong Shan) Co., Ltd. ("TTC (ZS)")	Production and marketing of polystyrene derivatives	<u>100.0%</u>	<u>100.0%</u>	
	Taita Chemical (Tianjin) Co., Ltd. ("TTC (TJ)")	Production and marketing of polystyrene derivatives	<u>100.0%</u>	<u>100.0%</u>	6
	Zhangzhou Taita Chemical Company, Limited (ZTC)	Production and marketing of polystyrene derivatives	<u>100.0%</u>	-	5
Swanlake Traders Ltd.	Zhangzhou Taiju Trading Co., Ltd. (ZTC)	Sales of chemical products	70.0%	-	
APC (BVI) Holding Co., Ltd.			<u>30.0%</u>	-	
Union Polymer International Investment Corporation	China General Plastics Corporation (CGPC)	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	<u>100.0%</u>	-	8
			25.0%	25.0%	
Asia Polymer Corporation			8.0%	8.0%	
Taita Chemical Company, Ltd.			2.0%	2.0%	
China General Terminal & Distribution Co.			0.5%	0.5%	
USIFE Investment Co., Ltd.			<u>0.1%</u>	<u>0.1%</u>	
China General Plastics Corporation	Taiwan VCM Corporation (TVCM)	Manufacturing and marketing of vinyl chloride monomer and related petrochemical products	<u>35.6%</u>	<u>35.6%</u>	15
			<u>87.3%</u>	<u>87.3%</u>	7
	CGPC (BVI) Holding Co., Ltd.	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	
	CGPC America Corporation	Marketing of PVC two- or three-time processed products	<u>100.0%</u>	<u>100.0%</u>	
	CGPC Polymer Corporation ("CGPCPOL")	Manufacturing and marketing of PVC powder	<u>100.0%</u>	<u>100.0%</u>	
Taiwan VCM Corporation	Global Green Technology Corporation (GGC)	Environmental detection services	<u>100.0%</u>	-	12
CGPC (BVI) Holding Co., Ltd.	Continental General Plastics (ZhongShan) Co., Ltd. ("CGPC (ZS)")	Manufacturing & marketing of PVC film and consumer products	<u>100.0%</u>	<u>100.0%</u>	10
	CGPC Consumer Products Corporation	Manufacturing & marketing of PVC film and consumer products	<u>100.0%</u>	<u>100.0%</u>	10
China General Plastics Corporation	China General Terminal & Distribution Corporation (CGTD)	Warehousing petrochemical raw materials	33.3%	33.3%	
Taita Chemical Company, Ltd.			33.3%	33.3%	
Asia Polymer Corporation			<u>33.4%</u>	<u>33.4%</u>	
			<u>100.0%</u>	<u>100.0%</u>	
USIFE Investment Co., Ltd.	Taiwan United Venture Management Corp. (TUVM)	Business management consulting	<u>100.0%</u>	<u>100.0%</u>	
ACME Components (Malaysia) Sdn.Bhd.	ACME Ferrite Products Sdn.Bhd (ACME Ferrite)	Manufacturing and marketing of soft ferrite core	<u>100.0%</u>	<u>100.0%</u>	
Swanson Plastics Corporation	Curtana Company Ltd.	Reinvestment business	-	-	9
	Forever Young Company Ltd.	Trading and agency businesses	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (Singapore) Pte., Ltd.	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	
Swanson Plastics Corporation	Swanson International Ltd.	Import and export trade	<u>100.0%</u>	<u>100.0%</u>	
	PT. Swanson Plastics Indonesia Ltd.	Production and marketing of plastic products	1.0%	1.0%	
Swanson Plastics (Singapore) Pte., Ltd.			<u>99.0%</u>	<u>99.0%</u>	
Swanson Plastics Corporation	Swanson Technologies Corporation ("STC")	Production, marketing and development of EVA packaging film and other value added plastic products	<u>100.0%</u>	<u>100.0%</u>	
			70.0%	70.0%	
APC Investment Corporation			15.0%	15.0%	
USIFE Investment Co., Ltd.			<u>15.0%</u>	<u>15.0%</u>	
			<u>100.0%</u>	<u>100.0%</u>	
Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (India) Private Limited	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (Tianjin) Co., Ltd.	Production, marketing and development of multi-functional film and light-solution film	<u>100.0%</u>	<u>100.0%</u>	

(Continued)

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Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership		Remark
			December 31, 2022	December 31, 2021	
Swanson International Ltd.	A.S.Holdings (UK) Limited	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (Kunshan) Co., Ltd.	Production, marketing and development of multi-functional film and light-solution film	<u>100.0%</u>	<u>100.0%</u>	
A.S. Holdings (UK) Limited	ASK-Swanson (Kunshan) Co., Ltd.	Production and sales of PE release film and other release products	<u>100.0%</u>	<u>100.0%</u>	
The Company Asia Polymer Corporation	Ever Conquest Global Limited ("ECGL")	Investment business	59.1%	59.1%	
			<u>40.9%</u>	<u>40.9%</u>	
Ever Conquest Global Limited	Ever Victory Global Limited(EVGL)	Investment business	<u>100.0%</u>	<u>100.0%</u>	14
			<u>67.4%</u>	<u>67.4%</u>	14 and 15
Ever Victory Global Limited	Dynamic Ever Investments Limited(DEIL)	Investment business	<u>85.0%</u>	<u>85.0%</u>	14

- 1) To simplify investing framework, the Company hanged its indirect investment in USIG (Shanghai) Co., Ltd. in China with approval of the Investment Commission, Ministry of Economic Affairs (Investment Commission) dated January 25, 2021, as such, with the approval, it was revised to be direct investment. And Cypress Epoch Limited has completed the dissolution and liquidation procedures on September 28, 2021.
- 2) In response to the government's green power policy, the Company purchased 100% of the equity from the non-related parties, Xuanju Co., Ltd. on July 5, 2021 at a purchase price of NT\$34,092 thousand, which was confirmed by the Board of Directors on July 8, 2021. Please refer to Note 31 for details. In addition, USIGE issued 7,000 thousand ordinary shares through cash capital increase by resolution of the board of directors on November 3, 2021, which was subscribed by the Company in full. The paid-up capital after capital increase was NT\$70,100 thousand.
- 3) USI Investment Co., Ltd. (USII) acquired 1.1% and 0.4% equity from external shareholders of Swanson Plastics Corporation (SPC) in 2022 and 2021 based on medium and long-term investment strategy, thus acquired a price of NT\$19,691 thousand and NT\$7,925 thousand, respectively.
- 4) On January 21, 2021 and September 1, 2022, Swanlake acquired 5.42% equity and 6.47% equity from the external shareholders of ACME Electronics (Cayman) Corp. approved by the Investment Commission, MOEA with the purchase price of US\$2,172 thousand and US\$2,879 thousand, respectively. After the purchase of equity, the proportion of equity held by the Group in ACME Electronics (Cayman) Corp. increased from 84.53% to 89.95% and from 89.95% to 96.42%, respectively. As these transactions did not change the Group's control over the subsidiary, it is

deemed as an equity transaction. Differences generated from the aforementioned equity transaction were adjusted to increases in capital surplus of NT\$3,564 thousand and to decrease in capital surplus of NT\$4,071 thousand and retained earnings of NT\$1,662 thousand, respectively.

- 5) The board of directors of TTC decided on December 3, 2020 to invest RMB 314,000 thousand through TAITA (BVI) to establish ZTC Co. The company completed the establishment registration on June 28, 2021, and TAITA (BVI) has injected capital of RMB 306,950 thousand on March 8, 2022.
- 6) The management of TTC decided to suspend the main production of expanded polystyrene (EPS) by TTC (Tianjin) from April 2019 due to the assessment of the demand reduction of its subsidiary TTC (Tianjin) in the local market. Please refer to Note 14 for relevant explanation.
- 7) Based on the medium- and long- term investment strategy, the Group acquired 157 thousand shares of Taiwan VCM Corporation (TVCM) from external shareholders from March to September 2021 at a price of NT\$2,653 thousand. After the purchase of shares, the equity proportion of the Group to Taiwan VCM Corporation (TVCM) increased from 87.22% to 87.27%. As these transactions did not change the Group's control over the subsidiary, it is deemed as an equity transaction. Differences generated from the aforementioned equity transaction were adjusted to increases in capital surplus of NT\$252 thousand.
- 8) In order to sell the products produced by Gulei, the Company and APC resolved on August 13, 2020 and August 12, 2020, respectively, to establish a joint venture company, Zhangzhou Taiju Trading Co., Ltd., in Fujian Province, China. The company completed registration on March 12, 2022 and the capital was invested by Swanlake and APC (BVI) on May 20, 2022 in the amount of RMB7,000 thousand and RMB3,000 thousand, respectively.
- 9) In August 2020, Swanson Plastics Corporation (SPC) resolved to dissolve and liquidate the subsidiary Curtana Company Ltd., with the dissolution and liquidation procedure completed on February 5, 2021.
- 10) CGPC disposed of CGPC (ZS) and CGPC Consumer Products Corporation (“CGPC (CP)”) by resolution as approved in the meeting of the board of directors in October 2011. However, since CGPC leased out the idle plant of the discontinued unit in 2021, considering that the operation of the plant is not substantially discontinued, the discontinued operation is reversed to continuing operation after evaluation.

- 11) To improve the financial structure and activate the company's capital utilization, TUVU passed the resolution of the extraordinary shareholders' meeting on November 25, 2021 to cover losses of NT\$100,000 thousand with retained earnings, and to cancel the issued shares of 10,000 thousand shares. The capital reduction ratio was 21.28%, and the base date for it was December 3, 2021. After the capital reduction, the paid-in share capital of TUVU was NT\$370,000 thousand.
  - 12) In order to plan for future pollution remediation, testing and other related businesses and public works/public institution projects to be conducted by an independent company, TVCM invested in GGC as a single corporate shareholder and acquired 100% of the shares for NT\$50,000 thousand. The case was approved by the competent authority for registration on February 11, 2022, with a registered capital of NT\$168,880 thousand.
  - 13) The Company obtained 0.1% equity from the external shareholders of Chong Loong Trading Co., Ltd. in October 2022 based on the medium and long-term investment strategy, and the acquisition price was NT\$23 thousand.
  - 14) As of December 31, 2022, the Company and APC invested capital amounted to USD 246,670 thousand (around NT\$7,645,981 thousand) and USD 170,475 thousand (around NT\$5,255,587 thousand) in ECGL, respectively, and reinvested in EVGL via ECGL as well as in DEIL. The total ownership percentage of the Group in EVGL is 67.4%. For more detailed explanation, please refer to and Note 13.
  - 15) This is a subsidiary with material non-controlling interests.
- b. Details of subsidiaries that have material non-controlling interests

<u>Name of Subsidiary</u>	<u>Proportion of Ownership and Voting Rights Held by Non-controlling Interests</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
CGPC	64.4%	64.4%
TTC	62.2%	62.2%
ACME	55.4%	55.4%
APC	62.7%	62.7%
EVGL	32.6%	32.6%

Please refer to Table 7 and 8 for the information on places of incorporation and principal places of business.

(Continued)

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Non-controlling Interests	
	For the Year Ended	For the Year Ended	December 31,	December 31,
	December 31, 2022	December 31, 2021	2022	2021
CGPC	<u>(\$ 243,436)</u>	<u>\$ 1,623,144</u>	<u>\$ 6,001,047</u>	<u>\$ 7,063,369</u>
TTC	<u>\$ 260,956</u>	<u>\$ 1,171,507</u>	<u>\$ 4,470,523</u>	<u>\$ 4,715,783</u>
ACME	<u>\$ 9,091</u>	<u>\$ 32,991</u>	<u>\$ 758,748</u>	<u>\$ 720,250</u>
APC	<u>\$ 979,177</u>	<u>\$ 2,097,980</u>	<u>\$ 8,791,329</u>	<u>\$ 9,385,928</u>
EVGL	<u>(\$ 1,703,625)</u>	<u>(\$ 207,283)</u>	<u>\$ 4,173,312</u>	<u>\$ 5,740,914</u>

The summarized financial information in respect of each of the Group's subsidiaries below represents amounts before intra-group eliminations:

CGPC and CGPC's subsidiaries

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 6,755,051	\$ 7,888,292
Non-current assets	9,928,728	9,087,023
Current liabilities	( 3,108,612)	( 2,992,501)
Non-current liabilities	( 3,533,939)	( 2,147,545)
Equity	<u>\$ 10,041,228</u>	<u>\$ 11,835,269</u>
Equity attributable to:		
Owners of the Company	\$ 3,445,725	\$ 4,099,608
Non-controlling interests of CGPC	6,001,047	7,063,369
Non-controlling interests of CGPC's subsidiaries	<u>594,456</u>	<u>672,292</u>
	<u>\$ 10,041,228</u>	<u>\$ 11,835,269</u>
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Revenue	<u>\$ 17,637,479</u>	<u>\$ 20,221,524</u>
Net (loss) profit in the current year	( \$ 337,717)	\$ 2,631,418
OTHER COMPREHENSIVE INCOME (LOSS)	<u>107,290</u>	( <u>14,961</u> )
Total comprehensive income	( <u>\$ 230,427</u> )	<u>\$ 2,616,457</u>
Net (loss) profit attributable to:		
Owners of the Company	( \$ 126,811)	\$ 845,532
Non-controlling interests of CGPC	( 243,436)	1,623,144
Non-controlling interests of CGPC's subsidiaries	<u>32,530</u>	<u>162,742</u>
	( <u>\$ 337,717</u> )	<u>\$ 2,631,418</u>

(Continued)

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Total comprehensive income attributable to:		
Owners of the Company	(\$ 152,656)	\$ 917,989
Non-controlling interests of CGPC	( 113,477)	1,535,895
Non-controlling interests of CGPC's subsidiaries	<u>35,706</u>	<u>162,573</u>
	<u>(\$ 230,427)</u>	<u>\$ 2,616,457</u>
Cash Flows		
Operating activities	\$ 816,378	\$ 2,206,421
Investing activities	( 1,528,615)	( 1,697,443)
Financing activities	766,423	( 64,629)
Effects of exchange rate changes	<u>2,068</u>	<u>( 1,159)</u>
Net cash inflow	<u>\$ 56,254</u>	<u>\$ 443,190</u>
Dividends paid on non-controlling interests	<u>\$ 955,096</u>	<u>\$ 654,923</u>
<u>TTC and TTC's subsidiaries</u>		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 6,006,957	\$ 7,290,336
Non-current assets	3,233,919	3,454,323
Current liabilities	( 1,357,962)	( 2,343,160)
Non-current liabilities	<u>( 676,700)</u>	<u>( 739,686)</u>
Equity	<u>\$ 7,206,214</u>	<u>\$ 7,661,813</u>
Equity attributable to:		
Owners of the Company	\$ 2,735,691	\$ 2,946,030
Non-controlling interests of TTC	<u>4,470,523</u>	<u>4,715,783</u>
	<u>\$ 7,206,214</u>	<u>\$ 7,661,813</u>
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Revenue	<u>\$ 18,083,799</u>	<u>\$ 20,771,165</u>
Net profit from continuing operations	\$ 412,078	\$ 1,849,932

(Continued)

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	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Other comprehensive income (loss)	( <u>110,476</u> )	<u>144,361</u>
Total comprehensive income	<u>\$ 301,602</u>	<u>\$ 1,994,293</u>
Net profit attributable to:		
Owners of the Company	\$ 151,122	\$ 678,425
Non-controlling interests of TTC	<u>260,956</u>	<u>1,171,507</u>
	<u>\$ 412,078</u>	<u>\$ 1,849,932</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 81,881	\$ 729,130
Non-controlling interests of TTC	<u>219,721</u>	<u>1,265,163</u>
	<u>\$ 301,602</u>	<u>\$ 1,994,293</u>
Cash Flows		
Operating activities	\$ 1,102,890	\$ 736,221
Investing activities	( 100,351 )	( 91,278 )
Financing activities	( 958,558 )	( 490,800 )
Effects of exchange rate changes	<u>19,824</u>	( <u>14,366</u> )
Net cash inflow	<u>\$ 63,805</u>	<u>\$ 139,777</u>
Dividends paid on non-controlling interests	<u>\$ 479,581</u>	<u>\$ 435,982</u>
 <u>ACME and ACME's subsidiaries</u>		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 2,355,001	\$ 2,335,126
Non-current assets	2,423,891	2,005,472
Current liabilities	( 1,182,908 )	( 1,600,758 )
Non-current liabilities	( <u>1,607,905</u> )	( <u>804,698</u> )
Equity	<u>\$ 1,988,079</u>	<u>\$ 1,935,142</u>
Equity attributable to:		
Owners of the Company	\$ 618,955	\$ 614,791
Non-controlling interests of ACME	758,748	720,250
Non-controlling interests of ACME's subsidiaries	<u>610,376</u>	<u>600,101</u>
	<u>\$ 1,988,079</u>	<u>\$ 1,935,142</u>

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	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Revenue	<u>\$ 3,057,217</u>	<u>\$ 3,070,315</u>
Net profit from continuing operations	\$ 14,717	\$ 90,481
Other comprehensive income (loss)	<u>36,040</u>	<u>( 40,414)</u>
Total comprehensive income	<u>\$ 50,757</u>	<u>\$ 50,067</u>
Net profit attributable to:		
Owners of the Company	\$ 7,257	\$ 26,338
Non-controlling interests of ACME	9,091	32,991
Non-controlling interests of ACME's subsidiaries	<u>( 1,631)</u>	<u>31,152</u>
	<u>\$ 14,717</u>	<u>\$ 90,481</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 17,990	\$ 16,726
Non-controlling interests of ACME	22,533	20,951
Non-controlling interests of ACME's subsidiaries	<u>10,234</u>	<u>12,390</u>
	<u>\$ 50,757</u>	<u>\$ 50,067</u>
Cash Flows		
Operating activities	(\$ 80,491)	\$ 71,338
Investing activities	( 617,331)	( 488,339)
Financing activities	496,647	438,971
Effects of exchange rate changes	<u>14,557</u>	<u>( 27,555)</u>
Net cash outflow	<u>(\$ 186,618)</u>	<u>(\$ 5,585)</u>

APC and APC's subsidiaries

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 3,784,733	\$ 4,098,928
Non-current assets	12,605,336	14,879,618
Current liabilities	( 1,550,109)	( 1,942,077)
Non-current liabilities	<u>( 623,002)</u>	<u>( 1,574,420)</u>
Equity	<u>\$ 14,216,958</u>	<u>\$ 15,462,049</u>

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(Continued)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Equity attributable to:		
Owners of the Company	\$ 5,425,629	\$ 6,076,121
Non-controlling interests of APC	<u>8,791,329</u>	<u>9,385,928</u>
	<u>\$ 14,216,958</u>	<u>\$ 15,462,049</u>
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Revenue	<u>\$ 9,815,332</u>	<u>\$ 9,565,813</u>
Net profit from continuing operations	\$ 1,447,369	\$ 3,101,127
Other comprehensive income (loss)	( <u>913,051</u> )	<u>947,852</u>
Total comprehensive income	<u>\$ 534,318</u>	<u>\$ 4,048,979</u>
Net profit attributable to:		
Owners of the Company	\$ 468,192	\$ 1,003,147
Non-controlling interests of APC	<u>979,177</u>	<u>2,097,980</u>
	<u>\$ 1,447,369</u>	<u>\$ 3,101,127</u>
Total comprehensive income attributable to:		
Owners of the Company	( \$ 60,406 )	\$ 1,739,582
Non-controlling interests of APC	<u>594,724</u>	<u>2,309,397</u>
	<u>\$ 534,318</u>	<u>\$ 4,048,979</u>
Cash Flows		
Operating activities	\$ 3,622,699	\$ 2,746,534
Investing activities	174,373	( 5,161 )
Financing activities	( 3,092,920 )	( 2,579,254 )
Effects of exchange rate changes	<u>13,882</u>	( <u>3,827</u> )
Net cash inflow	<u>\$ 718,034</u>	<u>\$ 158,292</u>
Dividends paid on non-controlling interests	<u>\$ 1,205,042</u>	<u>\$ 472,565</u>

(Continued)

(Continued)

EVGL and EVGL's subsidiaries

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 1,384,612	\$ 1,253,726
Non-current assets	13,527,463	19,335,554
Current liabilities	( 14,868)	( 15,576)
Equity	<u>\$ 14,897,207</u>	<u>\$ 20,573,704</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Equity attributable to:		
Owners of the Company	\$ 8,629,305	\$ 11,870,694
Non-controlling interests of EVGL	4,173,312	5,740,914
Non-controlling interests of EVGL's subsidiaries	<u>2,094,590</u>	<u>2,962,096</u>
	<u>\$ 14,897,207</u>	<u>\$ 20,573,704</u>
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Loss for the period	(\$ 6,151,453)	(\$ 748,375)
Other comprehensive loss	<u>474,956</u>	<u>( 142,586)</u>
Total comprehensive income	<u>(\$ 5,676,497)</u>	<u>(\$ 890,961)</u>
Loss attributable to:		
Owners of the Company	(\$ 3,522,648)	(\$ 428,607)
Non-controlling interests of EVGL	( 1,703,625)	( 207,283)
Non-controlling interests of EVGL's subsidiaries	<u>( 925,180)</u>	<u>( 112,485)</u>
	<u>(\$ 6,151,453)</u>	<u>(\$ 748,375)</u>
Total comprehensive income attributable to:		
Owners of the Company	(\$ 3,241,389)	(\$ 512,710)
Non-controlling interests of EVGL	( 1,567,603)	( 247,957)
Non-controlling interests of EVGL's subsidiaries	<u>( 867,505)</u>	<u>( 130,294)</u>
	<u>(\$ 5,676,497)</u>	<u>(\$ 890,961)</u>
Cash Flows		
Operating activities	(\$ 1,059)	(\$ 21,545)
Effects of exchange rate changes	<u>134,548</u>	<u>( 36,104)</u>
Net cash Inflows (outflow)	<u>\$ 133,489</u>	<u>(\$ 57,649)</u>

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13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investments in joint ventures		
Associates that are individually material		
Fujian Gulei Petrochemical Co., Ltd. (Gulei)	\$ 13,527,463	\$ 19,335,554
Investments in associates		
Investments in associates that are not individually material		
Delmind Inc. (Delmind)	<u>83,922</u>	<u>-</u>
	<u>\$ 13,611,385</u>	<u>\$ 19,335,554</u>

The aforementioned investments are accounted for using the equity method.

a. Associates that are individually material - Gulei Petrochemical Co., Ltd.

The Company and Asia Polymer Corporation (APC) entered into a joint venture contract for an investment of Fujian Gulei Petrochemical Co., Ltd. on April 17, 2014. The related entities of the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, HsinTay Petroleum Company Limited, Chenergy Global Corporation and Lien Hwa Industrial Corporation. The main contents of the contract and commitments include: (1) the shareholders shall establish Ever Victory Global Limited (hereinafter referred to as "EVGL") and agree to pass the establishment of the 100%-owned company named Dynamic Ever Investments Limited (hereinafter referred to as "DEIL) in Hong Kong, which purpose is to build oil refineries and produce seven products such as ethylene on the Gulei Peninsula in Zhangzhou, Fujian Province, as approved by the competent authorities of the Republic of China and according to the business operation permitted by the Joint Venture's board of directors; and (2) DEIL established a joint venture company with Fujian Petrochemical Chemical Co., Ltd. ("FPCL") to operate the target business in Gulei Industrial Park, Zhangzhou, Fujian Province (hereinafter referred to as "Gulei") in accordance with the laws and regulations of the People's Republic of China and acquired 50% of the issued shares of Gulei as the basis for the joint investment.

Dynamic Ever Investments Limited and Fujian Refining and Chemical Co. signed "Fujian Gulei Petrochemical Corporation Limited Joint Venture Contract" which stipulated an increase in the investment amount, and this contract led to part of the original related contract entities being unable to keep their respective investment ratios as provided by the original contract or to participate in the subsequent capital increase procedures. In

order to meet the business requirement of the original contract, the Company and APC resigned the joint venture contract on September 30, 2016 and added a new contractually promised related entity, CTCI Corp. On December 18, 2019, the Company and APC again resigned the joint venture contract and added new contractually promised related entities, Fubon Financial Holding Venture Capital Corporation and Hongfu Investment Co., Ltd. In order to enrich the working capital of Gulay, EVGL signed a joint venture agreement with the Hong Kong-based company DOR PO INVESTMENT COMPANY LIMITED (hereinafter referred to as “DOR PO”) on June 5, 2019 to jointly invest in Xutent. In accordance with the terms of the joint venture agreement, DOR PO shall contribute US\$109,215 thousand to increase the capital of DEIL, of which US\$103,915 thousand has been contributed as of December 31, 2022 to acquire 15% equity in DEIL.

As of December 31, 2022, the Company and APC cumulatively invested USD 246,670 thousand (approximately NT\$7,645,981 thousand) and USD 170,475 thousand (approximately NT\$5,255,587 thousand) in Ever Conquest Global Limited (ECGL), respectively, and reinvested in EVGL via ECGL as well as in DEIL. The Company and APC together hold 67.4% shares in EVGL in total. DEIL has invested capital amounted to RMB 4,657,200 thousand in Gulei.

The percentage of the Group’s ownership and voting rights were all 50% of the outstanding shares of Gulei as of December 31, 2022 and December 31, 2021.

For the scope of business operations, the location and national information of Gulei's registry of joint venture, please refer to Table 8.

The summary of financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash	<u>\$ 8,680,668</u>	<u>\$ 5,030,725</u>
Current assets	\$ 23,308,566	\$ 20,980,740
Non-current assets	103,732,189	103,618,406
Current liabilities	( 37,477,886)	( 28,893,712)
Non-current liabilities	( 62,507,943)	( 57,034,326)
Equity	27,054,926	38,671,108
Proportion of the Group's ownership	<u>50%</u>	<u>50%</u>
Equity attributable to the Group	<u>\$ 13,527,463</u>	<u>\$ 19,335,554</u>
Investment Carrying amount	<u>\$ 13,527,463</u>	<u>\$ 19,335,554</u>

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
The Group's share of:		
Loss for the period	( <u>\$ 6,148,499</u> )	( <u>\$ 727,995</u> )

Gulei has been in operation since November 2021 with revenue.

b. Associates that are not individually material - Delmind Inc.

The Company considered the needs of the transformation of the petrochemical industry in the future, and in line with the trend of energy saving, carbon reduction, and sustainable development, and it established a joint venture of DataWise Tech. Co., LTD. (DataWise) with Delta Electronics, Inc. through integration and connection knowledge and technology of both parties. It invests in assisting petrochemical and continuous process industries to develop and promote digital transformation, so as to improve industrial efficiency and continue to strengthen the industrial value of green and intelligent production. In April 2022, the Company has invested NT\$90,000 thousand to acquire 9,000 thousand shares of DataWise, with a shareholding ratio of 30%.

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

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
The Group's share of:		
Loss for the period	( <u>\$ 6,078</u> )	<u>\$ -</u>

The Company's Board of Directors approved the establishment of Huameng Renewable Energy Co., Ltd. (Huameng), a joint venture with Chang Chun Petrochemical Co., Ltd. and Chimei Corporation on November 3, 2022. Huameng will purchase offshore wind power in an integrated manner to achieve the Group's carbon neutrality plan. The total registered capital of Huameng was planned to be NT\$30,000 thousand, and the Company planned to contribute NT\$10,000 thousand (accounted into other non-current assets) on December 1, 2022 to acquire an expected 33.3% equity interest in Huameng. As of the date the consolidated financial statements were authorized for issue, Huameng didn't complete the registration.

#### 14. PROPERTY, PLANT AND EQUIPMENT - FOR SELF-USE

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Freehold Land	\$ 4,715,293	\$ 4,682,237
Land improvements	22,029	5,623
Buildings and Improvements	3,829,355	3,809,068
Machinery and Equipment	11,119,442	10,940,540
Transportation equipment	42,634	33,559
Other equipment	319,771	294,331
Construction in progress and equipment under installation	<u>5,471,580</u>	<u>4,705,653</u>
	<u>\$ 25,520,104</u>	<u>\$ 24,471,011</u>

	Freehold Land	Land improvements	Buildings and Improvements	Machinery and Equipment	Transportation equipment	Other equipment	Construction in progress and equipment under installation	Total
<u>Cost</u>								
Balance as of January 1, 2022	\$ 4,682,237	\$ 124,218	\$ 8,088,698	\$ 37,799,378	\$ 198,127	\$ 1,756,831	\$ 4,707,730	\$ 57,357,219
Additions	-	-	7,310	238,667	5,260	25,082	2,509,218	2,785,537
Disposal	-	-	( 20,735)	( 842,086)	( 22,447)	( 33,343)	( 13,375)	( 931,986)
Internal transfer	33,056	18,279	276,888	1,764,103	18,425	85,165	( 1,735,060)	460,856
Net foreign currency exchange differences	-	-	56,457	178,068	2,388	14,035	5,177	256,125
Balance as of December 31, 2022	<u>\$ 4,715,293</u>	<u>\$ 142,497</u>	<u>\$ 8,408,618</u>	<u>\$ 39,138,130</u>	<u>\$ 201,753</u>	<u>\$ 1,847,770</u>	<u>\$ 5,473,690</u>	<u>\$ 59,927,751</u>
<u>Accumulated depreciation and impairment</u>								
Balance as of January 1, 2022	\$ -	\$ 118,595	\$ 4,279,630	\$ 26,858,838	\$ 164,568	\$ 1,462,500	\$ 2,077	\$ 32,886,208
Depreciation expense	-	1,873	282,422	1,826,631	14,300	90,969	-	2,216,195
Disposal	-	-	( 19,681)	( 818,792)	( 21,645)	( 31,441)	-	( 891,559)
Internal transfer	-	-	5,318	4,101	-	( 3,971)	-	5,448
Net foreign currency exchange differences	-	-	31,574	147,910	1,896	9,942	33	191,355
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 120,468</u>	<u>\$ 4,579,263</u>	<u>\$ 28,018,688</u>	<u>\$ 159,119</u>	<u>\$ 1,527,999</u>	<u>\$ 2,110</u>	<u>\$ 34,407,647</u>
Net amount as of December 31, 2022	<u>\$ 4,715,293</u>	<u>\$ 22,029</u>	<u>\$ 3,829,355</u>	<u>\$ 11,119,442</u>	<u>\$ 42,634</u>	<u>\$ 319,771</u>	<u>\$ 5,471,580</u>	<u>\$ 25,520,104</u>
<u>Cost</u>								
Balance as of January 1, 2021	\$ 4,682,237	\$ 124,218	\$ 8,001,009	\$ 37,649,789	\$ 202,055	\$ 1,759,327	\$ 2,519,743	\$ 54,938,378
Additions	-	-	44,497	158,094	875	28,228	3,658,722	3,890,416
Disposal	-	-	( 11,263)	( 970,936)	( 5,337)	( 59,131)	( 7,396)	( 1,054,063)
Acquisition by business combination (Note 32)	-	-	-	-	-	-	13,073	13,073
Internal transfer	-	-	83,005	1,115,270	1,681	36,860	( 1,299,100)	( 62,284)
Rerecognized as non-current assets available for sale	-	-	-	-	-	-	( 171,803)	( 171,803)
Net foreign currency exchange differences	-	-	( 28,550)	( 152,839)	( 1,147)	( 8,453)	( 5,509)	( 196,498)
Balance as of December 31, 2021	<u>\$ 4,682,237</u>	<u>\$ 124,218</u>	<u>\$ 8,088,698</u>	<u>\$ 37,799,378</u>	<u>\$ 198,127</u>	<u>\$ 1,756,831</u>	<u>\$ 4,707,730</u>	<u>\$ 57,357,219</u>
<u>Accumulated depreciation and impairment</u>								
Balance as of January 1, 2021	\$ -	\$ 117,264	\$ 4,026,422	\$ 26,022,974	\$ 155,120	\$ 1,437,803	\$ 9,482	\$ 31,769,065
Depreciation expense	-	1,331	277,081	1,779,633	15,682	87,477	-	2,161,204
Disposal	-	-	( 10,768)	( 871,027)	( 5,337)	( 58,541)	( 7,396)	( 953,069)
Internal transfer	-	-	-	( 10,802)	-	-	-	( 10,802)
Recognized impairment loss	-	-	-	39	-	-	-	39
Net foreign currency exchange differences	-	-	( 13,105)	( 61,979)	( 897)	( 4,239)	( 9)	( 80,229)
Balance as of December 31, 2021	<u>\$ -</u>	<u>\$ 118,595</u>	<u>\$ 4,279,630</u>	<u>\$ 26,858,838</u>	<u>\$ 164,568</u>	<u>\$ 1,462,500</u>	<u>\$ 2,077</u>	<u>\$ 32,886,208</u>
Net on December 31, 2021	<u>\$ 4,682,237</u>	<u>\$ 5,623</u>	<u>\$ 3,809,068</u>	<u>\$ 10,940,540</u>	<u>\$ 33,559</u>	<u>\$ 294,331</u>	<u>\$ 4,705,653</u>	<u>\$ 24,471,011</u>

In accordance with the New Taipei City Government Letter Development No. 1072133080 dated November 7, 2018, the land and buildings of the Company located in Linkou are within the scope of "Urban Land Redeveloping Zone at 1st Industrial Park in Linkou District". The land has been submitted for redeveloping and is expected to be returned in 2023.

In cooperation with the Taiwan International Ports Corporation, Ltd. (Ports Co.), Ministry of Transportation and Communications, to relocate the petrochemical oil storage tank facilities

of the old port area operators, CGTD leased the port facilities and storage areas of the Kaohsiung Port Intercontinental Container Center Second Phase Petrochemical Oil Storage and Transportation Center from Ports Co., the lease period being from August 1, 2017 to July 31, 2042, rent paid quarterly. In addition, the boards of directors of the Company, CGTD, APC and TVCM, resolved in 2019 to build the second phase of the Intercontinental Petrochemical Oil Products Center. As of December 31, 2022, the Group had paid NT\$2,405,383 thousand for the project, which was accounted for under construction in progress.

Due to shrinking demand of EPS in the local market, the main product of Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)"), the management decided to suspend the production of TAITA (TJ) starting from April 2019. TAITA (TJ) determined the recoverable amounts of the property, plant and equipment (including right-of-use assets), on the basis of fair values less costs of disposal. The fair value was measured by Level 3 inputs as at December 31, 2022 and 2021 by an independent appraisal company. The assessment was a revaluation of the replacement cost and economic useful life of the property, plant and equipment within the assessment scope, and the assessment results showed that the recoverable amount was lower than the book value. TAITA (TJ) recognized an impairment loss of NT\$39 thousand in 2021 (none in 2022), which was reported under operating costs in the consolidated statements of comprehensive income. The assessed fair values of the proceeds are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Plant and right-of-use assets	<u>\$ 260,489</u>	<u>\$ 266,579</u>
Equipment	-	<u>\$ 2,086</u>

SPC has completed the construction and acceptance of the plant before the end of 2022, which is expected to be sold and transferred in the future, thus transferring NT\$174,783 thousand of relevant buildings and structures to non-current assets available for sale. As the expected selling price exceeds the carrying amount of the assets to be sold, the buildings and structures are classified as a non-current assets available for sale (accounted for other current assets), without impairment loss to be recognized.

The property, plant and equipment of the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Freehold Land - land improvements	7-20 years
Buildings and improvements	
Plant, machine room and improvements	3-55 years
Office building, labs and improvements	20-50 years

General plants and improvements	3-60 years
Others	3-15 years
Machinery and equipment	2-26 years
Transportation equipment	2-10 years
Other equipment	2-25 years

For property, plant and equipment pledged as collateral for bank borrowings, please refer to Note 36.

For the related capitalized interest, please refer to Note 27 (4) finance cost.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use assets		
Leasehold land	\$ 1,090,942	\$ 156,928
Land use rights	388,680	406,802
Buildings	82,699	90,272
Machinery and Equipment	71,104	71,521
Transportation equipment	<u>1,229</u>	<u>1,818</u>
	<u>\$ 1,634,654</u>	<u>\$ 727,341</u>
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Addition for right-of-use assets	<u>\$ 989,621</u>	<u>\$ 104,277</u>
Depreciation expense of right-of-use assets		
Leasehold land	\$ 32,627	\$ 16,700
Land use rights	18,575	11,828
Buildings	25,812	30,921
Machinery and Equipment	13,961	7,758
Transportation equipment	<u>589</u>	<u>978</u>
	<u>\$ 91,564</u>	<u>\$ 68,185</u>

Except for the addition and recognition of depreciation expense, the Group's right-of-use assets did not experience significant sub-lease or impairments for the years ended December 31, 2022 and 2021.

The Group leases the office in Taipei and sublets it to another company on a operating lease basis. The related right-of-use assets are presented as investment properties, and please refer to Note 16. The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

The Group's right-of-use assets pledged as collateral for bank borrowings are set out in Notes 18 and 36.

b. Lease liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of lease liabilities		
Current	<u>\$ 102,435</u>	<u>\$ 73,065</u>
Non-current	<u>\$ 1,262,591</u>	<u>\$ 387,502</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Leasehold land	0.83%~9.25%	0.83%~9.25%
Buildings	0.83%~4.75%	1.04%~2.00%
Machinery and Equipment	1.11%	1.04%~1.25%
Transportation equipment	1.66%~1.25%	1.06%~1.25%

c. Material lease-in activities and terms

The Group leases buildings for use as factories, offices, dormitories and R&D centers with lease terms of 3 to 14 years. The Group has options to lease office at the end of the lease terms.

d. Other lease information

For lease arrangements under operating leases for leasing out of investment properties, please refer to Note 16. For details of lease information, please refer to the following table (the Group as lessee).

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Expenses relating to short-term leases	<u>\$ 34,926</u>	<u>\$ 67,824</u>
Expenses relating to low-value asset leases	<u>\$ 235</u>	<u>\$ 884</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 83,236</u>	<u>\$ 41,990</u>
Total cash (outflow) for leases	<u>(\$ 220,934)</u>	<u>(\$ 187,757)</u>

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

## 16. INVESTMENT PROPERTIES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Completed investment properties		
Land	\$ 198,760	\$ 204,024
Buildings	291,878	357,945
Right-of-use assets	<u>133,924</u>	<u>149,376</u>
	<u>\$ 624,562</u>	<u>\$ 711,345</u>

	<u>Land</u>	<u>Buildings</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>Cost</u>				
Balance as of January 1, 2022	\$ 207,993	\$ 732,677	\$ 203,304	\$ 1,143,974
Additions	1,500	2,214	2,341	6,055
Reclassification	( 6,764 )	( 55,379 )	( 803 )	( 62,946 )
Net foreign currency exchange differences	-	<u>13,922</u>	<u>1,495</u>	<u>15,417</u>
Balance as of December 31, 2022	<u>\$ 202,729</u>	<u>\$ 693,434</u>	<u>\$ 206,337</u>	<u>\$ 1,102,500</u>
<u>Accumulated depreciation and impairment</u>				
Balance as of January 1, 2022	\$ 3,969	\$ 374,732	\$ 53,928	\$ 432,629
Depreciation expense	-	24,901	18,080	42,981
Reclassification	-	( 5,448 )	266	( 5,182 )
Net foreign currency exchange differences	-	<u>7,371</u>	<u>139</u>	<u>7,510</u>
Balance as of December 31, 2022	<u>\$ 3,969</u>	<u>\$ 401,556</u>	<u>\$ 72,413</u>	<u>\$ 477,938</u>
Net on December 31, 2022	<u>\$ 198,760</u>	<u>\$ 291,878</u>	<u>\$ 133,924</u>	<u>\$ 624,562</u>
<u>Cost</u>				
Balance as of January 1, 2021	\$ 204,695	\$ 736,810	\$ 203,817	\$ 1,145,322
Additions	3,298	-	-	3,298
Net foreign currency exchange differences	-	( 4,133 )	( 513 )	( 4,646 )
Balance as of December 31, 2021	<u>\$ 207,993</u>	<u>\$ 732,677</u>	<u>\$ 203,304</u>	<u>\$ 1,143,974</u>
<u>Accumulated depreciation and impairment</u>				
Balance as of January 1, 2021	\$ 3,969	\$ 352,327	\$ 35,806	\$ 392,102
Depreciation expense	-	24,600	18,157	42,757
Net foreign currency exchange differences	-	( 2,195 )	( 35 )	( 2,230 )
Balance as of December 31, 2021	<u>\$ 3,969</u>	<u>\$ 374,732</u>	<u>\$ 53,928</u>	<u>\$ 432,629</u>
Net on December 31, 2021	<u>\$ 204,024</u>	<u>\$ 357,945</u>	<u>\$ 149,376</u>	<u>\$ 711,345</u>

Right-of-use assets included in investment properties are units of office space located in Taipei and subleased under operating leases to other companies. The investment properties were leased out for 1 to 8 years, with an option to extend. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

Total rents receivable of investment properties under operating lease as of December 31, 2022 and 2021 are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Year 1	\$ 74,738	\$ 53,620
Year 2	42,284	46,713
Year 3	21,461	37,577
Year 4	14,859	17,734
Year 5	11,942	10,776
More than 5 years	<u>16,455</u>	<u>26,940</u>
	<u>\$ 181,739</u>	<u>\$ 193,360</u>

Except for the recognition of depreciation expense, there is no significant addition, disposal or impairment of the investment properties of the Group for the years ended December 31, 2022 and 2021.

The above items of investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	5-50 years
Right-of-use assets	3-50 years

Part of the Group's investment properties is located in the Toufen and Linyuan Industrial District. As these districts are designated for industrial use, the information on comparable market transactions are uncommon and alternative reliable measurements of the fair value estimates are not available. Hence, the Group determined that the fair value of these investment properties cannot be reliably determined. The fair values of the remaining investment properties were not assessed by independent appraisers; instead, they were arrived at by using the valuation model that most market participants would use in determining fair value by using Level 3 inputs, with reference to the transaction prices of similar properties in the vicinity. The fair value of right-of-use assets was determined by adding back the amount of related lease liabilities recognized to the net amount of the expected lease income after deducting all the expected payments.

The fair values of investment properties as of December 31, 2022 and 2021 were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair Value	<u>\$ 1,555,675</u>	<u>\$ 1,556,205</u>

In order to improve the efficiency of asset management, the Group provided 10 parcels of land accounted for investment properties located in the third sub-section of Yanji Section, Songshan District, Taipei, and participated in the urban renewal plan of Huaku Development Co., Ltd. in cooperation with neighboring areas in the form of right transformation. The urban renewal plan was completed in 2022. It has obtained a license for the right of use and completed the transfer of property rights of the land and buildings in exchange.

#### 17. GOODWILL AND OTHER INTANGIBLE ASSETS

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Goodwill a.	<u>\$ 270,211</u>	<u>\$ 270,211</u>
Other intangible assets b.		
Technology royalties and patent right	\$ 533	\$ 933
Computer software	15,082	7,134
Plant design fee	2,001	3,601
Field project	<u>30,658</u>	<u>32,315</u>
	<u>\$ 48,274</u>	<u>\$ 43,983</u>

##### a. Goodwill

In response to the government's policy on green power, the Company acquired 100% equity from the non-related party, USIGE, on July 5, 2021. The premium of the investment cost and acquired net equity value has been classified as the field project into intangible assets of NT\$33,144 thousand and goodwill of NT\$1,185 thousand according to the acquisition price apportion evaluation analysis report. Please refer to Note 31 for details.

b. Other intangible assets

	Technology royalties and patent right	Computer software	Field project	Others	Total
<u>Cost</u>					
Balance as of January 1, 2022	\$ 227,484	\$ 100,614	\$ 33,144	\$ 34,201	\$ 395,443
Separate acquisition	-	10,581	-	-	10,581
Disposal	-	( 681 )	-	-	( 681 )
Net foreign currency exchange differences	-	765	-	-	765
Balance as of December 31, 2022	<u>\$ 227,484</u>	<u>\$ 111,279</u>	<u>\$ 33,144</u>	<u>\$ 34,201</u>	<u>\$ 406,108</u>
<u>Accumulated amortization and impairment</u>					
Balance as of January 1, 2022	\$ 226,551	\$ 93,480	\$ 829	\$ 30,600	\$ 351,460
Amortization expense	400	2,722	1,657	1,600	6,379
Disposal	-	( 681 )	-	-	( 681 )
Net foreign currency exchange differences	-	676	-	-	676
Balance as of December 31, 2022	<u>\$ 226,951</u>	<u>\$ 96,197</u>	<u>\$ 2,486</u>	<u>\$ 32,200</u>	<u>\$ 357,834</u>
Net on of December 31, 2022	<u>\$ 533</u>	<u>\$ 15,082</u>	<u>\$ 30,658</u>	<u>\$ 2,001</u>	<u>\$ 48,274</u>
<u>Cost</u>					
Balance as of January 1, 2021	\$ 227,484	\$ 100,420	\$ -	\$ 29,000	\$ 356,904
Separate acquisition	-	733	-	5,201	5,934
Acquisition by business combination (Note 31)	-	-	33,144	-	33,144
Disposal	-	( 496 )	-	-	( 496 )
Net foreign currency exchange differences	-	( 43 )	-	-	( 43 )
Balance as of December 31, 2021	<u>\$ 227,484</u>	<u>\$ 100,614</u>	<u>\$ 33,144</u>	<u>\$ 34,201</u>	<u>\$ 395,443</u>
<u>Accumulated amortization and impairment</u>					
Balance as of January 1, 2021	\$ 225,621	\$ 91,476	\$ -	\$ 29,000	\$ 346,097
Amortization expense	930	2,508	829	1,600	5,867
Disposal	-	( 496 )	-	-	( 496 )
Net foreign currency exchange differences	-	( 8 )	-	-	( 8 )
Balance as of December 31, 2021	<u>\$ 226,551</u>	<u>\$ 93,480</u>	<u>\$ 829</u>	<u>\$ 30,600</u>	<u>\$ 351,460</u>
Net on December 31, 2021	<u>\$ 933</u>	<u>\$ 7,134</u>	<u>\$ 32,315</u>	<u>\$ 3,601</u>	<u>\$ 43,983</u>

Except for the recognition of amortization expenses and the field project classified as intangible asset according to the acquisition price apportion evaluation analysis report, the Group's investment properties did not experience significant addition, disposal or impairment for the year ended December 31, 2022 and 2021.

The above-mentioned intangible assets with limited service life are amortized on a straight-line basis over their estimated useful lives as follows:

Technology royalties and patent right	3 - 10 Years
Computer software	3 - 5 Years
Field project	20 years
Others	3 - 10 Years

## 18. BORROWINGS

### a. Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Unsecured borrowings</u>		
- Line of credit borrowings	<u>\$ 2,400,326</u>	<u>\$ 2,498,041</u>
Range of Interest Rates	1.0641%~7.62%	0.51%~1.90%

### b. Short-term bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial note payable	\$ 291,000	\$ 280,000
Less: Unamortized discount on bills payable	( <u>387</u> )	( <u>365</u> )
	<u>\$ 290,613</u>	<u>\$ 279,635</u>
Range of Interest Rates	1.66%~1.848%	0.98%~1.018%

### c. Long-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured loans	\$ 1,000,000	\$ 400,000
Credit borrowings	<u>5,366,223</u>	<u>3,873,493</u>
Sub-total	<u>6,366,223</u>	<u>4,273,493</u>
Commercial note payable	-	240,000
Unamortized discount on bills payable	<u>-</u>	( <u>253</u> )
Sub-total	<u>-</u>	<u>239,747</u>
	6,366,223	4,513,240
Less: Portion due within one year	<u>-</u>	( <u>59,917</u> )
Long-term borrowings	<u>\$ 6,366,223</u>	<u>\$ 4,453,323</u>
Range of Interest Rates		
Secured loans	1.45%	1.11%
Credit borrowings	0.76%~1.96%	0.30%~0.94%
Commercial note payable	-	0.97%~1.09%

The Company entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to October 2025 with a total credit limit of NT\$5,000,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, the Company had borrowed NT\$300,000 thousand. UPIIC entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to November 2025 with a total credit limit of NT\$1,600,000 thousand, which is used cyclically during the

validity period. As of December 31, 2022, UPIIC has not made any drawdown from the line of credit.

CGPC entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to September 2025 with a total credit limit of NT\$1,300,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, CGPC had borrowed NT\$300,000 thousand.

CGPCPOL entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to September 2025 with a total credit limit of NT\$400,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, CGPCPOL had borrowed NT\$100,000 thousand.

TVCM entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to November 2025 with a total credit limit NT\$300,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, TVCM has not made any drawdown from the line of credit.

TTC entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to September 2025 with a total credit limit of NT\$2,776,376 thousand, which is used cyclically during the validity period. As of December 31, 2022, TTC had borrowed NT\$300,000 thousand.

APC entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to December 2025 with a total credit limit of NT\$6,000,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, APC has not made any drawdown from the line of credit.

ACME entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to March 2027 with a total credit limit of NT\$1,900,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, ACME had borrowed NT\$1,369,000 thousand.

SPC entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to July 2025 with a total credit limit of NT\$1,550,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, SPC had borrowed NT\$700,000 thousand.

USIGE entered into medium- and long-term credit contracts with banks to replenish the medium- and long-term working capital. The contract will be effective up to October 2025

with a total credit limit of NT\$1,300,000 thousand, which is used cyclically during the validity period. As of December 31, 2022, USIGE had borrowed NT\$210,000 thousand.

According to the loan contracts of part of subsidiaries, the current ratio, bank loan ratio, debt ratio, and interest protection multiples should not be less than the specified percentage. The subsidiaries should provide improvements to the bank if the requirements were not met. As of December 31, 2022, the subsidiaries did not violate the requirements.

The Group has acquired a special low-interest bank loan line of NT\$6,586,000 thousand in accordance with the “Action Plan for Accelerated Investment by Domestic Corporations” and “Action Plan for Accelerated Investment by SMEs”, and has used NT\$3,129,100 thousand in December 2022, recognized and measured the loan at the market interest rate of. The difference between the market interest rate and the actual preferential repayment rate is recognized as government subsidy.

#### 19. BONDS PAYABLE

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic unsecured bonds B 104-1 - issuance on February 12, 2015, 7 years, total amount NT\$1,000,000 thousand, coupon rate 1.90%, bullet repayment	\$ -	\$ 1,000,000
Domestic unsecured bonds 106-1 - issuance on October 27, 2017, 5 years, total amount NT\$2,000,000 thousand, coupon rate 1.10%, bullet repayment	-	2,000,000
Domestic unsecured bonds 108-1 - issuance on April 26, 2019, 5 years, total amount NT\$2,000,000 thousand, coupon rate 0.98%, bullet repayment	2,000,000	2,000,000
Domestic unsecured bonds A 110-1 - issuance on June 23 2021, 5 years, total amount NT\$1,000,000 thousand, coupon rate 0.63%, bullet repayment, repaid NT\$500,000 thousand in the 4th and 5th years respectively from the issuance date	1,000,000	1,000,000
Domestic unsecured bonds B 110-1- issuance on June 23 2021, 7 years, total amount NT\$1,000,000 thousand, coupon rate 0.73%, bullet repayment, repaid NT\$500,000 thousand in the 6th and 7th years respectively from the issuance date	\$ 1,000,000	\$ 1,000,000

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	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic unsecured bonds A 110-2 - issuance on October 26, 2021, 5 years, total amount NT\$700,000 thousand, coupon rate 0.63%, repaid NT\$350,000 thousand in the 4th and 5th years respectively from the issuance date	700,000	700,000
Domestic unsecured bonds B 110-2 - issuance on October 26, 2021, 7 years, total amount NT\$1,300,000 thousand, coupon rate 0.77%, repaid NT\$650,000 thousand in the 6th and 7th years respectively from the issuance date	<u>1,300,000</u> 6,000,000	<u>1,300,000</u> 9,000,000
Discounts on bonds payable	( <u>7,772</u> ) 5,992,228	( <u>11,028</u> ) 8,988,972
Less: Portion due within one year	<u>-</u> <u>\$ 5,992,228</u>	( <u>2,999,199</u> ) <u>\$ 5,989,773</u>

In December 2014, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2015 with the amount of NT\$2,000,000 thousand in order to reimburse the due bonds and to increase working capital. The unsecured ordinary corporate bonds with a 5-7-year maturity, due for repayment, were all issued in February 2015. The Company repaid due in February 2020 and February 2022, respectively.

In October 2016, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2016 with the amount of NT\$2,000,000 thousand and a coupon rate of 0.80% in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-year maturity, due for repayment, were all issued in October 2016. The Company repaid due in October 2021.

In October 2017, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2017 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-year maturity, due for repayment, were all issued in October 2017. The Company repaid due in October 2022.

In April 2019, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2019 with the amount of NT\$2,000,000 thousand in order to reimburse the

bank loans, and the unsecured ordinary corporate bonds with a 5-year maturity, due for repayment, were all issued in April 2019.

In June 2021, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2021 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-to-7-year maturity, due for repayment, were all issued in June 2021.

In October 2021, the Company applied for the second issuance of unsecured ordinary corporate bonds issued in 2021 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-to-7-year maturity, due for repayment, were all issued in October 2021.

In March 2022, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2022 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans as approved by resolution of the board of directors. As of the date the consolidated only financial statements were authorized for issue, the unsecured ordinary corporate bonds have not yet been issued.

20. ACCOUNTS PAYABLE

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Operating</u>		
Accounts payable	<u>\$ 3,349,040</u>	<u>\$ 3,528,998</u>

The average credit period of the Group is between 1 and 3 months. The Group has financial risk management policies to ensure that all payables are paid within the credit terms.

21. OTHER LIABILITIES

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 910,720	\$ 1,385,691
Payables for purchases of equipment	292,673	293,455
Payables for utilities and fuel fees	273,101	241,903
Payables for fares	184,562	251,643
Payables for insurance	40,077	34,394
Payable for taxes	36,932	36,317
Payables for interests	30,242	45,605
Dividends payable	27,294	20,551
Others	<u>466,773</u>	<u>585,259</u>
	2,262,374	2,894,818
Other liabilities		
Refund liabilities	<u>28,247</u>	<u>28,630</u>
	<u>\$ 2,290,621</u>	<u>\$ 2,923,448</u>

The provision for customer returns and rebates is based on historical experience, management's judgments and other known reasons for which estimated product returns and rebates may occur in the reporting period. The provision is recognized as a reduction of operating income in the periods in which the related goods are sold.

22. PROVISIONS

<u>Non-current</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Litigation provision	<u>\$ 136,375</u>	<u>\$ 136,375</u>

Litigation provision is a result of the first-instance judgment and reconciliation of the Kaohsiung gas explosion case on July 31, 2014 for which cash outflows may be recognized in the near future. Please refer to Note 37 for the explanation related to the provision.

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and domestic subsidiaries of the Group adopted a pension plan under the "Labor Pension Act" of ROC (the "LPA"), which is a defined contribution plan. Based on the LPA, the Company and domestic subsidiaries of the Group makes monthly contributions to employees' individual pension accounts in Bureau of Labor Insurance at 6% of monthly salaries and wages. Besides, foreign subsidiary's formulated employee pension method pursuant to local competent authority is also the same one.

b. Defined benefit plans

The pension system in the "Labor Standards Act" that the Company and domestic subsidiary apply to is a defined benefit plan, where it is paid based on average salary of 6 months prior to the approved retirement day and seniority. The Company contributes an amount 9% (from November 10, 2016, the contribution rate raises to 12%) of salaries paid each month to their respective pension funds, and subsidiaries appropriate pension based on specified percentage of total monthly employee salary (TTC 12%; APC, CGPC and TVCM 10%, CGTD 9%, SPC 3.5%; ACME, USII, UM and TUVVM all 2%) for Labor Pension Reserve Supervision Committee's deposit to specific account in Bank of Taiwan on its name. This specific account is consigned for management under Bureau of Labor Funds (MOL) and the Group has no right of affecting its investment and management strategy.

The amounts of defined benefit plans included in the consolidated balance sheet were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of funded defined benefit obligation	(\$ 2,740,327)	(\$ 3,146,524)
Fair value of plan assets	<u>1,985,861</u>	<u>1,995,515</u>
Net defined benefit liabilities -non-current	(\$ <u>754,466</u> )	(\$ <u>1,151,009</u> )

Summarized by subjects as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Net defined benefit assets - non-current	\$ 256	\$ -
Net defined benefit liabilities - non-current	( <u>754,722</u> )	( <u>1,151,009</u> )
Defined benefit plans - Net	( \$ <u>754,466</u> )	( \$ <u>1,151,009</u> )

Change in defined benefits – net were as follow:

	Present value of funded defined benefit obligation	Fair value of plan assets	Defined benefit plans - Net
Balance as of January 1, 2021	( \$ 3,415,069 )	\$ 2,123,016	( \$ 1,292,053 )
Current service cost	( 27,258 )	-	( 27,258 )
Interest revenue (expense)	( 12,980 )	8,288	( 4,692 )
Amounts recognized in profit or loss	( 40,238 )	8,288	( 31,950 )
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	30,795	30,795
Actuarial losses recognized from changes in demographic assumptions	( 74,361 )	-	( 74,361 )
Actuarial gains recognized from changes in financial assumptions	22,732	-	22,732
Actuarial gains recognized from experience adjustments	<u>11,055</u>	-	<u>11,055</u>
Amounts recognized in other comprehensive income	( <u>40,574</u> )	<u>30,795</u>	( <u>9,779</u> )
Contributions from employer	-	154,307	154,307
Benefits paid	320,891	( 320,891 )	-
Payment for provisions	<u>28,466</u>	-	<u>28,466</u>
Balance as of December 31, 2021	( \$ <u>3,146,524</u> )	\$ <u>1,995,515</u>	( \$ <u>1,151,009</u> )

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	Present value of funded defined benefit obligation	Fair value of plan assets	Defined benefit plans - Net
Balance as of January 1, 2022	( <u>\$ 3,146,524</u> )	<u>\$ 1,995,515</u>	( <u>\$ 1,151,009</u> )
Current service cost	( 20,826)	-	( 20,826)
Interest revenue (expense)	( 14,851)	9,456	( 5,395)
Amounts recognized in profit or loss	( 35,677)	9,456	( 26,221)
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ 168,210	\$ 168,210
Actuarial gains recognized from changes in financial assumptions	122,579	-	122,579
Actuarial losses recognized from experience adjustments	( 43,654)	-	( 43,654)
Amounts recognized in other comprehensive income	<u>78,925</u>	<u>168,210</u>	<u>247,135</u>
Contributions from employer	-	166,435	166,435
Benefits paid	353,755	( 353,755)	-
Payment for provisions	<u>9,194</u>	<u>-</u>	<u>9,194</u>
Balance as of December 31, 2022	( <u>\$ 2,740,327</u> )	<u>\$ 1,985,861</u>	( <u>\$ 754,466</u> )

The Group is exposed to following risks for the defined benefits plans under the "Labor Standards Act":

- 1) Investment risk: Through its own use and entrusting operation, Bureau of Labor Funds, MOL invested labor pension funds in domestic (foreign) equity and debt securities and bank deposits. But the allocated amounts of the plan assets shall not be lower than the gain calculated by the average interest rate on a two-year time deposit.
- 2) Interest rate risk: The decline in government bond interest rate will increase the present value of the obligation on the defined benefit plan, while the return on plan assets will increase. The net effect on the present value of the obligation on defined benefit plan is partially offset by the return on plan assets.
- 3) Salary risk: Present value of defined benefit obligations is calculated from future salary of member participants; hence the increase in plan participants' salary will increase the present value of the defined benefit obligation.

The present value of the defined benefit obligation of the Group was calculated by the independent actuary and material assumptions on the measurement date were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.125%~1.50%	0.375%~0.50%
Expected rates of salary increase	2.25%~3.25%	2.00%~2.75%

If reasonably possible changes of the respective significant actuarial assumptions occur, while holding all other assumptions constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate		
0.25% increase	( <u>\$ 46,456</u> )	( <u>\$ 56,142</u> )
0.25% decrease	<u>\$ 47,782</u>	<u>\$ 57,834</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 46,346</u>	<u>\$ 55,778</u>
0.25% decrease	( <u>\$ 45,293</u> )	( <u>\$ 54,439</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.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
The expected contributions to the plan for the next year	<u>\$ 129,936</u>	<u>\$ 137,236</u>
The average duration of the defined benefit obligation	5~11 years	6~12 years

#### 24. GOVERNMENT SUBSIDY

- a. Acme Electronics (KS) reached an agreement with Kunshan Zhoushizhen People's Government in 2006 in which Acme Electronics Corporation (Kunshan) promised to relocate its new plant and raise its investment amount. Furthermore, Kunshan Zhoushizhen People's Government subsidized Acme Electronics (KS)'s acquisition of the land for its new plant and the external line project for high voltage power during the relocation process. As of December 31, 2022 and 2021 the amounts of deferred income (booked under other non-current liabilities) that had not been amortized were RMB7,303 thousand (NT\$32,201 thousand), and RMB7,833 thousand (NT\$34,005 thousand) respectively.

- b. ACME applied for a subsidy of the Taiwan Industry Innovation Platform Program from the Taiwan government. As of December 31, 2022, it has received NT\$11,000 thousand, booked under operating expense as a reduction.

The Group has incorporated the economic impact caused by the pandemic into its major accounting estimates based on the information available on the balance sheet date.

## 25. EQUITY

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Share capital	\$ 11,887,635	\$ 11,887,635
Capital surplus	449,960	366,185
Retained earnings	12,625,207	13,599,427
Other equity	8,896	84,358
Treasury shares	( 475,606)	( 475,606)
Non-controlling Interests	<u>26,428,793</u>	<u>30,182,962</u>
	<u>\$ 50,924,885</u>	<u>\$ 55,644,961</u>

### a. Share capital

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Number of shares authorized (in thousands)	<u>1,342,602</u>	<u>1,342,602</u>
Share capital authorized	<u>\$ 13,426,024</u>	<u>\$ 13,426,024</u>
Number of shares issued and fully paid (in thousands)	<u>1,188,763</u>	<u>1,188,763</u>
Share capital issued	<u>\$ 11,887,635</u>	<u>\$ 11,887,635</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

### b. Capital surplus

The capital surplus generated from donations and the excess of the issuance price over the par value of share capital (including the issuance of ordinary shares in excess of par value, the capital stock premium of shares issued due to merger, and treasury stock trading, etc) 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 share dividends up to a certain percentage of the Company's paid-in capital. The capital surplus arising from investments accounted for using the equity method and from dividends had not been received during the given period by stockholders are used to offset a deficit only.

### c. Retained earnings and dividends policy

In accordance with the dividends policy as set forth in the Company's Articles of Incorporation, where there is a profit in a fiscal year, the profit after tax shall be first utilized for offsetting losses of previous years, setting aside as a legal reserve 10% of the

remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, please refer to "employees' compensation and remuneration of directors" in Note 27(g).

The industry that the Company operates in is in the maturity stage. Consequently, in order to take R&D needs and diversification into consideration, shareholders' dividends shall be no less than 10% of the distributable earnings in the current year, of which the cash dividends not be no less than 10% of the total dividends. However, dividends may be stopped if the distributable profit per share in the current fiscal year is less than NT\$0.1. The appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for the years ended December 31, 2022 and 2021 as approved in the shareholders' meetings on May 31, 2022 and July 26, 2021, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2021	2020	2021	2020
Legal reserve	\$ 529,104	\$ 233,461		
Special surplus (reserved)	-	( 405,932)		
Cash dividends	<u>2,615,280</u>	<u>1,188,763</u>	\$ 2.2	\$ 1.0
	<u>\$ 3,144,384</u>	<u>\$ 1,016,292</u>		

The appropriations of earnings for the year ended December 31, 2022 had been proposed by the Company's Board of Directors on March 7, 2023. The appropriations were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 164,106	
Cash dividends	<u>832,134</u>	\$ 0.7
	<u>\$ 996,240</u>	

The appropriations of earnings for the year ended December 31, 2022 are subject to the resolution of the shareholders' meeting to be held on May 31, 2023.

d. Other equity

1) Exchange differences on translating the financial statements of foreign operations

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Balance at January 1	(\$ 710,973)	(\$ 583,855)
Recognized during the period		
Exchange differences on translating the financial statements of foreign operations	425,859	( 159,894)
Related income tax of the profits and losses on translating the financial statements of foreign operations	( 86,079)	32,776
Balance at December 31	<u>(\$ 371,193)</u>	<u>(\$ 710,973)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Balance at January 1	\$ 795,331	\$ 343,660
Recognized during the period		
Unrealized gains (losses)		
Equity instruments	( 414,342)	553,050
Related income tax	131	( 925)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposals	( 1,031)	( 100,454)
Balance at December 31	<u>\$ 380,089</u>	<u>\$ 795,331</u>

e. Non-controlling Interests

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Balance at January 1	\$ 30,182,962	\$ 27,732,865
Cash dividends distributed by subsidiaries	( 2,804,905)	( 1,714,633)
Net profit (loss) in the current year	( 1,616,286)	4,888,057
Other comprehensive income		
Exchange differences on translating the financial statements of foreign operations	434,553	( 177,334)

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	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Income tax relating to exchange difference on translating foreign operations	(\$ 45,401)	\$ 21,486
Unrealized gain (loss) on financial assets at FVTOCI	191,751	( 445,863)
Income tax relating to unrealized gain (loss) on financial assets at FVTOCI	273	( 1,934)
Remeasurement of defined benefit plans	141,117	( 8,959)
Income tax relating to remeasurements of defined benefits plan	( 19,866)	1,152
Adjustments relating to changes accounted for using the equity method	4,326	2,586
Change in non-controlling interests	( <u>39,731</u> )	( <u>114,461</u> )
Balance at December 31	<u>\$ 26,428,793</u>	<u>\$ 30,182,962</u>

f. Treasury shares

<u>Purpose of Buy-Back</u>	<u>Number of Shares at January 1 (In Thousands of Shares)</u>	<u>Increase During the Year Ended</u>	<u>Decrease During the Year Ended</u>	<u>Number of Shares at December 31 (In Thousands of Shares)</u>
<u>For the Year Ended December 31, 2022</u>				
Transfer from investment shares to treasury held by subsidiaries under equity method	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>
<u>For the Year Ended December 31, 2021</u>				
Transfer from investment shares to treasury held by subsidiaries under equity method	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>

The Company's shares held by its subsidiaries at the balance sheet date were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying amount	Market Price
<u>December 31, 2022</u>			
APC	101,356	\$ 1,377,381	\$ 2,239,960
TTC	15,110	<u>81,875</u>	<u>333,929</u>
		<u>\$ 1,459,256</u>	<u>\$ 2,573,889</u>
 <u>December 31, 2021</u>			
APC	101,356	\$ 1,377,381	\$ 3,197,772
TTC	15,110	<u>81,875</u>	<u>476,717</u>
		<u>\$ 1,459,256</u>	<u>\$ 3,674,489</u>

The Company's shares held by subsidiaries are regarded as treasury shares. Investments accounted for using the equity method are reclassified as treasury shares.

The Company's shares held by APC and TTC were carried as unrealized gain (loss) on financial assets at FVTOCI and valued at the closing price of December 31, 2022 and 2021. The carrying amounts of investments accounted for using the equity method and unrealized the gain on financial assets at FVTOCI were NT\$371,473 thousand and NT\$733,685 thousand, respectively.

## 26. REVENUE

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Revenue from the sale of goods		
Plastic raw materials	\$ 62,934,920	\$ 68,149,586
Electronic materials	3,057,090	3,018,410
Others	<u>445,112</u>	<u>587,546</u>
Total	<u>\$ 66,437,122</u>	<u>\$ 71,755,542</u>

Product sales revenue of the Group mainly comes from selling polyethylene plastic and other related products.

### a. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes and accounts receivables (Note 10)	<u>\$ 7,939,581</u>	<u>\$ 9,391,222</u>	<u>\$ 7,481,916</u>
Contract liabilities (presented in other current liabilities)			
Merchandise sales	<u>\$ 404,236</u>	<u>\$ 363,049</u>	<u>\$ 212,751</u>

### b. Please refer to Note 41 for revenue breakdown list.

27. NET PROFIT (LOSS)

Net profit (loss) includes the following:

a. Interest income

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Cash and cash equivalents	\$ 128,061	\$ 73,218
Financial assets at FVTPL	4,790	4,221
Financial assets measured at amortized cost	2,018	1,839
Others	<u>11,629</u>	<u>323</u>
	<u>\$ 146,498</u>	<u>\$ 79,601</u>

b. Other income

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Dividend income	\$ 463,584	\$ 390,903
Settlement income	253,407	19,064
Rental income	142,334	156,014
Income from management services (Note 35)	36,052	42,221
Income from grants	9,034	15,369
Others	<u>46,538</u>	<u>3,816</u>
	<u>\$ 950,949</u>	<u>\$ 627,387</u>

c. Other gains and losses

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Gain (loss) on disposal of property, plant and equipment	\$ 1,188	(\$ 64,669)
Gains on disposal of financial instrument	-	641
Foreign exchange gain (loss) - net	463,721	( 93,530)
Gain on financial assets at FVTPL - net	7,354	384,009
Loss on financial liabilities at FVTPL - net	( 125,121)	( 47,605)
Depreciation expense	( 47,768)	( 46,129)
Gain on revised lease	-	660
Other gains and losses	<u>( 65,825)</u>	<u>( 75,749)</u>
	<u>\$ 233,549</u>	<u>\$ 57,628</u>

d. Finance costs

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Interest on bank loans	\$ 101,186	\$ 75,987
Interest on bonds payable	71,119	86,901
Other interest expense	33,517	226
Interest on lease liabilities	12,820	6,710
Less: Capitalized interest (presented under construction in progress)	( <u>3,222</u> )	( <u>2,727</u> )
	<u>\$ 215,420</u>	<u>\$ 167,097</u>

Information about capitalized interest is as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Capitalized interest	\$ 3,222	\$ 2,727
Capitalization rate	0.50%~1.35%	0.83%~1.14%

e. Depreciation and amortization

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Property, plant and equipment	\$ 2,216,195	\$ 2,161,204
Right-of-use assets	91,564	68,185
Investment properties	42,981	42,757
Intangible assets	6,379	5,867
Others	<u>52,567</u>	<u>57,907</u>
	<u>\$ 2,409,686</u>	<u>\$ 2,335,920</u>

An analysis of depreciation by  
function

Operating costs	\$ 2,139,908	\$ 2,065,525
Operating expenses	163,064	160,492
Other gains and losses	<u>47,768</u>	<u>46,129</u>
	<u>\$ 2,350,740</u>	<u>\$ 2,272,146</u>

An analysis of amortization by  
function

Operating costs	\$ 48,589	\$ 52,722
Selling and marketing expenses	-	14
Administrative expenses	7,441	4,872
Research and development expenses	<u>2,916</u>	<u>6,166</u>
	<u>\$ 58,946</u>	<u>\$ 63,774</u>

f. Employee benefits expense

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Post-employment benefits (Note 23)		
Defined contribution plans	\$ 162,562	\$ 163,437
Defined benefit plans	<u>26,221</u>	<u>31,950</u>
	188,783	195,387
Other employee benefits	<u>4,529,104</u>	<u>5,007,221</u>
Total employee benefits expenses	<u>\$ 4,717,887</u>	<u>\$ 5,202,608</u>
 An analysis of employee benefits expense by function		
Operating costs	\$ 3,244,992	\$ 3,707,409
Operating expenses	<u>1,472,895</u>	<u>1,495,199</u>
	<u>\$ 4,717,887</u>	<u>\$ 5,202,608</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rate of no less than 1% and no higher than 1%, respectively, of net profit before income tax. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 were approved by the Company's board of directors on March 7, 2023 and March 10, 2022, respectively, as follows:

Accrual rates

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Employees' compensation	1.00%	1.00%
Remuneration of Directors	0.15%	0.05%

Amount

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Employees' compensation	\$ 19,543	\$ 59,332
Remuneration of Directors	3,000	3,000

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and recognized in the next year.

There was no difference between the actual amounts of employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 resolved by the Company's board of directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

h. Gain of loss foreign currency exchange

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Foreign exchange gains	\$ 941,076	\$ 319,677
Foreign exchange losses	( 477,355 )	( 413,207 )
Net profit (loss)	<u>\$ 463,721</u>	<u>( \$ 93,530 )</u>

28. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Current tax		
In respect of the current year	\$ 1,498,085	\$ 2,673,697
Surtax on undistributed earnings	195,016	109,744
Adjustments for prior years	( 33,335 )	( 33,257 )
Deductible income tax paid overseas	( 18,851 )	( 35,531 )
	<u>1,640,915</u>	<u>2,714,653</u>
Deferred tax		
In respect of the current year	( 882,981 )	( 42,869 )
Adjustments for prior years	245	1,094
Others	-	113
	<u>( 882,736 )</u>	<u>( 41,662 )</u>
Income tax expense recognized in profit or loss	<u>\$ 758,179</u>	<u>\$ 2,672,991</u>

The reconciliation of accounting profit and income tax expenses is as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Net profit before income tax	<u>\$ 696,990</u>	<u>\$ 12,752,442</u>
Income tax expenses of net profit before tax calculated at statutory tax rate	\$ 786,963	\$ 4,176,520
Non-deductible expense loss in tax returns	4,151	667
Tax-exempt income	( 137,992 )	( 1,511,602 )
Surtax on undistributed earnings	195,016	109,744
Unrecognized loss deduction and deductible temporary difference	22,718	7,521

(Continued)

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	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
The invested company's capital reduction and liquidation loss	-	( 20,763 )
Adjustments of current income tax expenses for prior year	( 33,090 )	( 32,163 )
Others	( <u>79,587</u> )	( <u>56,933</u> )
Income tax expense recognized in profit or loss	<u>\$ 758,179</u>	<u>\$ 2,672,991</u>

The income tax rate of the Company and its domestic subsidiaries is 20%. The income tax rate of subsidiaries in China is 25%. The tax amount generate by other jurisdictions is calculated based on the applicable tax rate in each relevant jurisdictions.

b. Income tax recognized in other comprehensive income

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
<u>Deferred tax</u>		
In respect of the current year		
- Translation of foreign operations	( \$ 131,480 )	\$ 54,262
- Unrealized gain (loss) on financial assets at FVTOCI	404	( 2,859 )
- Remeasurements of defined benefit plan	( <u>39,290</u> )	<u>1,168</u>
Income tax recognized in other comprehensive income (expenses)	<u>( \$ 170,366 )</u>	<u>\$ 52,571</u>

c. Current income tax assets and liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current income tax assets		
Tax refund receivable	<u>\$ 18,802</u>	<u>\$ 8,931</u>
Current income tax liabilities		
Income tax payable	<u>\$ 1,647,045</u>	<u>\$ 2,618,632</u>

d. Deferred tax assets and liabilities

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

For the Year Ended December 31, 2022

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Foreign currency exchange differences	Balance at December 31
<u>Deferred tax assets</u>					
Temporary difference					
Defined benefit retirement plan	\$ 214,228	(\$ 22,371)	(\$ 39,032)	\$ -	\$ 152,825
Investments accounted for using the equity method	87,265	703,065	( 8,305)	-	782,025
Allowance for inventory valuation and obsolescence losses	49,246	52,354	-	192	101,792
Allowance for loss	11,253	1,847	-	65	13,165
Unrealized sale profits	23,338	( 4,035)	-	-	19,303
Payable for annual leave	27,758	1,007	-	-	28,765
Others	<u>212,520</u>	<u>( 29,861)</u>	<u>( 94,561)</u>	<u>774</u>	<u>88,872</u>
	625,608	702,006	( 141,898)	1,031	1,186,747
Loss deduction	<u>25,960</u>	<u>128,682</u>	<u>-</u>	<u>( 11)</u>	<u>154,631</u>
	<u>\$ 651,568</u>	<u>\$ 830,688</u>	<u>(\$ 141,898)</u>	<u>\$ 1,020</u>	<u>\$ 1,341,378</u>

Deferred tax liabilities

Temporary difference					
Investments accounted for using the equity method	\$ 553,186	(\$ 85,105)	\$ 28,614	\$ -	\$ 496,695
Differences on depreciation period between finance and tax	50,312	( 7,148)	-	826	43,990
Land revaluation surplus	800,993	-	-	-	800,993
Others	<u>13,431</u>	<u>40,205</u>	<u>( 146)</u>	<u>7</u>	<u>53,497</u>
	<u>\$ 1,417,922</u>	<u>(\$ 52,048)</u>	<u>\$ 28,468</u>	<u>\$ 833</u>	<u>\$ 1,395,175</u>

For the Year Ended December 31, 2021

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Foreign currency exchange differences	Balance at December 31
<u>Deferred tax assets</u>					
Temporary difference					
Defined benefit retirement plan	\$ 234,488	(\$ 21,428)	\$ 1,168	\$ -	\$ 214,228
Investments accounted for using the equity method	72,361	12,688	2,216	-	87,265
Allowance for inventory valuation and obsolescence losses	39,073	10,213	-	( 40)	49,246
Allowance for loss	12,511	( 1,232)	-	( 26)	11,253
Unrealized sale profits	2,112	21,226	-	-	23,338
Payable for annual leave	25,575	2,183	-	-	27,758
Others	<u>161,770</u>	<u>18,138</u>	<u>32,795</u>	<u>( 183)</u>	<u>212,520</u>
	547,890	41,788	36,179	( 249)	625,608
Loss deduction	<u>25,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,960</u>
	<u>\$ 573,850</u>	<u>\$ 41,788</u>	<u>\$ 36,179</u>	<u>(\$ 249)</u>	<u>\$ 651,568</u>

(Continued)

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	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Foreign currency exchange differences	Balance at December 31
<u>Deferred tax liabilities</u>					
Temporary difference					
Investments accounted for using the equity method	\$ 582,430	(\$ 1,849)	(\$ 19,251)	\$ -	\$ 561,330
Differences on depreciation period between finance and tax	41,939	8,991	-	( 618)	50,312
Land revaluation surplus	800,993	-	-	-	800,993
Others	9,444	( 7,016)	2,859	-	5,287
	<u>\$ 1,434,806</u>	<u>\$ 126</u>	<u>(\$ 16,392)</u>	<u>(\$ 618)</u>	<u>\$ 1,417,922</u>

e. Items not recognized as deferred tax assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loss deduction	<u>\$ 3,646,710</u>	<u>\$ 3,623,868</u>
Deductible temporary differences		
Write-downs of inventories	\$ 323,203	\$ 314,605
Losses of property, plant and equipment	98,052	116,599
Impairment loss of accounts receivable	66,141	65,123
Foreign investment loss in equity method	-	181,158
Others	55,304	70,330
	<u>\$ 542,700</u>	<u>\$ 747,815</u>

f. Unused loss deduction

As of December 31, 2022, the Group's unused loss deductions were NT\$4,266,154 thousand and will expire in 2032.

g. Income tax assessments

The income tax return of the Company, ACME, TTC, CGPC, CGPCPOL, TVCM, APC, APC Investment Corporation, UM, USII, TUVK, TUVK, CLT, UPIIC, SPC, STC, USIGE, INOMA, CGTD and USIO as of December 31, 2020 has been assessed by the tax authorities.

## 29. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Basic earnings per share	<u>\$ 1.45</u>	<u>\$ 4.84</u>
Diluted earnings per share	<u>\$ 1.45</u>	<u>\$ 4.83</u>

Earnings per share and the weighted average number of ordinary shares used to calculate earnings per share are as follows:

### Net profit

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Net profit attributable to owners of the Company (used to calculate the net profit from basic and diluted earnings per share)	<u>\$ 1,555,097</u>	<u>\$ 5,191,394</u>

### Number of Shares

	Unit: In Thousands of Shares	
	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,072,298	1,072,298
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>1,285</u>	<u>2,100</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,073,583</u>	<u>1,074,398</u>

If the Group offered to settle remuneration paid to employees in cash or shares, the Group 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 computation of diluted earnings per share, as 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.

30. SHARE-BASED PAYMENT ARRANGEMENTS

USIO didn't issue employee share options for the years ended December 31, 2022 and 2021.

Information on employee share options which were issued was as follows:

	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Unit	Weighted average Exercise Price (NT\$)	Unit	Weighted average Exercise Price (NT\$)
Employee share options				
Options exercisable at the beginning of the period	133	\$ 10.8	133	\$ 10.8
Options are to mature and become invalid this year	( 133 )	10.8	-	-
Options exercisable at the end of the year	-	-	133	10.8

As of the years ended December 31, 2021 (for the year ended December 31, 2022: None), the information related to employee share options outstanding and USIO is as follows:

December 31, 2021	
Scope of Exercise Price (NT\$)	Weighted average contract term before expired (year)
\$ 10.8	0.4

31. BUSINESS COMBINATION (FOR THE YEAR ENDED DECEMBER 31, 2022: NONE)

a. Acquisition of subsidiaries

	Main operating activities	Acquisition date	Voting ownership interest/Acquisition proportion (%)	Transfer consideration
USI Green Energy Corporation	Solar power generation business	July 5, 2021	100%	<u>\$ 34,092</u>

The Company acquired USIGE in July 2021 in response to the government's policy on green power.

b. Transfer consideration

Cash	<u>USIGE</u> <u>\$ 34,092</u>
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c. Assets acquired and liabilities assumed on the acquisition date

	<u>USIGE</u>
Current assets	
Cash and cash equivalents	\$ 36
Prepayments	654
Non-current assets	
Property, plant and equipment	13,073
Intangible assets	33,144
Current liabilities	
Other payables	( <u>14,000</u> )
	<u>\$ 32,907</u>

d. Goodwill generated from the acquisition

	<u>USIGE</u>
Transfer consideration	\$ 34,092
Less: fair value of identifiable net assets acquired	( <u>32,907</u> )
Goodwill generated from the acquisition	<u>\$ 1,185</u>

The goodwill generated from the acquisition of USIGE mainly comes from the control premium. In addition, the consideration paid for the combination includes the expected combination synergies, revenue growth and future market development. However, such benefits do not meet the requirements for recognition of identifiable intangible assets, thus they are not recognized separately.

The goodwill generated from the acquisition is not expected to be tax deductible.

e. Net cash outflows from acquisition of subsidiaries

	<u>USIGE</u>
Consideration paid in cash	\$ 34,092
Less: balance of cash and cash equivalent acquired	( <u>36</u> )
	<u>\$ 34,056</u>

f. The impact of business combination on operating results

As of the acquisition date, the operating results of the acquired company are as follows:

	<u>USIGE</u>
Revenue	<u>\$ 6,373</u>
Profit for the period	<u>\$ 3,801</u>

If the acquisition of USIGE in July 2021 took place on January 1, 2021, the proposed operating revenues and net profit of the Group for the year ended December 31, 2021 were NT\$71,755,542 thousand and NT\$10,079,227 thousand, respectively. These

amounts do not reflect the actual revenues and operating results of the Group that would have been generated had the combination been completed on the commencement date of the year of acquisition and shall not be used as a projection of future operating results.

### 32. CASH FLOW INFORMATION

#### a. Non-cash transactions

In the year 2022 and 2021, the Group entered into the following non-cash investing and financing activities:

- 1) As of December 31, 2022 and 2021, the amounts of payables for purchases of equipment were NT\$292,673 thousand and NT\$293,455 thousand, respectively.
- 2) As of December 31, 2022 and 2021, the amounts of payables for dividends declared but not issued were NT\$27,294 thousand and NT\$20,551 thousand, respectively.

#### b. Changes in liabilities arising from financing activities

	January 1, 2022	Cash Flows	Non-cash Changes				December 31, 2022
			New Leases	Amortization of Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Short-term borrowings	\$ 2,498,041	( \$ 97,715 )	\$ -	\$ -	\$ -	\$ -	\$ 2,400,326
Short-term bills payable	279,635	11,000	-	-	-	( 22 )	290,613
Bonds payable (including those due within 1 year)	8,988,972	( 3,000,000 )	-	3,256	-	-	5,992,228
Long-term borrowings (including those due within 1 year)	4,513,240	1,840,887	-	12,096	-	-	6,366,223
Guarantee deposits received	29,528	16,661	-	-	-	-	46,189
Lease liabilities (including those due within 1 year)	460,567	( 89,717 )	991,962	12,820	2,214	( 12,820 )	1,365,026
Other non-current liabilities	65,243	22,081	-	-	-	-	87,324
	<u>\$ 16,835,226</u>	<u>( \$ 1,296,803 )</u>	<u>\$ 991,962</u>	<u>\$ 28,172</u>	<u>\$ 2,214</u>	<u>( \$ 12,842 )</u>	<u>\$ 16,547,929</u>

	January 1, 2021	Cash Flows	Non-cash Changes				December 31, 2021
			New Leases	Amortization of Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Short-term borrowings	\$ 2,726,270	( \$ 228,229 )	\$ -	\$ -	\$ -	\$ -	\$ 2,498,041
Short-term bills payable	656,704	( 377,000 )	-	-	-	( 69 )	279,635
Bonds payable (including those due within 1 year)	6,994,302	1,991,268	-	3,402	-	-	8,988,972
Long-term borrowings (including those due within 1 year)	7,590,000	( 3,052,000 )	-	-	-	( 24,760 )	4,513,240
Guarantee deposits received	23,342	6,186	-	-	-	-	29,528
Lease liabilities (including those due within 1 year)	459,686	( 70,349 )	78,710	6,710	( 574 )	( 13,616 )	460,567
Other non-current liabilities	41,000	( 1,670 )	-	-	-	25,913	65,243
	<u>\$ 18,491,304</u>	<u>( \$ 1,731,794 )</u>	<u>\$ 78,710</u>	<u>\$ 10,112</u>	<u>( \$ 574 )</u>	<u>( \$ 12,532 )</u>	<u>\$ 16,835,226</u>

### 33. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall management strategy remains unchanged from the past year.

The capital structure of the Group consists of its net debt and equity.

Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated

with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, and the amount of new debt issued or existing debt redeemed.

### 34. FINANCIAL INSTRUMENTS

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

##### December 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Domestic corporate bonds	<u>\$ 5,992,228</u>	<u>\$ -</u>	<u>\$ 5,950,888</u>	<u>\$ -</u>	<u>\$ 5,950,888</u>

##### December 31, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Domestic corporate bonds	<u>\$ 8,988,972</u>	<u>\$ -</u>	<u>\$ 9,012,663</u>	<u>\$ -</u>	<u>\$ 9,012,663</u>

Expect for the above, the management of the Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values. Otherwise, the fair values cannot be reliably measured.

#### 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
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 2,121	\$ -	\$ 2,121
Domestic listed (OTC) shares	228,677	-	-	228,677
Fund beneficiary certificates	2,259,780	-	-	2,259,780
Beneficiary securities	233,828	-	-	233,828
Foreign listed stocks	91	-	-	91
Total	<u>\$ 2,722,376</u>	<u>\$ 2,121</u>	<u>\$ -</u>	<u>\$ 2,724,497</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed (OTC) shares	\$ 1,629,053	\$ -	\$ -	\$ 1,629,053
- Domestic unlisted shares and emerging market shares	-	-	359,548	359,548
- Foreign listed (OTC) shares	30,041	-	-	30,041
- Overseas unlisted equity investments	-	-	139,376	139,376
Total	<u>\$ 1,659,094</u>	<u>\$ -</u>	<u>\$ 498,924</u>	<u>\$ 2,158,018</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ 27,839</u>	<u>\$ -</u>	<u>\$ 27,839</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 8,297	\$ -	\$ 8,297
Domestic listed (OTC) shares	603,956	-	-	603,956
Fund beneficiary certificates	4,896,869	-	-	4,896,869
Beneficiary securities	232,680	-	-	232,680
Foreign listed stocks	464	-	-	464
Total	<u>\$ 5,733,969</u>	<u>\$ 8,297</u>	<u>\$ -</u>	<u>\$ 5,742,266</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed (OTC) shares	\$ 1,818,862	\$ -	\$ -	\$ 1,818,862
- Domestic emerging stocks	-	-	21,677	21,677
- Domestic unlisted shares and emerging market shares	-	-	437,569	437,569
- Foreign listed (OTC) shares	40,855	-	-	40,855
- Overseas unlisted equity investments	-	-	113,775	113,775
Total	<u>\$ 1,859,717</u>	<u>\$ -</u>	<u>\$ 573,021</u>	<u>\$ 2,432,738</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ 3,380</u>	<u>\$ -</u>	<u>\$ 3,380</u>

There were no transfers between Levels 1 and 2 fair value measurement for Year 2022 and Year 2021.

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

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
<u>Financial assets at FVTOCI</u>		
Beginning balance	\$ 573,021	\$ 833,285
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	( 45,741 )	( 208,044 )
Purchase	43	24
Disposal	( 22,453 )	-
Return of capital	( 5,946 )	( 52,244 )
Ending balance	<u>\$ 498,924</u>	<u>\$ 573,021</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Categories of financial instruments</u>	<u>Valuation Techniques and Inputs</u>
Financial liabilities – domestic corporate bonds	The corporate bond interest rate announced by Taipei Exchange, of which per-hundred price is calculated according to the credit rating and the expiration date through interpolation method.
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The Group applied the valuation techniques and inputs for Level 3 fair value measurement for its independent fair value authentication of financial instruments which was carried out by the financial department. Through information from independent resources, the Group keeps the results close to the market state and reviews such results periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of its observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the discount for lack of marketability increases/decreases by 10%, the fair value would have decreased/increased by NT\$49,892 thousand and NT\$57,302 thousand, respectively for the years ended December 31, 2022 and 2021.

c. Categories of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 2,724,497	\$ 5,742,266
Financial assets measured at amortized cost		
Cash and cash equivalents	11,498,415	10,365,353
Pledged time and demand deposits	798,608	731,638
Notes receivable	544,546	875,745
Accounts receivable	7,395,035	8,515,477
Other receivables (including related parties)	59,146	211,810
Refundable deposits	222,205	173,394
Financial assets at FVTOCI - investments in equity instruments	2,158,018	2,432,738
<u>Financial liabilities</u>		
Financial liabilities at FVTPL - held for trading		
	27,839	3,380
Financial liabilities measured at amortized cost		
Short-term borrowings	2,400,326	2,498,041
Short-term bills payable	290,613	279,635
Accounts payable	3,349,040	3,528,998
Other payables (not including salaries payable or taxes payable)	1,314,722	1,472,810
Current portion of long-term borrowings	-	3,059,116
Bonds payable	5,992,228	5,989,773
Long-term borrowings	6,366,223	4,453,323
Guarantee deposits received	46,189	29,528

d. Financial Risk Management Objectives and Policies

The Group's conduct of risk controlling and hedging strategy is influenced by the operational environment. The Group monitors and manages the financial risk by business nature and risk dispersion. These risks include market risk (including foreign currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risks.

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had conducted foreign currency sales and purchases, which exposed the Group to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Group used foreign exchange forward contracts to eliminate foreign currency exposure and thus mitigate the impact of the risk. The use of foreign exchange forward contracts was governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group did not engage in any derivative transactions for speculative purposes.

For the carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the Group as of the balance sheet date, please refer to Note 39. For carrying amount of derivatives exposed to exchange rate risk, please refer to Note 7.

Sensitivity analysis

The sensitivity analysis of foreign currency risk mainly focuses on the computation of foreign currency monetary items at the end of the financial reporting period (U.S. dollar and RMB denominated items). When the functional currency of the entities of the Group relative to the USD and RMB appreciates/depreciates by 3%, the Group's profit before tax for the years ended December 31, 2022 and 2021 would have decreased/increased by NT\$151,772 thousand and NT\$172,217 thousand, respectively.

Since this sensitivity analysis is based on the computation of foreign currency exposure at balance sheet date, the management concedes that this analysis cannot properly reflect the mid-year exposures.

b) Interest rate risk

The Group was exposed to the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; the Group was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets and financial liabilities. The Group's management regularly monitors the fluctuations in market rates and then adjusted its balance

of floating rate bearing financial liabilities to make the Group's interest rates more closely approach market rates in response to the interest rate risk.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value interest rate risk		
- Financial assets	\$ 9,261,151	\$ 7,781,222
- Financial liabilities	10,608,268	12,819,174
Cash flow interest rate risk		
- Financial assets	2,921,919	3,050,945
- Financial liabilities	5,806,148	3,921,281

#### Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Group's computation was based on financial assets and financial liabilities with cash flow interest rate risk. A 0.5% increase/decrease of market interest was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's profit before tax for the years ended December 31, 2022 and 2021 would have decreased/increased by NT\$14,121 thousand and NT\$4,352 thousand, respectively.

#### c) Other price risk

The Group was exposed to the equity price risk through its investments in domestic and foreign listed (OTC) shares, fund beneficiary certificates and other investments. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk.

#### Sensitivity analysis

The following sensitivity analysis was determined based on the price of equity securities on the balance sheet date. However, the fund beneficiary certificates held by the Group are mainly money market funds, which have very low price volatility risk, so it is not included in sensitivity analysis.

If the equity price fluctuates by 5%, the pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by NT\$23,130 thousand and NT\$41,855 thousand, respectively, as a result of the changes in fair

value of financial assets at FVTPL (excluding fund beneficiary certificates); The pre-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by NT\$107,901 thousand and NT\$121,637 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations and result in financial loss to the Group. As of the balance sheet date, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, could arise from:

- a) The carrying amount of the financial assets recognized in the consolidated balance sheets; and
- b) The maximum amount payable by the Group due to financial guarantees provided by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The counterparties of the Group's accounts receivable included numerous clients distributed over a variety of areas and were not centered on a single client or location. Furthermore, the Group continuously assesses the financial condition of its clients, and then the Group's credit risk was limited. On the balance sheet date, the Group's maximum exposure to credit risk is approximately the carrying amounts respective recognized financial assets as stated in the balance sheet.

3) Liquidity risk

The Group operations and mitigate the effects of the Group's operating cash flow fluctuations by managing and maintaining sufficient cash and cash equivalents.

- a) Liquidity of non-derivative financial liabilities and interest risk table

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest dates on which the Group can be required to pay. The table has been drawn up based on the undiscounted cash flows of financial liabilities, including the cash flows of interests and principals.

December 31, 2022

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	More than 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 4,663,762	\$ -	\$ -
Lease liabilities	0.83-9.25	126,352	441,267	1,143,962
Floating interest rate liabilities	0.76-7.62	1,054,236	4,985,850	-
Fixed interest rate liabilities	0.63-1.96	<u>1,771,843</u>	<u>6,509,349</u>	<u>1,155,996</u>
		<u>\$ 7,616,193</u>	<u>\$ 11,936,466</u>	<u>\$ 2,299,958</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	<u>\$ 126,352</u>	<u>\$ 441,267</u>	<u>\$ 361,156</u>	<u>\$ 354,805</u>	<u>\$ 337,406</u>	<u>\$ 90,595</u>

December 31, 2021

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	More than 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 5,001,808	\$ -	\$ -
Lease liabilities	0.83-9.25	79,836	246,828	288,585
Floating interest rate liabilities	0.10-1.90	970,600	2,986,558	-
Fixed interest rate liabilities	0.63-1.90	<u>4,877,712</u>	<u>5,209,600</u>	<u>2,300,000</u>
		<u>\$ 10,929,956</u>	<u>\$ 8,442,986</u>	<u>\$ 2,588,585</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	<u>\$ 79,836</u>	<u>\$ 246,828</u>	<u>\$ 66,215</u>	<u>\$ 64,030</u>	<u>\$ 57,501</u>	<u>\$ 100,839</u>

b) Liquidity and interest rate risk tables for derivative financial liabilities

Liquidity analysis of derivative financial instruments with gross delivery is prepared on the basis of undiscounted gross cash inflows and outflows. When the amount payable or receivable is not fixed, the amount disclosed is determined by the expected interest rate derived from the yield curve on the balance sheet date.

December 31, 2022

	<u>On Demand or Less than 1 Month</u>	<u>1 to 3 months</u>	<u>3 Months to 1 Year</u>
<u>Gross settled</u>			
Foreign exchange forward contracts			
- Inflows	\$ 1,188,165	\$ 1,750,606	\$ -
- Outflows	( 1,197,036)	( 1,768,780)	-
	<u>(\$ 8,871)</u>	<u>(\$ 18,174)</u>	<u>\$ -</u>

December 31, 2021

	<u>On Demand or Less than 1 Month</u>	<u>1 to 3 months</u>	<u>3 Months to 1 Year</u>
<u>Gross settled</u>			
Foreign exchange forward contracts			
- Inflows	\$ 1,049,371	\$ 1,987,001	\$ 57,671
- Outflows	( 1,052,384)	( 1,991,684)	( 59,512)
	<u>(\$ 3,013)</u>	<u>(\$ 4,683)</u>	<u>(\$ 1,841)</u>

c) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of the balance sheet date, the unused amounts of bank loan facilities were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank loan facilities		
- Amount unused	<u>\$ 46,856,940</u>	<u>\$ 38,572,010</u>

35. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in other notes, details of transactions between the Group and its related parties are disclosed below:

a. Name of the related party and their relationship

<u>Name of the related party</u>	<u>Relationship with the Group</u>
Fujian Gulei Petrochemical Co., Ltd.	Joint ventures
Delmind Inc.	Associate
USI Educational Foundation (USIF)	Other related parties

b. Purchase (classified as cost of goods sold)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Joint ventures	<u>\$ 2,439,051</u>	<u>\$ 267,768</u>

Purchases from related parties had no material difference from those of general purchase transactions.

c. Donation (classified as administrative expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Other related parties		
USIF	<u>\$ 20,000</u>	<u>\$ 16,000</u>

d. Management services income (classified as other income)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Joint ventures	\$ 32,481	\$ 42,221
Associate	<u>3,571</u>	<u>-</u>
	<u>\$ 36,052</u>	<u>\$ 42,221</u>

e. Rental income (classified as other income)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Associate	<u>\$ 251</u>	<u>\$ -</u>

The Group lease the office buildings to the associates and the rental income was received monthly according to the contract. The associates has no rights to ease at the end of the lease terms.

f. Other receivables

<u>Related Party Category/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Joint ventures	<u>\$ 15,819</u>	<u>\$ 21,083</u>

g. Compensation of key management personnel

Remuneration of directors and the key management personnel was as follows:

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Short-term employee benefits	\$ 82,417	\$ 72,530
Retirement benefits	<u>918</u>	<u>491</u>
	<u>\$ 83,335</u>	<u>\$ 73,021</u>

The compensation of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

36. COLLATERALIZED ASSETS

The following assets of the Group have been pledged as collateral for material purchase, outward documentary bill, long-term and short-term financing facilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Pledged time deposits (classified as financial assets measured at amortized cost)	\$ 424,685	\$ 349,137
Property, plant and equipment	225,314	160,158
Land use right (classified as right-of-use assets)	20,099	20,578
Refundable deposits (classified as other non-current assets)	<u>127,211</u>	<u>121,685</u>
	<u>\$ 797,309</u>	<u>\$ 651,558</u>

37. SIGNIFICANT CONTINGENT LIABILITY AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

- a. As of December 31, 2022 and 2021, the Group's unused letter of credit amounted to NT\$2,952,429 thousand and NT\$3,177,888 thousand, respectively.
- b. Regarding the Company's associate, China General Terminal & Distribution Corporation ("CGTD"), who was commissioned to operate the propylene pipeline of LCY Chemical Corp. ("LCY") resulting in a gas explosion on July 31, 2014, the appeal was dismissed by the Supreme Court on September 15, 2021, and all three employees of CGTD were innocent.

On February 12, 2015, CGTD entered into an agreement with the Kaohsiung City Government to provide the Kaohsiung City Government with pledge right set of a bank deposit certificate of NT\$228,904 thousand (including interests) as the guarantee for the loss caused by the gas explosion. Kaohsiung City Government has also filed civil lawsuits against LCY, CGTD and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015.

CGTD had deposited cash of NT\$99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. As of February 23, 2023, the provisionally attached properties were worth NT\$11,393 thousand.

For the victims of the gas explosion, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on July 17, 2015 agreeing to negotiate the compensation first with the 32 severely injured victims, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as "the families of the victims"), paying the families of the victims NT\$12,000 thousand for each victim, with a total settlement of NT\$384,000 thousand. LCY paid the compensation first and also represented the three parties in the settlement negotiation and the signing of settlement agreements with the family of the deceased. In addition, according to the tripartite agreement, CGTD has paid NT\$157,347 thousand to LCY on August 10, 2022 according to the proportion of fault liability, 30%, in the first-instance judgments of this case. Follow-up still awaits the determination of the civil lawsuit, and then make up for it according to the determined liability proportion.

For the severely injured, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on October 25, 2017 agreeing to negotiate the compensation first with the 65 severely injured victims. The compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of February 23, 2023, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against LCY, CGTD and CPC Corporation for compensation claims. To reduce the lawsuit costs, CGTD came to a compromise and reduced the original claim of NT\$46,677 thousand and settled for a compensation amount of NT\$4,519 thousand instead. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is NT\$3,856,447 thousand. The first-instance judgments of some of the above-mentioned civil cases (with a total amount of compensation of approximately NT\$1,440,672 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY and the other defendants should pay is around NT\$401,979 thousand. (In particular, CGTD was exempted to pay NT\$6,194 thousand according to the court's judgment.) For the civil cases that have been sentenced but not settled, CGTD has filed an appeal and has started the second trial procedure one after

another. The remaining cases are still pending in the Court of First Instance (the amount claimed is approximately NT\$1,912,949 thousand). CGTD and its insurance company signed a settlement agreement, covering the proportion of the liability for negligence determined in the first-instance judgment, the estimated amount of the settlement with the victims and the severely injured, and the amount of compensation in civil cases (including cases that have been settled); after the maximum insurance claims is deducted, the estimated amount that should be borne by CGTD and has been recognized is NT\$136,375 thousand. However, the actual amount of the aforementioned relevant settlements and compensation will not be confirmed until the proportion of the liabilities that should be borne by CGTD is determined in the civil case judgment in the future.

### 38. SIGNIFICANT CONTRACTS

- a. TVCM signed a dichloromethane purchase contract with CPC Corporation, Formosa Plastics Corporation and Mitsui Corp. The purchase price was negotiated by both parties according to a pricing formula.

b. Key operation contracts

CGTD is commissioned to operate the storage and transportation of any items of petrochemical raw materials; operating service charges are calculated in accordance with the actual operation quantities and at the rate stated in the contracts. The insurance expenses of petrochemical raw materials are borne by individual commissioned companies.

<u>Commissioning Company</u>	<u>Operation Contract Period</u>
Taita Chemical Company, Ltd.	2022.01.01-2022.12.31
Taiwan VCM Corporation	2022.01.01-2022.12.31
USI Corporation	2022.01.01-2022.12.31
Asia Polymer Corporation	2022.01.01-2022.12.31
LCY Chemical Corp.	2022.01.01-2022.12.31
TSRC Corporation	2022.01.01-2022.12.31
Nantex Industry Co., Ltd.	2022.01.01-2022.12.31
En Chuan Chemical Industries Co., Ltd.	2022.01.01-2022.12.31
Xin Long Guang Plastics Co., Ltd.	2022.01.01-2022.12.31
Oriental Union Chemical Corporation	2022.01.01-2022.12.31
Formosa Plastics Corporation	2022.01.01-2022.12.31
Chi Shen Transportation Co., Ltd.	2022.01.01-2022.12.31
LCY Grit Corp.	2022.01.01-2022.12.31
Shin Foong Specialty And Applied Materials Co., Ltd.	2022.01.01-2022.12.31

The aforesaid operation contracts may be renewed upon expiration.

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

The Group entities' significant financial assets and liabilities denominated in foreign currencies and aggregated by foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

Unit: Foreign and Functional Currencies in Thousands

December 31, 2022				
	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
<u>Foreign currency assets</u>				
<u>Monetary items</u>				
USD	\$ 161,638	30.71 (USD/NTD)	\$ 4,963,909	\$ 4,963,909
USD	4,274	6.96 (USD/RMB)	29,764	131,242
USD	4,612	4.58 (USD/MYR)	21,141	141,621
RMB	604,397	4.41 (RMB/NTD)	2,665,028	2,665,028
RMB	3,542	0.14 (RMB/USD)	508	15,607
AUD	707	20.83 (AUD/NTD)	14,732	14,732
EUR	851	32.72 (EUR/NTD)	27,839	27,839
<u>Non-monetary items</u>				
Joint ventures accounted for using the equity method				
RMB	3,067,840	0.14 (RMB/USD)	440,490	13,527,463
Derivatives				
Sell USD	3,220	30.71 (USD/NTD)	40	40
Sell USD	100	4.58 (USD/MYR)	8	51
Sell RMB	82,900	4.41 (RMB/NTD)	1,631	1,631
Sell EUR	270	4.88 (EUR/MYR)	60	399
<u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	69,686	30.71 (USD/NTD)	2,140,067	2,140,067
USD	19,924	6.96 (USD/RMB)	139,213	613,091
USD	1,659	4.58 (USD/MYR)	7,607	50,958
RMB	12,295	4.41 (RMB/NTD)	54,214	54,214
<u>Non-monetary items</u>				
Derivatives				
Purchase USD	18,400	30.71 (USD/NTD)	9,529	9,529
Sell RMB	428,200	4.41 (RMB/NTD)	16,781	16,781
Purchase JPY	120,000	0.01 (JPY/USD)	862	1,529

December 31, 2021					
	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currencies	NT\$
<u>Foreign currency assets</u>					
<u>Monetary items</u>					
USD	\$ 220,029	27.68	(USD/NTD)	\$ 6,090,148	\$ 6,090,148
USD	5,174	6.38	(USD/RMB)	32,987	143,214
USD	4,570	4.36	(USD/MYR)	19,906	126,505
RMB	495,301	4.34	(RMB/NTD)	2,150,425	2,150,425
RMB	1,611	0.16	(RMB/USD)	253	7,004
AUD	1,000	20.08	(AUD/NTD)	20,078	20,078
EUR	774	31.32	(EUR/NTD)	24,223	24,223
<u>Non-monetary items</u>					
Joint ventures accounted for using the equity method					
RMB	4,453,674	0.16	(RMB/USD)	698,539	19,335,554
Derivatives					
Sell USD	49,930	27.68	(USD/NTD)	6,308	6,308
Sell USD	1,850	4.36	(USD/MYR)	49	313
Sell RMB	137,000	4.34	(RMB/NTD)	1,133	1,133
Sell EUR	60	4.93	(EUR/MYR)	22	143
Purchase JPY	100,000	0.01	(JPY/USD)	14	400
<u>Foreign currency liabilities</u>					
<u>Monetary items</u>					
USD	76,741	27.68	(USD/NTD)	2,124,188	2,124,188
USD	19,106	6.38	(USD/RMB)	528,864	528,864
USD	1,209	4.36	(USD/MYR)	5,265	33,462
RMB	20,782	4.34	(RMB/NTD)	90,223	90,223
<u>Non-monetary items</u>					
Derivatives					
Sell USD	300	4.36	(USD/MYR)	4	28
Sell RMB	238,900	4.34	(RMB/NTD)	3,352	3,352

The net realized and unrealized foreign exchange gain or loss of the Group for the years ended December 31, 2022 and 2021, were NT\$463,721 thousand (gain) and NT\$93,530 thousand (loss), respectively. Due to the wide variety of foreign currency transactions and functional currencies of the Group's individual entities, thus the exchange gains and losses were not disclosed by currency of significant impact.

#### 40. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. reinvestment business :

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 3)
- 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 4)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
- 9) Trading in derivative instruments. (Notes 7 and 34)
- 10) Others: The Business Relationships and Significant Transactions and Amounts between Parent and Subsidiaries and between Subsidiaries. (Table 9)
- 11) Information on investees. (Table 7)

c. Information on Investments in Mainland China:

- 1) Information on investee company in mainland China, including the company names, major business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current profit and loss and recognized 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. (Table 8)
- 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:
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Tables 5 and 9.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Tables 5 and 9.

- c) The amount of property transactions and the amount of the resultant gains or losses: None.
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2.
- e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds: Table 1.
- 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: None.
- d. Information on major shareholders: Name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%. (Table 10)

#### 41. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the financial information of each individual company. The following was the information of the Group's reporting segments:

##### a. Profit or Loss of Reporting Segment

	For the Year Ended December 31, 2022						
	USI	CGPC and CGPC's subsidiaries	TTC and TTC's subsidiaries	ACME and ACME's subsidiaries	APC and APC's subsidiaries	Others	Total
Segment revenue	\$ 15,632,151	\$ 17,637,479	\$ 18,083,799	\$ 3,057,217	\$ 9,815,332	\$ 4,842,592	\$ 69,068,570
Interest income	16,538	10,127	42,437	7,964	11,475	57,998	146,539
Finance costs	( 76,146)	( 26,810)	( 6,835)	( 34,399)	( 10,311)	( 66,032)	( 220,533)
Depreciation and amortization	( 640,340)	( 715,454)	( 208,628)	( 25,074)	( 305,207)	( 551,686)	( 2,446,389)
Pre-tax profit of reporting segment	1,931,735	( 517,183)	544,374	53,072	1,817,771	( 5,604,317)	( 1,774,548)
Income tax (expenses) profits of reporting segment	( 376,638)	179,466	( 132,296)	( 38,355)	( 370,402)	( 19,954)	( 758,179)
Net profit (loss) of reporting segment	1,555,097	( 337,717)	412,078	14,717	1,447,369	( 5,624,271)	( 2,532,727)

	For the Year Ended December 31, 2021						
	USI	CGPC and CGPC's subsidiaries	TTC and TTC's subsidiaries	ACME and ACME's subsidiaries	APC and APC's subsidiaries	Others	Total
Segment revenue	\$ 16,034,251	\$ 20,221,524	\$ 20,771,165	\$ 3,070,315	\$ 9,565,813	\$ 4,865,493	\$ 74,528,561
Interest income	5,948	2,235	41,853	8,982	4,381	16,473	79,872
Finance costs	( 97,352)	( 5,294)	( 5,163)	( 16,399)	( 22,743)	( 25,602)	( 172,553)
Depreciation and amortization	( 621,389)	( 705,030)	( 201,501)	( 201,259)	( 312,444)	( 351,751)	( 2,393,374)
Pre-tax profit of reporting segment	5,870,841	3,307,034	2,407,444	143,781	3,738,206	1,958,899	17,426,205
Income tax expenses of reporting segment	( 679,447)	( 675,616)	( 557,512)	( 53,300)	( 637,079)	( 70,036)	( 2,672,990)
Net profit of reporting segment	5,191,394	2,631,418	1,849,932	90,481	3,101,127	1,888,863	14,753,215

b. Profit and loss of reporting segment and other major adjustments

1) Segment revenue and results

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Pre-tax profit of reporting segment	\$ 3,829,769	\$ 15,467,306
Income tax expenses of reporting segment	( 738,225 )	( 2,602,954 )
Total of net after-tax profit of reporting segment	3,091,544	12,864,352
(Loss) profit of other non-reporting segments	( 5,624,271 )	1,888,863
Deduction of inter-segment loss (profit)	<u>2,471,538</u>	<u>( 4,673,764 )</u>
Consolidated net after-tax profit	<u>(\$ 61,189)</u>	<u>\$ 10,079,451</u>

2) Other significant items reconciliation

	<u>For the Year Ended December 31, 2022</u>							
	<u>USI</u>	<u>CGPC and CGPC's subsidiaries</u>	<u>TTC and TTC's subsidiaries</u>	<u>ACME and ACME's subsidiaries</u>	<u>APC and APC's subsidiaries</u>	<u>Others</u>	<u>Adjustments</u>	<u>Total</u>
Interest income	\$ 16,538	\$ 10,127	\$ 42,437	\$ 7,964	\$ 11,475	\$ 57,998	(\$ 41)	\$ 146,498
Finance costs	( 76,146 )	( 26,810 )	( 6,835 )	( 34,399 )	( 10,311 )	( 66,032 )	1,891	( 218,642 )
Depreciation and amortization	( 640,340 )	( 715,454 )	( 208,628 )	( 25,074 )	( 305,207 )	( 551,686 )	36,703	( 2,409,686 )

  

	<u>For the Year Ended December 31, 2021</u>							
	<u>USI</u>	<u>CGPC and CGPC's subsidiaries</u>	<u>TTC and TTC's subsidiaries</u>	<u>ACME and ACME's subsidiaries</u>	<u>APC and APC's subsidiaries</u>	<u>Others</u>	<u>Adjustments</u>	<u>Total</u>
Interest income	\$ 5,948	\$ 2,235	\$ 41,853	\$ 8,982	\$ 4,381	\$ 16,473	(\$ 271)	\$ 79,601
Finance costs	( 97,352 )	( 5,294 )	( 5,163 )	( 16,399 )	( 22,743 )	( 25,602 )	2,729	( 169,824 )
Depreciation and amortization	( 621,389 )	( 705,030 )	( 201,501 )	( 201,259 )	( 312,444 )	( 351,751 )	57,454	( 2,335,920 )

Since the Group's individual segment assets were not included in the segment information provided chief operating decision-maker, the measured amount of operating segment assets was not disclosed herein.

c. Revenue from main product

<u>Product</u>	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Plastic raw materials	\$ 62,934,920	\$ 68,149,586
Electronic materials	3,057,090	3,018,410
Others	<u>445,112</u>	<u>587,546</u>
	<u>\$ 66,437,122</u>	<u>\$ 71,755,542</u>

d. Geographical information

The main operating region of the Group is Asia, therefore the information about the location of non-current assets were not disclosed.

The amounts of the Group's revenue from continuing operations from external customers by location are detailed below.

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Asia	\$ 52,534,401	\$ 59,989,106
Americas	4,950,262	4,875,056
Europe	1,530,328	306,950
Africa	2,350,640	1,488,398
Oceania	369,129	341,961
Others	<u>4,702,362</u>	<u>4,754,071</u>
	<u>\$ 66,437,122</u>	<u>\$ 71,755,542</u>

e. Information on main customers

No single customer contributed 10% or more to the Group's revenue for both 2022 and 2021.

USI CORPORATION AND SUBSIDIARIES  
FINANCING PROVIDED TO OTHERS  
Year 2022

TABLE 1

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Item	Value			
0	USI CORPORATION	USI Green Energy Corporation	Other receivables - related parties	Yes	\$ 200,000	\$ -	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 9,798,437	\$ 9,798,437	

Note 1. The total capital loans shall not exceed 40% of the net value of the Company's most recent financial statements certified or audited by CPAs. The maximum capital loans is calculated on the net value as of December 31, 2022.

Note 2. The nature of financing is provided as follows:

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

Note 3. All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES  
China General Plastics Corporation  
FINANCING PROVIDED TO OTHERS  
Year 2022

TABLE 1-1

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Maximum amount in current year (Note 3)	Balance at December 31	Actual Borrowing Amount	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Item	Value			
0	China General Plastics Corporation	CGPC Polymer Corporation	Other receivables from related parties	Yes	\$ 300,000	\$ 300,000	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 3,778,709	\$ 3,778,709	

Note 1. Total financing amounts provided to others shall not exceed 40% of CGPC's net value, and the highest aggregate financing limits were calculated by the net value as of December 31, 2022.

Note 2. The nature of financing is provided as follows:

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

Note 3. All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES  
Swanson Plastics Corporation  
Financing provided to others  
Year 2022

TABLE 1-2

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period	Balance at the end of the year (Notes 3 and 4)	Actual Borrowing Amount (Notes 3 and 4)	Range of Interest Rates (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													Item	Value			
1	Forever Young Company Limited	Swanson International Ltd.	Other receivables	Yes	\$ 48,333	\$ -	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 76,167	\$ 114,250	
2	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables	Yes	177,308	174,171	174,171	3.65	2	-	Business turnover	-	-	-	563,960	563,960	

Note 1. The limits of financing provided to others based on the total amount of funds lending to others and the limits of individual objects set by the companies.

Note 2. The nature of financing is provided as follows:

- (1) Business relationship is coded "1".
- (2) Short-term financing is coded "2".

Note 3. The calculation was based on the spot exchange rate of December 31, 2022.

Note 4. All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES  
ENDORSEMENTS/GUARANTEES PROVIDED  
Year 2022

TABLE 2

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Made for Each Party (Note 1)	Maximum Amount Endorsed/Guaranteed During the Period (Note 2)	Outstanding Endorsement/Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 1)	Endorsement / Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	USI CORPORATION	Union Polymer International Investment Corporation	Subsidiary which directly held more than 50% of ordinary shares	\$ 12,248,046	\$ 2,600,000	\$ 2,600,000	\$ -	\$ -	10.61	\$ 14,697,655	Yes	No	No	
0	USI CORPORATION	USI Green Energy Corporation	Subsidiary which directly held more than 50% of ordinary shares	12,248,046	1,300,000	1,300,000	210,000	-	5.31	14,697,655	Yes	No	No	
0	USI CORPORATION	Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	12,248,046	323,550 (USD 5,000 thousand) (NTD 170,000 thousand)	323,550 (USD 5,000 thousand) (NTD 170,000 thousand)	22,000	-	1.32	14,697,655	Yes	No	No	

Note 1. The total amount of endorsements/guarantees provided shall not exceed 60% of the Company's net value. The amount of endorsements/guarantees for an individual entity shall not exceed 50% of the Company's net value. The maximum amount of endorsements/guarantees was calculated based on net value as of December 31, 2022.

Note 2. The calculation was based on the spot exchange rate of December 31, 2022.

USI CORPORATION AND SUBSIDIARIES

Acme Electronics Corporation

Endorsements/Guarantees Provided

Year 2022

Table 2-1

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3)	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement /Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	\$ 2,066,555	\$ 720,586 (USD 16,500 thousand) (RMB 49,000 thousand)	\$ 630,646 (USD 13,500 thousand) (RMB 49,000 thousand)	\$ 261,035 (USD 8,500 thousand)	\$ -	45.78	\$ 2,755,406	No	No	Yes	
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	2,066,555	96,645 (USD 3,000 thousand)	-	-	-	-	2,755,406	No	No	Yes	
		ACME Electronics (Cayman) Corp.	Subsidiary of Acme Electronics Corporation	2,066,555	556,020 (USD 18,000 thousand)	307,100 (USD 10,000 thousand)	254,893 (USD 8,300 thousand)	-	22.29	2,755,406	No	No	No	

Note 1. The rate was calculated by the equity of ACME as of December 31, 2022.

Note 2. The maximum amount of total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of ACME. The maximum amount of endorsement/guarantee for an individual entity shall not exceed 150% of the equity attributable to owners of ACME. The maximum amount of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of December 31, 2022.

Note 3. The calculation was based on the spot exchange rate of December 31, 2022.

USI CORPORATION AND SUBSIDIARIES

Swanson Plastics Corporation

Endorsements/Guarantees Provided

Year 2022

TABLE 2-2

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount (Note 2)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement /Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement /Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Swanson Plastics Corporation	Swanson Plastics (Singapore) Pte., Ltd.	Subsidiary	\$ 5,176,028	\$ 57,665	\$ 54,971	\$ -	\$ -	2.12	\$ 6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsidiary	5,176,028	38,658	36,852	-	-	1.42	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsidiary	5,176,028	96,645	92,130	-	-	3.56	6,470,035	No	No	Yes	
0	Swanson Plastics Corporation	Swanson Technologies Corporation	Subsidiary	5,176,028	349,720	349,720	32,400	-	13.51	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Tianjin) Co., Ltd.	Sub-subsidiary	5,176,028	32,215	30,710	-	-	1.19	6,470,035	No	No	Yes	
0	Swanson Plastics Corporation	PT. Swanson Plastics Indonesia	Subsidiary	5,176,028	64,430	61,420	-	-	2.37	6,470,035	No	No	No	
0	Swanson Plastics Corporation	Forever Young Co., Ltd.	Subsidiary	5,176,028	1,476,698	1,317,459	-	-	50.91	6,470,035	No	No	No	

Note 1. The amount of endorsements/guarantees for an individual entity shall not exceed 200% of SPC's equity stated on the latest financial statements. The maximum amount of total endorsements/guarantees shall not exceed 250% of SPC's equity stated on the latest financial statements.

Note 2. The calculation was based on the spot exchange rate of December 31, 2022.

USI CORPORATION AND SUBSIDIARIES  
China General Plastics Corporation  
ENDORSEMENTS/GUARANTEES PROVIDED  
Year 2022

TABLE 2-3

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 5,668,063	\$ 1,000,000	\$ 600,000	\$ 100,000	\$ -	6.35	\$ 9,446,772	No	No	No	

Note 1. The ratio was calculated by the equity of CGPC as of December 31, 2022.

Note 2. The total amount of guarantee that may be provided by CGPC shall not exceed 100% of CGPC's net worth stated on the latest financial statements. The amount of guarantee that may be provided by CGPC to any individual entity shall not exceed 60% of CGPC's net worth stated on the latest financial statements.

USI CORPORATION AND SUBSIDIARIES  
Taita Chemical Company, Ltd.  
Endorsements/Guarantees Provided  
Year 2022

Table 2-4

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 1)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 1)	Actual Borrowing Amount (Note 1)	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	Subsidiaries that the Company holds 100% of common equity directly	\$ 7,206,214	\$ 184,260 (USD 6,000 thousand)	\$ 184,260 (USD 6,000 thousand)	\$ -	\$ -	2.56	\$ 10,809,321	No	No	No	
0	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Subsidiaries that TTC's subsidiaries hold 100% of common equity directly	7,206,214	573,222 (RMB130,000 thousand)	352,572 (RMB 80,000 thousand)	-	-	4.90	10,809,321	No	No	Yes	

Note 1. The calculation was based on the spot exchange rate of December 31, 2022.

Note 2. The total amount of guarantee that may be provided by TTC shall not exceed 150% of TTC's net worth stated on its latest financial statements; the total amount of guarantee provided by TTC to any individual entity shall not exceed 100% of TTC's net worth stated on its latest financial statements.

The total amount of guarantee that may be provided by TTC and its subsidiaries shall not exceed 200% of TTC's net worth stated on the latest financial statements; the total amount of guarantee provided by TTC and its subsidiaries to any individual entity shall not exceed 150% of TTC's net worth stated on the latest financial statements.

USI CORPORATION AND SUBSIDIARIES  
MARKETABLE SECURITIES HELD

December 31, 2022

Table 3

(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				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI CORPORATION	Shares							
	CTCI Corporation	—	Financial assets at FVTOCI – non-current	15,130,656	\$ 633,218	1.91	\$ 633,218	
	KHL IB Venture Capital Co., Ltd.	—	"	9,954,950	135,276	11.90	135,276	
	AU Optronics Corporation	—	"	6,811,204	102,168	0.09	102,168	
	Evergreen Marine Corporation	—	Financial assets at FVTPL - current	194,500	31,704	-	31,704	
	UPC Technology Corporation	—	"	290,000	3,944	-	3,944	
	Quanta Storage Inc.	—	"	86,000	3,453	-	3,453	
	China Steel Corporation	—	"	350,000	10,430	-	10,430	
	Tungho Steel Corporation	—	"	224,500	11,831	-	11,831	
	Teratech Corporation	—	Financial assets at FVTPL - non-current	110,000	-	-	-	Note 2
	Fund beneficiary certificates							
	Nomura Taiwan Money Market Fund	—	Financial assets at FVTPL - current	604,127	10,003	-	10,003	
	Yuanta De-Li Money Market Fund	—	"	10,265,239	170,088	-	170,088	
	JKO Ping'an Money Market Fund	—	"	853,709	10,003	-	10,003	
	Taishin 1699 Money Market Fund	—	"	12,357,362	170,102	-	170,102	
SinoPac TWD Money Market Fund	—	"	3,540,976	50,015	-	50,015		
Beneficiary securities								
Cathay No. 1 Real Estate Investment Trust	—	"	3,340,000	60,387	-	60,387		
Union Polymer International Investment Corporation	Shares							
	Asia Polymer Corporation	Investments accounted for using the equity method	Financial assets at FVTOCI – non-current	22,182,486	625,546	3.74	625,546	
	China General Plastics Corporation	"	"	4,469,307	117,990	0.77	117,990	
	Taita Chemical Company, Ltd.	"	"	456,253	10,220	0.11	10,220	

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Swanlake Traders Ltd.	Fund beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at FVTPL - current	10,000,000	\$ 10,003		\$ 10,003	
	Shares SOHware Inc.	—	Financial assets at FVTOCI – non-current	1,150,000	-	1.05	-	Note 2
	TGF Linux Communications Inc.	—	"	300,000	-	2.14	-	Note 2
	Neurosky Inc. Preferred Stock D	—	"	2,397,364	-	0.70	-	Note 2
USIFE Investment Co., Ltd.	Shares AU Optronics Corporation	—	Financial assets at FVTOCI - current	1,012,849	15,192	0.01	15,192	
	AU Optronics Corporation	—	Financial assets at FVTOCI – non-current	1,012,849	15,192	0.01	15,192	
	Wafer Works Corporation	—	"	1,502,433	61,299	0.28	61,299	
	Solargiga Energy Holdings Limited	—	"	11,876,111	12,862	0.37	12,862	
	Dah Chung Bills Finance Corp.	—	"	482,757	6,652	0.10	6,652	
	Swanson Plastics Corporation	Same chairman	"	9,809,497	139,785	6.36	139,785	
	USI Optronics Corporation	"	"	165,279	145	0.25	145	
	Digimax Inc.	—	"	23,234	-	0.05	-	
	Silicon Technology Investment (Cayman) Corp.	—	"	911,849	61,942	1.77	61,942	
	China General Plastics Corporation	Same chairman	Financial assets at FVTPL - current	550,722	14,539	0.09	14,539	
	Asia Polymer Corporation	"	"	1,714,180	48,340	0.29	48,340	
	Taita Chemical Company, Ltd.	"	"	1,415,368	31,704	0.36	31,704	
	UPC Technology Corporation	—	"	127,000	1,727	0.01	1,727	
	China Steel Corporation	—	"	175,000	5,215	-	5,215	
	Tungho Steel Corporation	—	"	112,250	5,916	0.02	5,916	
	Evergreen Marine Corporation	—	"	64,566	10,524	-	10,524	
Quanta Storage Inc.	—	"	36,000	1,445	0.01	1,445		
Acme Electronics Corporation	Same chairman	"	500,000	11,975	0.27	11,975		
Superactive Group Company Limited	—	"	678,000	91	-	91		

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan United Venture Capital Corp.	Fund beneficiary certificates Yuanta De-Li Money Market Fund	—	Financial assets at FVTPL - current	4,907,988	\$ 81,322	-	\$ 81,322	
	Fuh Hwa Money Market	—	"	3,440,659	50,328	-	50,328	
	Cathay Taiwan Money Market Fund	—	"	5,844,200	73,749	-	73,749	
	Fund beneficiary certificates Fuh Hwa Money Market	—	Financial assets at FVTPL - current	3,399,556	49,726	-	49,726	
	Cathay Taiwan Money Market Fund	—	"	4,391,849	55,422	-	55,422	
	Shares Innovation & Infinity Global Corp.	—	Financial assets at FVTPL - non-current	720,804	-	0.73	-	Note 2
	Teratech Corporation	—	"	90,000	-	0.58	-	Note 2
	MiTAC Holdings Corporation	—	Financial assets at FVTOCI - current	2,062,000	60,829	0.17	60,829	
	Leadwell Cnc Machines Mfg., Corp.	—	Financial assets at FVTOCI - non-current	419,753	13,520	0.68	13,520	
	Digimax Inc.	—	"	518,898	-	1.18	-	Note 2
	Hexawave Inc.	—	"	109,109	655	0.27	655	
	Uranus Chemicals Co., Ltd.	—	"	15,351	491	0.03	491	
	Neuro Sky, Inc. Preferred Stock A	—	"	10,000,000	-	1.42	-	Note 2
	Neuro Sky, Inc. Preferred Stock B	—	"	12,595,523	-	1.78	-	Note 2
Neuro Sky, Inc. Preferred Stock C	—	"	4,532,823	-	0.64	-	Note 2	
Taiwan United Venture Management Corporation	Fund beneficiary certificates Fuh Hwa Money Market	—	Financial assets at FVTPL - current	91,730	1,342	-	1,342	
INOMA Corporation	Fund beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at FVTPL - current	230,813	3,177	-	3,177	

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Optronics Corporation	Fund beneficiary certificates							
	Jih Sun Money Market Fund	—	Financial assets at FVTPL - current	338,874	\$ 5,104	-	\$ 5,104	
	Taishin Ta-Chong Money Market Fund	—	"	417,233	6,021	-	6,021	
	Taishin 1699 Money Market Fund	—	"	887,541	12,217	-	12,217	
	Yuanta De-Bao Money Market Fund	—	"	498,596	6,084	-	6,084	

Note 1. All securities in the table include stocks, bonds, fund beneficiary certificates and the securities derived from the items above which are regulated by IFRS 9 "Financial Instruments".

Note 2. The amount is already recognized as impairment losses.

Note 3. Please refer to Tables 7 and 8 for detailed information on subsidiaries and associates.

USI CORPORATION AND SUBSIDIARIES  
China General Plastics Corporation  
MARKETABLE SECURITIES HELD  
December 31, 2022

Table 3-1

(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				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Plastics Corporation	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at FVTPL - current	2,997,000	\$ 54,186	-	\$ 54,186	Note 1
	Fund beneficiary certificates							
	Taishin 1699 Money Market Fund	—	Financial assets at FVTPL - current	9,445,668	130,021	-	130,021	Note 1
	Jih Sun Money Market Fund	—	"	7,974,063	120,176	-	120,176	Note 1
	CTBC Hwa-Win Money Market Fund	—	"	4,475,635	50,030	-	50,030	Note 1
	Yuanta De-Li Money Market Fund	—	"	3,019,311	50,028	-	50,028	Note 1
	Shares							
	China Steel Corporation	—	Financial assets at FVTPL - current	350,000	10,430	-	10,430	Note 1
	Tungho Steel Corporation	—	"	95,500	5,033	-	5,033	Note 1
Quanta Storage Inc.	—	"	86,000	3,453	-	3,453	Note 1	
KHL IB Venture Capital Co., Ltd.	—	Financial assets at FVTOCI – non-current	4,977,475	67,644	5.95	67,644	Note 1	
Taiwan VCM Corporation	Fund beneficiary certificates							
	Taishin Ta-Chong Money Market Fund	—	Financial assets at FVTPL - current	8,593,337	124,011	-	124,011	Note 1
	Taishin 1699 Money Market Fund	—	"	8,735,968	120,252	-	120,252	Note 1
	Yuanta De-Li Money Market Fund	—	"	6,037,918	100,045	-	100,045	Note 1
	Hua Nan Phoenix Money Market Fund	—	"	2,119,619	35,015	-	35,015	Note 1
	Shares							
Asia Polymer Corporation	With the same main shareholders as CGPC	Financial assets at FVTOCI – non-current	130,244	3,673	0.02	3,673	Note 1	
CGPC Polymer Corporation	Fund beneficiary certificates							
	Cathay Taiwan Money Market Fund	—	Financial assets at FVTPL - current	3,963,221	50,013	-	50,013	Note 1
	Yuanta De-Li Money Market Fund	—	"	1,811,091	30,009	-	30,009	Note 1
CGPC (BVI) Holding Co., Ltd.	Shares							
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.67	-	Notes 1 and 3
	SOHWARE, Inc - preferred shares	—	"	100,000	-	-	-	Notes 1, 2, and 3

Note 1. No guarantees, pledged loans, or other restrictions on the use of the contract were provided.

Note 2. The preferred shares are not used in the calculation of the shareholding ratio.

Note 3. As of the year ended December 31, 2022, CGPC evaluated the fair value of equity investment in the company as NT\$0.

Note 4. For information about investments in subsidiaries and associated enterprises, please refer to Table 7-3 and 8-3.

USI CORPORATION AND SUBSIDIARIES

Taita Chemical Company, Ltd.

Marketable Securities Held

December 31, 2022

Table 3-2

(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				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	Shares							
	USI CORPORATION	Ultimate parent company	Financial assets at FVTOCI – non-current	15,109,901	\$ 333,929	1.27	\$ 333,929	Note 1
	Harbinger Venture Capital Corp.	—	"	990	7	0.50	7	Note 3
	UPC Technology Corporation	—	Financial assets at FVTPL - current	282,000	3,835	0.02	3,835	Note 1
	China Steel Corporation	—	"	350,000	10,430	-	10,430	Note 1
	Tungsho Steel Corporation	—	"	91,500	4,822	0.01	4,822	Note 1
	Quanta Storage Inc.	—	"	86,000	3,453	0.03	3,453	Note 1
	Fund beneficiary certificates							
	Hua Nan Phoenix Money Market Fund	—	Financial assets at FVTPL - current	1,816,596	30,009	-	30,009	Note 2
	Yuanta De-Li Money Market Fund	—	"	3,018,303	50,012	-	50,012	Note 2
	Yuanta De-Bao Money Market Fund	—	"	7,634,736	93,156	-	93,156	Note 2
	Shin Kong Chi-Shin Money-Market Fund	—	"	1,272,872	20,004	-	20,004	Note 2
	Taishin Ta-Chong Money Market Fund	—	"	3,465,868	50,016	-	50,016	Note 2
	Taishin 1699 Money Market Fund	—	"	6,539,203	90,013	-	90,013	Note 2
Beneficiary securities								
Cathay No. 1 Real Estate Investment Trust	—	Financial assets at FVTPL - current	3,280,000	59,302	-	59,302	Note 1	
TAITA (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd.	—	Financial assets at FVTOCI – non-current	20,219	6	2.22	6	Note 3
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.73	-	Note 4
	Sohoware Inc. - Preferred Shares	—	"	100,000	-	-	-	Note 4

Note 1. The fair value was based on the Taiwan Stock Exchange closing price on the last trading day of December 2022.

Note 2. The fair value was calculated based on the net asset value on the last trading day of December 2022.

Note 3. The fair value is evaluated by the asset method, and is determined by referring to the most recent net worth of the investee company and its observable financial and operating status.

Note 4. As of December 31, 2022, the fair value of equity investment was evaluated by TTC as 0.

Note 5. Please refer to Tables 7-4 and 8-4 for detailed information on subsidiaries and associates.

USI CORPORATION AND SUBSIDIARIES

Asia Polymer Corporation

MARKETABLE SECURITIES HELD

December 31, 2022

Table 3-3

(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				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	Shares							
	Harbinger Venture Capital Corp.	—	Financial assets at FVTOCI – non-current	2,377	\$ 16	1.20	\$ 16	
	KHL IB Venture Capital Co., Ltd.	—	"	9,954,950	135,288	11.90	135,288	
	USI CORPORATION	Ultimate parent company	"	101,355,673	2,239,960	8.53	2,239,960	
	CTCI Corporation	—	"	14,446,107	604,570	1.82	604,570	
	AU Optronics Corporation	—	"	7,694,812	115,422	0.01	115,422	
	Wafer Works Corporation	—	Financial assets at FVTOCI - current	518,668	21,162	0.01	21,162	
	Evergreen Marine Corporation	—	Financial assets at FVTPL - current	194,500	31,703	-	31,703	
	Tungho Steel Corporation	—	"	224,500	11,831	0.03	11,831	
	China Steel Corporation	—	"	350,000	10,430	-	10,430	
	Quanta Storage Inc.	—	"	86,000	3,453	0.03	3,453	
	UPC Technology Corporation	—	"	293,000	3,985	0.02	3,985	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	"	3,316,000	59,953	-	59,953	
	Fund beneficiary certificates							
	Jih Sun Money Market Fund	—	"	9,317,246	140,418	-	140,418	
	Taishin 1699 Money Market Fund	—	"	726,470	10,000	-	10,000	
Taishin Ta-Chong Money Market Fund	—	"	4,519,224	65,218	-	65,218		
Cathay Taiwan Money Market Fund	—	"	792,927	10,006	-	10,006		
Hua Nan Phoenix Money Market Fund	—	"	605,752	10,007	-	10,007		
SinoPac TWD Money Market Fund	—	"	7,101,315	100,303	-	100,303		

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Ending				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd.	—	Financial assets at FVTOCI – non-current	40,467	\$ 7	4.45	\$ 7	
	Silicon Technology Investment (Cayman) Corp. - Preferred Shares	—	"	1,139,776	77,421	2.21	77,421	
	Neurosky Inc. - Preferred Stock D	—	"	2,397,364	-	0.37	-	Note 1
	Solargiga Energy Holdings Ltd.	—	"	15,863,333	17,179	0.48	17,179	
	Teratech Corporation	—	"	112,000	-	0.67	-	Note 1
	TGF Linux Communication, Inc. - Preferred Shares	—	Financial assets at FVTPL - non-current	300,000	-	-	-	Note 1
	Sohoware Inc. Preferred Shares	—	"	450,000	-	-	-	Note 1
APC Investment Corporation	Shares							
	USI CORPORATION	Ultimate parent company	Financial assets at FVTPL - current	44,808	990	-	990	
	Evergreen Marine Corporation	—	"	64,966	10,590	0.01	10,590	
	UPC Technology Corporation	—	"	116,000	1,578	0.01	1,578	
	China Steel Corporation	—	"	175,000	5,215	-	5,215	
	Tungho Steel Corporation	—	"	112,250	5,916	0.02	5,916	
	Quanta Storage Inc.	—	"	36,000	1,445	0.01	1,445	
	Fund beneficiary certificates							
Cathay Taiwan Money Market Fund	—	"	1,292,518	16,310	-	16,310		

Note 1. As a result of the recognition of investment losses over the years, the carrying amount of APC's long-term equity investments in the company is 0.

Note 2. Please refer to Tables 7-5 and 8-5 for detailed information on subsidiaries and associates.

USI CORPORATION AND SUBSIDIARIES  
China General Terminal & Distribution Co.  
MARKETABLE SECURITIES HELD  
December 31, 2022

Table 3-4

(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				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Terminal & Distribution Co.	Shares Asia Polymer Corporation	Investee Companies Using Equity Method for CGTD	Financial assets at FVTOCI – non-current	5,290,482	\$ 149,192	0.89	\$ 149,192	Note 1
	China General Plastics Corporation	"	"	2,940,788	77,637	0.51	77,637	Note 1
	Taita Chemical Company, Ltd.	"	"	2,278,217	51,032	0.57	51,032	Note 1
	China Steel Corporation	—	Financial assets at FVTPL - current	499,552	14,887	-	14,887	Note 2

Note 1. No guarantees, pledged loans, or other restrictions on the use of the contract were provided.

Note 2. 257,000 shares were provided to Taiwan Water Corporation as a provisional attachment.

USI CORPORATION AND SUBSIDIARIES  
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
Year 2022

TABLE 4

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell				December 31, 2022(Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount	
USI CORPORATION	Fund beneficiary certificates														
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	971,287	\$ 175,000	-	\$ -	971,287	\$ 175,082	\$ 175,000	\$ 82	-	\$ -	
	FSITC Taiwan Money Market Fund	"	-	-	15,516,171	240,000	12,921,358	200,000	28,437,529	440,525	440,000	525	-	-	
	Yuanta Wan Tai Money Market Fund	"	-	-	5,235,979	80,000	-	-	5,235,979	80,313	80,000	313	-	-	
	UPAMC James Bond Money Market Fund	"	-	-	7,942,704	134,000	7,109,510	120,000	15,052,214	254,144	254,000	144	-	-	
	Fubon Chih-hsiang Money-market Fund	"	-	-	-	-	12,629,652	200,000	12,629,652	200,112	200,000	112	-	-	
	Hua Nan Phoenix Money Market Fund	"	-	-	20,046,518	329,000	15,212,652	250,000	35,259,170	579,741	579,000	741	-	-	
	Hua Nan Kirin Money Market Fund	"	-	-	19,031,543	230,000	4,131,583	50,000	23,163,126	280,603	280,000	603	-	-	
	Yuanta De-Li Money Market Fund	"	-	-	-	-	16,312,468	270,000	6,047,229	100,055	100,000	55	10,265,239	170,000	
	Capital Money Market Fund	"	-	-	6,136,287	100,000	9,198,204	150,000	15,334,491	250,217	250,000	217	-	-	
	Jih Sun Money Market Fund	"	-	-	16,702,410	250,000	6,670,358	100,000	23,372,768	350,797	350,000	797	-	-	
	Taishin Ta-Chong Money Market Fund	"	-	-	16,379,377	235,000	20,880,619	300,000	37,259,996	535,296	535,000	296	-	-	
	SinoPac TWD Money Market Fund	"	-	-	7,833,977	110,000	10,642,291	150,000	14,935,292	210,174	210,000	174	3,540,976	50,000	
	Taishin 1699 Money Market Fund	"	-	-	19,245,740	263,000	48,864,925	670,000	55,753,303	765,678	763,000	2,678	12,357,362	170,000	
	Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	19,485,772	200,000	19,485,772	200,278	200,000	278	-	-	
	USI Optronics Corporation	Fund beneficiary certificates													
		Jih Sun Money Market Fund	Financial assets at FVTPL - current	-	-	1,016,620	15,000	-	-	677,746	10,181	10,000	181	338,874	5,000
	Taishin Ta-Chong Money Market Fund	"	-	-	-	-	556,417	8,000	139,184	2,003	2,000	3	417,233	6,000	
Union Polymer International Investment Corporation	Fund beneficiary certificates														
	Taishin 1699 Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	726,718	10,000	-	-	-	-	726,718	10,000	
INOMA Corporation	Fund beneficiary certificates														
	Taishin 1699 Money Market Fund	Financial assets at FVTPL - current	-	-	446,739	6,000	-	-	215,926	2,962	2,900	62	230,813	3,100	

Note 1. The carrying cost includes the original acquisition cost, profit and loss of investments accounted for using equity method, exchange rate conversion and net value change adjustments.

Note 2. The ending amount of fund beneficiary certificates denotes the original acquisition cost.

Note 3. Type of limited company without number of shares.

USI CORPORATION AND SUBSIDIARIES

China General Plastics Corporation

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

Year 2022

Table 4-1

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
China General Plastics Corporation	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	-	\$ -	3,109,635	\$ 560,000	3,109,635	\$ 560,061	\$ 560,000	\$ 61	-	\$ -
	FSITC Money Market Fund		-	-	-	-	27,031,631	418,000	21,859,596	338,047	338,000	47	5,172,035	80,000
	FSITC Taiwan Money Market Fund		-	-	-	-	2,670,433	45,000	2,670,433	45,005	45,000	5	-	-
	UPAMC James Bond Money Market Fund		-	-	-	-	27,133,187	445,000	24,392,560	400,077	400,000	77	2,740,627	45,000
	Hua Nan Phoenix Money Market Fund		-	-	-	-	15,721,963	190,000	15,721,963	190,017	190,000	17	-	-
	Hua Nan Kirin Money Market Fund		-	-	-	-	15,012,916	247,000	15,012,916	247,019	247,000	19	-	-
	Yuanta De-Li Money Market Fund		-	-	6,407,463	100,000	7,046,540	110,000	13,454,003	210,019	210,000	19	-	-
	Shin Kong Chi-Shin Money-Market Fund		-	-	-	-	6,140,847	100,000	6,140,847	100,032	100,000	32	-	-
	Capital Money Market Fund		-	-	-	-	6,677,975	100,000	6,677,975	100,040	100,000	40	-	-
	Jih Sun Money Market Fund		-	-	4,190,295	60,000	40,879,691	586,000	45,069,986	646,101	646,000	101	-	-
	Taishin Ta-Chong Money Market Fund		-	-	-	-	7,121,696	100,000	7,121,696	100,010	100,000	10	-	-
	SinoPac TWD Money Market Fund		-	-	4,501,666	50,000	46,771,745	520,000	51,273,411	570,046	570,000	46	-	-
	CTBC Hwa-Win Money Market Fund		-	-	7,255,248	99,000	13,909,262	190,000	21,164,509	289,085	289,000	85	-	-
	Taishin 1699 Money Market Fund		-	-	-	-	24,661,509	406,000	24,661,509	406,049	406,000	49	-	-
	Nomura Taiwan Money Market Fund		-	-	-	-	7,967,178	100,000	3,985,906	50,002	50,000	2	3,981,272	50,000
	Cathay Taiwan Money Market Fund		-	-	-	-	11,718,808	120,000	11,718,808	120,018	120,000	18	-	-
	Taiwan Cooperative Bank Money Market Fund		-	-	-	-	-	-	-	-	-	-	-	-
Taiwan VCM Corporation	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	278,042	50,000	-	-	278,042	50,018	50,000	18	-	-
	FSITC Money Market Fund		-	-	3,240,147	50,000	25,887,463	400,000	29,127,610	450,075	450,000	75	-	-
	FSITC Taiwan Money Market Fund		-	-	-	-	11,872,783	200,000	11,872,783	200,012	200,000	12	-	-
	UPAMC James Bond Money Market Fund		-	-	610,344	10,000	12,200,702	200,000	12,811,046	210,025	210,000	25	-	-
	Hua Nan Phoenix Money Market Fund		-	-	-	-	8,284,524	100,000	8,284,524	100,013	100,000	13	-	-
	Hua Nan Kirin Money Market Fund		-	-	-	-	2,561,689	40,000	2,561,689	40,006	40,000	6	-	-

(Continued)

(Continued)

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)			
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount	
CGPC Polymer Corporation	Capital Money Market Fund	Financial assets at FVTPL - current	-	-	4,611,100	\$ 75,000	5,529,478	\$ 90,000	10,140,578	\$ 165,036	\$ 165,000	\$ 36	-	\$ -	
	Jih Sun Money Market Fund	"	-	-	669,954	10,000	-	-	669,954	10,029	10,000	29	-	-	
	Taishin Ta-Chong Money Market Fund	"	-	-	6,983,874	100,000	22,338,288	320,000	29,322,162	420,059	420,000	59	-	-	
	CTBC Hwa-Win Money Market Fund	"	-	-	-	-	8,999,199	100,000	8,999,199	100,004	100,000	4	-	-	
	Taishin 1699 Money Market Fund	"	-	-	3,664,588	50,000	5,128,431	70,000	8,793,018	120,044	120,000	44	-	-	
	Nomura Taiwan Money Market Fund	"	-	-	-	-	6,079,434	100,000	6,079,434	100,009	100,000	9	-	-	
	Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	14,647,150	150,000	14,647,150	150,009	150,000	9	-	-	
	Fund beneficiary certificates														
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	250,312	45,000	1,999,224	360,000	2,249,535	405,209	405,000	209	-	-	
	FSITC Taiwan Money Market Fund	"	-	-	3,178,916	49,000	36,160,382	559,000	32,874,421	508,400	508,000	400	6,464,876	100,000	
	Hua Nan Phoenix Money Market Fund	"	-	-	7,629,121	125,000	16,094,751	264,000	14,949,274	245,056	245,000	56	8,774,597	144,000	
	Hua Nan Kirin Money Market Fund	"	-	-	3,315,451	40,000	48,446,773	585,000	47,046,842	568,067	568,000	67	4,715,381	57,000	
	Yuanta De-Li Money Market Fund	"	-	-	-	-	7,288,364	120,000	6,316,582	104,027	104,000	27	971,782	16,000	
	Shin Kong Chi-Shin Money-Market Fund	"	-	-	1,601,866	25,000	2,625,640	41,000	4,227,506	66,027	66,000	27	-	-	
	Capital Money Market Fund	"	-	-	11,991,180	195,000	-	-	11,991,180	195,224	195,000	224	-	-	
	Taishin Ta-Chong Money Market Fund	"	-	-	8,941,582	128,000	37,239,819	534,000	39,212,712	562,343	562,000	343	6,968,690	100,000	
	SinoPac TWD Money Market Fund	"	-	-	-	-	7,121,442	100,000	7,121,442	100,011	100,000	11	-	-	
	Taishin 1699 Money Market Fund	"	-	-	15,393,455	210,000	17,554,152	240,000	28,561,000	390,140	390,000	140	4,386,606	60,000	
	Nomura Taiwan Money Market Fund	"	-	-	-	-	3,040,475	50,000	3,040,475	50,002	50,000	2	-	-	
	Cathay Taiwan Money Market Fund	"	-	-	-	-	3,986,923	50,000	3,986,923	50,037	50,000	37	-	-	
Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	50,169,944	514,000	47,732,109	489,062	489,000	62	2,437,835	25,000		

Note 1. The carrying cost includes the original acquisition cost, profit and loss of investments accounted for using equity method, exchange rate conversion and net value change adjustments.

Note 2. The ending amount of fund beneficiary certificates denotes the original acquisition cost.

USI CORPORATION AND SUBSIDIARIES

Taita Chemical Company, Ltd.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

Year 2022

TABLE 4-2

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
Taita Chemical Company, Ltd.	Fund beneficiary certificates	Financial assets at FVTPL - current	-	-	-	\$ -	554,887	\$ 100,000	-	\$ -	\$ -	\$ -	554,887	\$ 100,000
	FSITC Money Market Fund	"	-	-	-	-	16,171,818	250,000	16,171,818	250,052	250,000	52	-	-
	FSITC Taiwan Money Market Fund	"	-	-	-	-	21,822,997	368,000	18,859,507	318,049	318,000	49	2,963,490	50,000
	UPAMC James Bond Money Market Fund	"	-	-	5,248,671	86,000	36,399,248	597,000	37,870,702	621,110	621,000	110	3,777,217	62,000
	Hua Nan Phoenix Money Market Fund	"	-	-	6,962,057	84,000	37,264,857	450,000	44,226,914	534,088	534,000	88	-	-
	Hua Nan Kirin Money Market Fund	"	-	-	-	-	15,193,275	250,000	12,156,807	200,081	200,000	81	3,036,468	50,000
	Shin Kong Chi-Shin Money-Market Fund	"	-	-	5,225,881	85,000	18,423,866	300,000	17,513,648	285,109	285,000	109	6,136,099	100,000
	Capital Money Market Fund	"	-	-	3,022,043	45,000	5,208,229	78,000	8,230,272	123,212	123,000	212	-	-
	Jih Sun Money Market Fund	"	-	-	-	-	10,118,419	145,000	10,118,419	145,066	145,000	66	-	-
	Taishin Ta-Chong Money Market Fund	"	-	-	-	-	33,288,910	370,000	33,288,910	370,034	370,000	34	-	-
	CTBC Hwa-Win Money Market Fund	"	-	-	-	-	12,439,228	170,000	5,128,538	70,019	70,000	19	7,310,690	100,000
	Taishin 1699 Money Market Fund	"	-	-	-	-	3,040,475	50,000	3,040,475	50,008	50,000	8	-	-
	Nomura Taiwan Money Market Fund	"	-	-	-	-	24,986,010	256,000	24,986,010	256,018	256,000	18	-	-
	Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	-	-	-	-	-	-	-	-
TAITA (BVI) Holding Co., Ltd.	Shares Zhangzhou Taita Chemical Co., Ltd.	Investments accounted for using the equity method	-	-	-	-	-	1,378,445	-	-	-	-	-	1,378,445
								(USD 48,580 thousand)						(USD 48,580 thousand) (Note 3)

Note 1. The carrying cost includes the original acquisition cost, profit and loss of investments accounted for using equity method, exchange rate conversion and net value change adjustments.

Note 2. The ending amount of fund beneficiary certificates denotes the original acquisition cost.

Note 3. All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

Year 2022

TABLE 4-3

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

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2022 (Notes 1 and 2)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
Asia Polymer Corporation	Fund beneficiary certificates													
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	-	\$ -	833,164	\$ 150,000	833,164	\$ 150,024	\$ 150,000	\$ 24	-	\$ -
	FSITC Taiwan Money Market Fund	"	-	-	3,564,088	55,000	22,967,753	355,000	20,065,334	310,114	310,000	114	6,466,507	100,000
	UPAMC James Bond Money Market Fund	"	-	-	-	-	21,349,174	360,000	21,349,174	360,027	360,000	27	-	-
	Hua Nan Phoenix Money Market Fund	"	-	-	-	-	9,145,357	150,000	9,145,357	150,040	150,000	40	-	-
	Hua Nan Kirin Money Market Fund	"	-	-	6,381,916	77,000	16,550,041	200,000	8,453,185	102,017	102,000	17	14,478,773	175,000
	Yuanta De-Li Money Market Fund	"	-	-	-	-	3,645,688	60,000	3,645,688	60,001	60,000	1	-	-
	Shin Kong Chi-Shin Money-Market Fund	"	-	-	-	-	640,365	10,000	640,365	10,001	10,000	1	-	-
	Capital Money Market Fund	"	-	-	2,152,072	35,000	1,843,035	30,000	3,995,106	65,026	65,000	26	-	-
	Jih Sun Money Market Fund	"	-	-	16,818,904	249,600	4,137,029	62,000	-	-	-	-	20,955,933	311,600
	Taishin Ta-Chong Money Market Fund	"	-	-	-	-	26,519,389	380,000	26,519,389	380,063	380,000	63	-	-
	CTBC Hwa-Win Money Market Fund	"	-	-	5,672,048	63,000	5,392,241	60,000	5,672,048	63,012	63,000	12	5,392,241	60,000
	Taishin 1699 Money Market Fund	"	-	-	12,021,036	164,000	37,687,142	515,000	45,320,015	619,166	619,000	166	4,388,163	60,000
	Nomura Taiwan Money Market Fund	"	-	-	-	-	1,520,237	25,000	1,520,237	25,003	25,000	3	-	-
	Deutsche Far Eastern DWS Taiwan Money Market Fund	"	-	-	-	-	19,485,559	230,000	19,485,559	230,039	230,000	39	-	-
	Taiwan Cooperative Bank Money Market Fund	"	-	-	-	-	4,880,811	50,000	4,880,811	50,003	50,000	3	-	-
	APC Investment Corporation	Fund beneficiary certificates												
	Cathay Taiwan Money Market Fund	Financial assets at FVTPL - current	-	-	499,525	6,115	2,392,993	30,000	1,600,000	20,083	19,977	106	1,292,518	16,138

Note 1. The carrying cost includes the original acquisition cost, profit and loss of investments accounted for using equity method, exchange rate conversion and net value change adjustments.

Note 2. The ending amount of fund beneficiary certificates denotes the original acquisition cost.

USI CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Year 2022

TABLE 5

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
USI CORPORATION	Asia Polymer Corporation	Subsidiary	Purchase	\$ 1,436,927	14.47	Within 60 days after purchasing on credit	No significant difference	No significant difference	(\$ 184,404)	( 14.29)	Note
	Asia Polymer Corporation	Subsidiary	Sale	( 252,526)	( 0.38)	Within 60 days after selling on credit	"	"	185,661	7.50	Note
	Fujian Gulei Petrochemical Co., Ltd.	Joint ventures	Purchase	669,088	6.74	Current Letter of Credit	"	"	( 110,352)	( 8.55)	
	USI (Hong Kong) Company Ltd.	Subsidiary	Sale	( 321,883)	( 0.48)	Within 60 days after selling on credit	"	"	9,955	0.40	Note
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	( 155,146)	( 0.23)	Within 60 days after selling on credit	"	"	30,630	1.24	Note
	Forever Young Company Limited	Subsidiary	Sale	( 174,122)	( 0.26)	Within 60 days after selling on credit	"	"	69,238	2.80	Note
USI (Hong Kong) Company Ltd.	USI CORPORATION	Parent company	Purchase	321,883	3.24	Within 60 days after purchasing on credit	"	"	( 9,955)	( 0.77)	Note
USI Trading (Shanghai) Co., Ltd.	USI CORPORATION	Parent company	Purchase	155,146	1.56	Within 60 days after purchasing on credit	"	"	( 30,630)	( 2.37)	Note
Forever Young Company Limited	USI CORPORATION	Parent company	Purchase	174,122	1.75	Within 60 days after purchasing on credit	"	"	( 69,238)	( 5.37)	Note

Note: All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

Acme Electronics Corporation

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

Year 2022

TABLE 5-1

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary	Purchase (including processing fee)	\$ 376,718	34	55 days	No significant difference	No significant difference	( \$ 54,149 )	( 54 )	Note
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Sale (including processing fee)	( 376,718 )	( 34 )	55 days	"	"	54,149	20	Note
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary	Sale	( 145,822 )	( 11 )	55 days	"	"	11,083	4	Note
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Purchase	145,822	71	55 days	"	"	( 11,083 )	( 75 )	Note
Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary	Sale	( 247,321 )	( 18 )	55 days	"	"	69,040	23	Note
Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics Corporation	Subsidiary	Purchase	247,321	79	55 days	"	"	( 69,040 )	( 80 )	Note
Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Products Sdn. Bhd.	Subsidiary	Sale	( 176,795 )	( 17 )	55 days	"	"	32,284	11	Note
ACME Ferrite Products Sdn. Bhd.	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchase	176,795	44	55 days	"	"	( 32,284 )	( 52 )	Note

Note: All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

Year 2022

TABLE 5-2

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Swanson Plastics (Singapore) Pte., Ltd. Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	\$ 180,021	76	90 days	No significant difference	No significant difference	Accounts payables - related parties ( \$29,500 )	( 91 )	
	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	( 379,588 )	( 39 )	90 days	"	"	Accounts receivables - related parties 67,711	68	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	( 323,509 )	( 34 )	90 days	"	"	Accounts receivables - related parties 17,732	18	
	PT.Swanson Plastics Indonesia	Have the same ultimate parent company	Sale	( 136,270 )	( 14 )	90 days	"	"	Accounts receivables - related parties 6,159	6	
	USI CORPORATION	Ultimate parent company	Purchase	176,788	19	75 days	"	"	Accounts payables - related parties ( 60,688 )	( 35 )	
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	379,588	40	90 days	"	"	Accounts payables - related parties ( 67,711 )	( 35 )	
	ASK-Swanson (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	( 198,049 )	( 19 )	60 days	"	"	Accounts receivables - related parties 52,932	18	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Yong Company Limited	Have the same ultimate parent company	Purchase	323,509	43	90 days	"	"	Accounts receivables - related parties 17,732	( 43 )	
	Swanson Plastics (Singapore) Pte., Ltd.	Parent company	Sale	( 180,021 )	( 20 )	90 days	"	"	Accounts receivables - related parties 29,500	20	
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Purchase	198,049	66	60 days	"	"	Accounts payables - related parties ( 52,932 )	( 87 )	
PT.Swanson Plastics Indonesia	Forever Young Company Limited	Have the same ultimate parent company	Purchase	136,270	43	90 days	"	"	Accounts payables - related parties ( 6,159 )	( 143 )	

Note: All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

China General Plastics Corporation

Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 Million or 20% Of the Paid-in Capital

Year 2022

TABLE 5-3

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Sale	(\$ 452,012)	( 4)	90 days	No significant difference	No significant difference	Accounts receivables - related parties \$ 144,312	14	Note
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	( 6,196,440)	( 49)	45 days	"	"	Accounts receivables - related parties 790,837	47	Note
	CGPC Polymer Corporation	Fellow company	Sale	( 5,516,012)	( 44)	75 days	"	"	Accounts receivables - related parties 732,016	43	Note
	Fujian Gulei Petrochemical Co., Ltd.	Related party in substance	Purchase	1,071,372	10	Current Letter of Credit	"	"	Accounts payables - related parties -	-	

Note: All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

Asia Polymer Corporation

Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 Million or 20% Of the Paid-in Capital

Year 2022

TABLE 5-4

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sale) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Asia Polymer Corporation	USI CORPORATION	Ultimate parent company	Sale	(\$ 1,436,470)	( 14.94)	60 days	No significant difference	No significant difference	Accounts receivables - related parties \$187,963	17.03	
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	( 229,542)	( 2.39)	90 days	"	"	Accounts receivables - related parties 32,830	2.97	
	USI CORPORATION Fujian Gulei Petrochemical Co., Ltd.	Ultimate parent company	Purchase	252,526	5.29	30 days	"	"	Accounts payables - related parties ( 20,004 )	( 7.15)	
		Associate	Purchase	698,591	14.64	Letter of Credit	"	"	—	-	
USI Trading (Shanghai) Co., Ltd.	USI CORPORATION	Ultimate parent company	Purchase	156,508	3.28	30 days	"	"	Accounts payables - related parties ( 30,630 )	( 10.94)	

Note: All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES  
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

December 31, 2022

Table 6

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
USI CORPORATION	Taiwan VCM Corporation	Subsidiary	Other receivables - related parties \$222,544	-	\$ -	—	\$ 222,544	Note 1
	Asia Polymer Corporation	Subsidiary	Other receivables -m related parties \$185,661	-	-	—	185,661	Note 1

Note 1. It is assessed that no allowance for impairment loss is needed.

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

USI CORPORATION AND SUBSIDIARIES

Swanson Plastics Corporation

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

December 31, 2022

Table 6-1

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Have the same ultimate parent company	Other accounts receivable - related parties \$ 174,873 (RMB 39,659 thousand)	-	\$ -	—	\$ -	Note 1

Note 1. It is assessed that no allowance for impairment loss is needed.

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

Note 3. All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

China General Plastics Corporation

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

December 31, 2022

Table 6-2

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss	
					Amount	Actions Taken			
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Accounts receivable - related parties	\$ <u>144,312</u>	2.71	\$ -	—	\$ -	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable - related parties	\$ <u>790,837</u>	5.43	-	—	790,837	Note 1
	CGPC Polymer Corporation	Fellow company	Accounts receivable - related parties	\$ <u>732,016</u>	5.27	-	—	732,016	Note 1

Note 1. It is assessed that no allowance for impairment loss is needed.

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

Note 3. All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

Taita Chemical Company, Ltd.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

December 31, 2022

Table 6-3

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Sub-subsiary	Other receivables \$ 281,862 (USD 9,178 thousand) (Notes 1 and 3)	-	\$ 281,862	Continuous Collection	\$ -	\$ -

Note 1. The other receivables of Taita Chemical Co., Ltd. are from selling raw materials to Taita Chemical (Tianjin) Co., Ltd., and transferred to other receivables since it had exceeded the normal credit term by a certain period.

Note 2. There was no amount received as of March 3, 2023.

Note 3. All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

Asia Polymer Corporation

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

December 31, 2022

Table 6-4

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

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Asia Polymer Corporation	USI CORPORATION	Ultimate parent company	Accounts receivables	4.88	\$ -	—	\$ 187,963	Note 1
			- related parties \$ 187,963					
			Other accounts receivable		-	—	1,256	Note 1
			- related parties 1,261					

Note 1. It is assessed that no allowance for impairment loss is needed.

Note 2. The subsequent period refers to the period from January 1, 2023 to March 3, 2023.

Note 3. All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES  
INFORMATION ON INVESTEES  
Year 2022

TABLE 7

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
USI CORPORATION	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Taipei City	Investments in production, transportation, warehousing, construction, banking, securities investment companies and trading companies	\$ 550,000	\$ 550,000	89,647,000	100.00	\$ 956,056	(\$ 49,098)	(\$ 49,098)	Subsidiary
	Swanlake Traders Ltd.	Citco Building, Wickhamo Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Trading and investment	728,439	728,439	30,000,000	100.00	1,400,415	15,773	15,773	Subsidiary
	USI (Hong Kong) Company Ltd.	6/F., Caltex House, 258 Hennessy Road, Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	69,411	( 1,233 )	( 1,233 )	Subsidiary
	Union Polymer International Investment Corporation	12F., No. 37, Jihu Rd., Taipei City	Investment (focused on "production and service industry")	3,490,255	3,490,255	897,354,122	100.00	10,289,873	601,472	517,147	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Taipei City	Venture capital (focused on "high technology industry")	471,800	471,800	25,900,000	70.00	185,908	1,961	1,373	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Taipei City	Import and export trade	28,323	28,323	5,749,062	99.96	73,805	12,600	12,593	Subsidiary
	Swanson Plastics Corporation	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of stretch film, embossed film and industrial-use multilayer wrap	171,210	171,210	62,616,299	40.58	1,045,181	( 48,865 )	( 19,827 )	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	221,513	221,513	49,250,733	26.91	355,454	16,348	4,399	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Taipei City	Optical products and fire protection materials	250,354	250,354	9,243,369	94.37	13,347	( 3,716 )	( 3,507 )	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Taipei City	Providing management services	1,000	1,000	671,400	100.00	3,212	3,237	3,237	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	7,645,980	7,645,980	246,670,000	59.13	5,102,760	( 3,522,647 )	( 2,083,045 )	Subsidiary
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Taipei City	Manufacturing and marketing of sapphire single crystal	330,000	330,000	33,000,000	50.85	34,009	( 27,848 )	( 14,159 )	Subsidiary
	USI Green Energy Corporation	12F., No. 37, Jihu Rd., Taipei City	Solar power generation business	70,100	70,100	7,259,418	100.00	111,559	6,844	5,188	Subsidiary
	Delmind Inc.	No.18, Xinglong Rd., Taoyuan Dist., Taoyuan City	Manufacturing of machinery and equipment	90,000	-	9,000,000	30.00	83,922	( 20,259 )	( 6,078 )	Associate
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment business	12,818,523 (USD 417,145 thousand)	12,818,523 (USD 417,145 thousand)	417,145,000	67.40	8,629,306 (USD 280,993 thousand)	( 5,226,273 ) (USD -174,699 thousand)		Subsidiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Gargen One, 33 Hysan Aveme, Causeway Bay, Hong Kong	Investment business	18,083,584 (USD 588,850 thousand)	18,083,584 (USD 588,850 thousand)	588,850,000	85.00	11,869,309 (USD 386,497 thousand)	( 6,167,854 ) (USD -206,156 thousand)		Sub-subsiary
Union Polymer International Investment Corporation	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of polystyrene, propylene, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	1,749,212	1,749,212	145,807,007	36.67	2,855,733	412,077		Sub-subsiary
	Asia Polymer Corporation	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	1,965,437	1,965,437	192,063,336	32.35	5,098,353	1,447,369		Sub-subsiary
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Taipei City	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	1,320,045	1,320,045	140,609,929	24.20	2,415,725	( 370,247 )		Sub-subsiary

(Continued)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
USIFE Investment Co., Ltd.	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	\$ 155,632	\$ 155,632	16,424,242	8.98	\$ 133,125	\$ 16,346		Subsidiary
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Taipei City	Manufacturing of plastic film (bag), industrial plastic products and reinforced plastic products	22,500	22,500	2,250,015	15.00	( 330)	( 31,248)		Sub-subsidiary
	Taiwan United Venture Management Corporation	12F., No. 37, Jihu Rd., Taipei City	Corporate management consulting	8,000	8,000	800,000	100.00	15,513	263		Sub-subsidiary
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	263,759 (USD 8,589 thousand)	175,337 (USD 5,709 thousand)	11,553,462	23.12	288,882 (USD 9,407 thousand)	( 5,961) (USD -195 thousand)		Sub-subsidiary

Note 1. Please refer to Table 8 for relevant information on mainland investee companies.

Note 2. All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

Acme Electronics Corporation  
INFORMATION ON INVESTEEES

Year 2022

TABLE 7-1

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount (Note 2)		As of December 31, 2022			Net Income (Loss) of the Investee for the Period (Note 3)	Investment profit and loss recognized in current year (Note 3)	Remark
				Ending Balance for Current Period	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount (Note 2)			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	\$ 605,182	\$ 605,182	25,621,692	51.27	\$ 648,239	(\$ 5,960) (USD -195 thousand)	(\$ 25,643) (USD -860 thousand)	Note 1
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Corporate investments	669,072	669,072	20,800,000	100.00	1,074,377	52,427	47,075	Note 1
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	Manufacturing and marketing of sapphire single crystal	646,200	646,200	22,064,224	34.00	22,739	( 27,848)	( 9,467)	
ACME Electronics (Cayman) Corp.	ACME Components (Malaysia) Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Corporate investments	365,173 (USD 11,891 thousand)	365,173 (USD 11,891 thousand)	42,600,000	100.00	708,904 (USD 23,048 thousand)	51,199 (MYR 7,836 thousand)		Note 1
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Manufacturing and marketing of manganese-zinc soft ferrite core	254,321 (MYR 37,964 thousand)	254,321 (MYR 37,964 thousand)	9,120,000	100.00	699,335 (MYR 104,394 thousand)	51,774 (MYR 7,925 thousand)		Note 1

Note 1. The carrying amount and the recognized investment gain (loss) for the period have been fully written off when preparing the consolidated financial statements.

Note 2. The foreign currency amount was calculated based on the spot exchange rate of December 31, 2022.

Note 3. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2022.

Note 4. Please refer to Table 8-1 for relevant information on mainland investee companies.

USI CORPORATION AND SUBSIDIARIES

Swanson Plastics Corporation

INFORMATION ON INVESTEEES

Year 2022

TABLE 7-2

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022 (Note 3)	Investment profit and loss recognized in current year (Note 3)	Remark
				December 31, 2022 (Note 1)	December 31, 2021 (Note 1)	Number of Shares (In Thousands of Shares)	Percentage (%)	Carrying Amount (Note 2)			
Swanson Plastics Corporation	Swanson Plastics (Singapore) Pte., Ltd.	2 Venture Drive Vision Exchange #12-10 Singapore 608526	Production and marketing of plastic products	\$ 808,506	\$ 808,506	36,863	100.00	\$ 1,770,316	\$ 32,425	\$ 32,425	
	Forever Young Company Limited	Skelton Building Main Street P.O. Box 3136 Road Town, Tortola British Virgin Islands	Trading and agency businesses	1,297	1,297	50	100.00	38,083	( 548)	( 548)	
	Swanson International Ltd.	Ugland House, P.O.Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	499,996	454,134	16,041	100.00	1,643,122	17,032	17,032	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City	Planting agriculture, marketing, research and development of agricultural products, production, sale, and development of EVA packaging films and other high value-added plastic products	245,000	245,000	10,500	70.00	( 1,538)	( 31,248)	( 21,874)	
Swanson Plastics (Singapore) Pte., Ltd.	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Manufacturing and marketing of plastic products	7,979	7,979	261	1.00	7,586	21,048	210	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Plot 505, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, Zon Perdagangan Bebas, 13600 Perai, Seberang Perai, Malaysia	Manufacturing and marketing of plastic products	202,483 (USD 6,593 thousand)	202,483 (USD 6,593 thousand)	20,000	100.00	491,154 (USD 15,993 thousand)	38,983 (USD 1,308 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Manufacturing and marketing of plastic products	507,048 (USD 16,511 thousand)	507,048 (USD 16,511 thousand)	107,351	100.00	279,077 (USD 9,087 thousand)	( 5,191) (INR -13,735 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Manufacturing and marketing of plastic products	793,547 (USD 25,840 thousand)	793,547 (USD 25,840 thousand)	25,840	99.00	751,050 (USD 24,456 thousand)	21,048 (IDR 10,447,802 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	217,859 (USD 7,094 thousand)	217,859 (USD 7,094 thousand)	3,157	100.00	564,582 (USD 18,384 thousand)	39,747 (USD 1,334 thousand)		

Note 1. The carrying amount and the recognized investment gain (loss) for the period have been fully written off when preparing the consolidated financial statements.

Note 2. Original investment amount and book amounts were calculated using the spot exchange rate of December 31, 2022.

Note 3. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2022.

Note 4. Please refer to Table 8-2 for relevant information on mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

INFORMATION ON INVESTEES

Year 2022

TABLE 7-3

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Investment Loss (Loss) for the Year Ended December 31, 2022	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacturing and marketing of VCM	\$ 2,933,648	\$ 2,933,648	259,591,005	87.27	\$ 4,076,858	\$ 21,552	\$ 223,093	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Taipei City	Manufacturing and marketing of PVC resins	800,000	800,000	100,000,000	100.00	701,707	( 522,042 )	( 522,042 )	Subsidiary
	CGPC (BVI) Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100.00	333,626	( 24,490 )	( 24,490 )	Subsidiary
	China General Terminal & Distribution Co.	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	23,892,872	33.33	355,611	29,772	9,924	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881	Marketing of PVC two- or three-time processed products	648,931	648,931	100	100.00	186,395	( 47,552 )	( 47,552 )	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74	23,911	16,348	284	Associate accounted for using the equity method
Taiwan VCM Corporation	Global Green Technology Corporation	12F., No. 37, Jihu Rd., Taipei City	Environmental detection services	50,000	-	5,000,000	100.00	52,642	2,642	-	Subsidiary

Note 1. All the transactions were written off when preparing the consolidated financial statements.

Note 2. Please refer to Table 8-3 for relevant information of mainland investee companies.

USI CORPORATION AND SUBSIDIARIES

Taita Chemical Company, Ltd.

INFORMATION ON INVESTEEES

Year 2022

TABLE 7-4

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2022	Share of Profit (Loss)	Note (Note 1)
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 2,755,854 (USD 89,738 thousand)	\$ 2,755,854 (USD 89,738 thousand)	89,738,000	100.00	\$ 3,144,353 (USD 102,389 thousand)	( \$ 37,084 ) ( Loss in USD -1,129 thousand)	( \$ 37,084 ) (Loss in USD -1,129 thousand)	Subsidiary (Note 2)
	China General Plastics Corporation	Taipei City	Production and marketing of PVC tape and other plastic products	65,365	65,365	11,516,174	1.98	187,231	( 370,247 )	( 7,339 )	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Warehousing of petrochemical raw materials	41,082	41,082	23,892,871	33.33	355,611	29,772	9,924	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Production and marketing of manganese-zinc soft ferrite powder	44,771	44,771	4,445,019	2.43	33,466	16,348	398	Investments accounted for using the equity method
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	52,208 (USD 1,700 thousand)	52,208 (USD 1,700 thousand)	2,695,619	5.39	67,401 (USD 3,195 thousand)	( 5,961 ) ( Loss in USD -195 thousand)	-	Investments accounted for using the equity method

Note 1. The calculation is based on the financial statements of the investee company during the same period which have been audited by CPAs.

Note 2. All the transactions were written off when preparing the consolidated financial statements.

Note 3. Please refer to Table 8-4 for relevant information on mainland investee companies.

USI CORPORATION AND SUBSIDIARIES

Asia Polymer Corporation

INFORMATION ON INVESTEEES

Year 2022

TABLE 7-5

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Share of Profit (Loss)	Remark
				December 31, 2022	December 31, 2021	Number of Shares	Percentage (%)	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment business	\$ 423,024 (USD 13,775 thousand)	\$ 423,024 (USD 13,775 thousand)	11,342,594	100.00%	\$ 586,541	\$ 14,072	\$ 14,072	Subsidiary
	APC Investment Corporation	Taipei City	Investment business	200,000	200,000	20,000,000	100.00%	156,074	( 12,287 )	( 12,287 )	Subsidiary
	USI International Corp.	British Virgin Islands	Reinvestment business	64,491 (USD 2,100 thousand)	64,491 (USD 2,100 thousand)	2,100,000	70.00%	69,338	97	68	Subsidiary
	China General Plastics Corporation	Taipei City	Production and marketing of PVC films, PVC leather, PVC pipes, PVC compounds, PVC resins, construction products, chlor-alkali products and other relevant products	247,412	247,412	46,886,185	8.07%	762,280	( 370,247 )	( 29,876 )	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Petrochemical materials storage and transportation operations	41,082	41,082	23,892,871	33.33%	355,611	29,772	9,924	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei City	Production and marketing of stretch films and industrial use multi-layer films	75,242	75,242	12,266,779	7.95%	205,730	( 48,865 )	( 3,884 )	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	61,348	61,348	6,056,623	3.31%	45,599	16,348	541	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei City	Investments in high-tech undertakings	52,791	52,791	3,080,866	8.33%	22,114	1,961	163	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei City	Manufacturing and marketing of sapphire single crystal	59,725	59,725	5,972,464	9.20%	6,155	( 27,848 )	( 2,563 )	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment business	5,235,287 (USD 170,475 thousand)	5,235,287 (USD 170,475 thousand)	170,475,000	40.87%	3,526,546	( 3,522,647 )	( 1,439,602 )	Investments accounted for using the equity method
	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment business	161,071 (USD 5,245 thousand)	161,071 (USD 5,245 thousand)	8,316,450	16.64%	207,944	( 5,961 )	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
APC Investment Corporation	USI International Corp.	British Virgin Islands	Reinvestment business	27,639 (USD 900 thousand)	27,639 (USD 900 thousand)	900,000	30.00%	29,716	97	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	14,889	14,889	1,884,548	1.03%	14,188	16,348	-	APC Investment Corporation Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei City	Production and marketing of EVA packaging films	22,500	22,500	2,250,015	15.00%	( 330 )	( 31,248 )	-	APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment business	12,810,523 (USD 417,145 thousand)	12,810,523 (USD 417,145 thousand)	417,145,000	67.40%	8,629,306 (USD280,993 thousand)	( 5,226,273 ) (USD -174,699 thousand)	-	Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment business	18,083,584 (USD 588,850 thousand)	18,083,584 (USD 588,850 thousand)	588,850,000	85.00%	11,869,309 (USD386,497 thousand)	( 6,167,854 ) (USD -206,156 thousand)	-	Ever Victory Global Ltd. Investments accounted for using the equity method

Note 1. All the transactions were written off when preparing the consolidated financial statements.

Note 2. Please refer to Table 8-5 for relevant information of mainland investee companies.

USI CORPORATION AND SUBSIDIARIES  
Information on investments in mainland China  
Year 2022

TABLE 8

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 7)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 7)	Investment Flows for the Year Ended December 31, 2022 (Note 6)		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2022 (Note 7)	Net Income (Loss) of the Investee for the Year Ended December 31, 2022 (Note 9)	Ownership of Direct or Indirect Investment (%)	Investment profit and loss recognized in current year (Notes 6 and 9)	Book value of investment at the end of the year (Note 7)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc soft ferrite core	\$ 943,565 (USD 30,725 thousand)	Note 1	\$ 86,526 (USD 2,818 thousand)	\$ -	\$ -	\$ 86,526 (USD 2,818 thousand)	(\$ 45,406) (USD -1,488 thousand)	23.12	(\$ 9,608) (USD -315 thousand)	\$ 183,566 (USD 5,977 thousand)	\$ -
Zhangzhou Taiju Trading Co., Ltd.	Import and distribution of various types of chemical raw materials and products	44,094 (RMB 10,000 thousand)	Note 1	-	30,341 (RMB 7,000 thousand)	-	30,341 (RMB 7,000 thousand)	( 3,038 ) (USD -50 thousand)	70.00	( 2,127 ) (USD -35 thousand)	28,753 (USD 936 thousand)	-
USIG (Shanghai) Co., Ltd.	Import and distribution of various types of chemical raw materials and products	153,550 (USD 5,000 thousand)	Note 2	153,550 (USD 5,000 thousand)	-	-	153,550 (USD 5,000 thousand)	( 1,571 ) (USD -54 thousand)	100.00	( 1,571 ) (USD -54 thousand)	130,756 (USD 4,258 thousand)	-
Fujian Gulei Petrochemical Co., Ltd.	Crude oil processing and petroleum products manufacturing	41,070,915 (RMB9,314,400 thousand)	Note 3	7,015,691 (USD 228,450 thousand)	-	-	7,015,691 (USD 228,450 thousand)	( 12,297,060 ) (USD -410,988 thousand)	16.94	( 2,083,030 ) (USD -69,618 thousand)	4,582,911 (USD 149,232 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2022 (Notes 7)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 5 and 7)	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 7,541,471 (USD 245,371 thousand)	\$ 9,487,802(Note 5) (USD 308,948 thousand)	\$ -(Note 4)

Note 1. The Company reinvested in China-based companies via Swanlake Traders Ltd. (100%) by wiring transfer funds to other areas.

Note 2. The Company directly invested in China-based companies (100%).

Note 3. The Company indirectly invested 50% in Fujian Gulei Petrochemical Co., Ltd. via Ever Conquest Global Limited (59.13%), then reinvested Ever Victory Global Limited (67.40%), and finally reinvested Dynamic Ever Investments Limited (85.00%) in the third region.

Note 4. As the Company has obtained the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 11251003100 on February 7, 2023, the upper limit on investment in mainland China is not applicable.

Note 5. It includes the investment amounted to US\$257,939 thousand in Fujian Gulei Petrochemical Co., Ltd. in the mainland region through remittance from the third region as approved by the Investment Commission, MOEA (2) No. 10500116380 dated on September 1, 2016, Investment Commission, MOEA (2) No. 10500234240 dated on December 29, 2016 and Investment Commission, MOEA (2) No. 10800262920 dated on February 26, 2020, the investment to establish a sales company amounted to US\$32,200 thousand through a third region as approved by the Investment Commission, MOEA (2) No. 10900245220 dated on October 5, 2020, and the investment amounted to US\$1,422 thousand in Acme Electronics (Kunshan) Co., Ltd. through a third region as approved by the Investment Commission, MOEA (2) No. 11000010830 dated on January 21, 2021.

Note 6. Except for the investment in Fujian Gulei Petrochemical Co., Ltd., the recognized investment gain (loss) and carrying amount in the period have been fully written off when preparing the consolidated financial statements.

Note 7. The calculation was based on the spot exchange rate of December 31, 2022.

Note 8. Except for the Fujian Gulei Petrochemical Co., Ltd., whose numbers were based on the review of Deloitte Touche Tohmatsu Limited and use the accounting principles to adjust and recognize like the parent company, the others were based on its financial statements reviewed by the Certified Public Accountants of its ROC company.

Note 9. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2022.

USI CORPORATION AND SUBSIDIARIES  
Acme Electronics Corporation  
Information on Investments in Mainland China  
Year 2022

TABLE 8-1

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 6)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 4)	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2022 (Note 4)	Net Income (Loss) of the Investee for the Period (Note 5)	Ownership of Direct or Indirect Investment	Investment profit and loss recognized in current year (Notes 3, 5 and 7)	Book value of investment at the end of the year (Notes 6 and 7)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
ACME Electronics (Kunshan)	Manufacturing and marketing of manganese-zinc soft ferrite core	\$ 943,565 (USD 30,725 thousand)	Indirect investment via ACME (Cayman).	\$ 374,188 (USD 11,144 thousand)	\$ -	\$ -	\$ 374,188 (USD 11,144 thousand)	(\$ 45,406 ) (RMB -10,188 thousand)	51.27%	(\$ 23,281 ) (RMB -5,224 thousand)	\$ 407,089 (RMB 92,323 thousand)	\$ -
Acme Electronics (Guang-Zhou)	Manufacturing and marketing of manganese-zinc soft ferrite core	589,632 (USD 19,200 thousand)	Indirect investment via GAEL.	619,676 (USD 19,200 thousand)	-	-	619,676 (USD 19,200 thousand)	52,558 (RMB 11,814 thousand)	100.00%	52,558 (RMB 11,814 thousand)	1,047,850 (RMB 237,640 thousand)	-

Accumulated Outward Remittance of Investment to Mainland China from Taiwan at the End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$931,864(USD30,344 thousand) (Notes 2 and 4)	\$1,124,999(USD36,633 thousand) (Notes 2 and 6)	\$ - (Note 1)

Note 1. As ACME has obtained the certificate of qualification for operating headquarters issued by the Investment Development Bureau, MOEA No. 09704604680 on August 29, 2008, the upper limit on investment is not applicable.

Note 2. It includes the capital increase transferred from surplus of Acme Electronics (Kunshan) Co., Ltd., and ACME increased the amount of USD 6,289 thousand at its ownership percentage.

Note 3. The investment gain (loss) recognized for the year ended December 31, 2021 was calculated on the basis of financial statements audited and approved by CPAs of the parent company of ACME.

Note 4. The calculation was based on the exchange rate of the original investment.

Note 5. The amount is calculated based on the average exchange rate during the period from January 1 to December 31, 2022.

Note 6. The calculation was based on the spot exchange rate of December 31, 2022.

Note 7. The carrying amount and the recognized investment gain (loss) for the period have been fully written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES  
Swanson Plastics Corporation  
Information on Investments in Mainland China  
Year 2022

TABLE 8-2

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2022	Net Income (Loss) of the Investee for the Period (Note 4)	Ownership Percentage of Direct or Indirect Investment (%)	Investment profit and loss recognized in current year (Note 4)	Carrying Amount as of the End of Period (Note 5)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022	Remark
					Outflow	Inflow							
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	\$ 408,136 (USD 13,290 thousand)	Indirect investment via Swanson International Ltd. of British Cayman Islands.	\$ 223,930	\$ -	\$ -	\$ 223,930	(\$ 16,857) (USD -566 thousand)	100.00	(\$ 16,857) (USD -566 thousand)	\$ 1,076,094 (USD 35,041 thousand)	\$ 49,018 (USD 1,600 thousand)	Notes 6 and 8
ASK-Swanson (Kunshan) Co., Ltd.	Production and sales of PE release film and other release products	279,461 (USD 9,100 thousand)	Indirect investment in A.S. Holdings (UK) Limited via Swanson International Ltd. of British Cayman Islands.	193,447	-	-	193,447	40,011 (USD 1,342 thousand)	100.00	40,011 (USD 1,342 thousand)	563,965 (USD 18,364 thousand)	64,395 (USD 2,327 thousand)	Notes 7 and 8
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	328,597 (USD 10,700 thousand)	Indirect investment via Swanson (Singapore) Private Ltd. in the third region.	170,754	-	-	170,754	( 22,943 ) (USD -770 thousand)	100.00	( 22,943 ) (USD -770 thousand)	52,371 (USD 1,705 thousand)	-	

Accumulated Outward Remittance of Investment to Mainland China from Taiwan at the End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 588,131	\$1,006,850 (USD32,786 thousand)	\$ -(Note 2)

- Note 1. The paid-in capital and the investment amount approved by the Industrial Development Bureau, MOEA were calculated using the spot exchange rate on December 31, 2022.
- Note 2. As SPC had obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920418410 on June 18, 2020, the upper limit on investment is not applicable.
- Note 3. All the transactions were written off when preparing the consolidated financial statements.
- Note 4. The amount is calculated based on the average exchange rate during the period from January 1 to December 31, 2022.
- Note 5. The calculation was based on the spot exchange rate of December 31, 2022.
- Note 6. Swanson International Ltd received a cash dividend of USD 1,600 thousand from its reinvestment company Swanson Plastics (Kunshan) Co., Ltd. in 2022, which has been remitted to Swanson Plastics Corporation.
- Note 7. Swanson International Ltd received a cash dividend of USD 2,327 thousand from its reinvestment company API-Swanson (Kunshan) Co., Ltd. in 2021, which has been remitted to Swanson Plastics Corporation.
- Note 8. Calculated at the exchange rate at remittance.

USI CORPORATION AND SUBSIDIARIES  
China General Plastics Corporation  
Information on investments in mainland China  
Year 2022

TABLE 8-3

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 1)	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2022 (Note 1)	Net Income (Loss) of the Investee for the Period (Note 4)	Ownership of Direct or Indirect Investment	Investment profit and loss recognized in current year (Note 4)	Book value of investment at the end of the year (Notes 1 and 4)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacturing & marketing of PVC film and consumer products	\$ 614,200 (USD 20,000 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	\$ 614,200 (USD 20,000 thousand)	\$ -	\$ -	\$ 614,200 (USD 20,000 thousand)	(\$ 26,469) (USD -865 thousand)	100%	(\$ 26,469) (USD -865 thousand)	\$ 240,228 (USD 7,823 thousand)	\$ -
CGPC Consumer Products Corporation (CGPC (CP)) (Note 4)	Manufacturing and sales of PVC third-time processed products	46,065 (USD 1,500 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	46,065 (USD 1,500 thousand)	-	-	46,065 (USD 1,500 thousand)	653 (USD 22 thousand)	100%	653 (USD 22 thousand)	14,317 (USD 466 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2022 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA (Note 2)
\$ 831,688(USD27,082 thousand)	\$ 964,294(USD31,400 thousand)	\$ -

Note 1. The calculation was based on the spot exchange rate of December 31, 2022.

Note 2. As CGPC had obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920426850 on September 8, 2020, the upper limit on investment is not applicable.

Note 3. QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)") and Union (Zhong Shan) Co., Ltd. ("Union (ZS)") completed dissolution procedures, and CGPC (BVI) retrieved the residual assets. The shares of Continental General Plastics (SanHe) Co., Ltd. ("CGPC (SH)") were fully sold, and CGPC (BVI) retrieved the residual assets. However, the amount of capital has not been wired back to Taiwan. The accumulated amount includes the investment amount of CGPC (QZ) of US\$684 thousand, the investment amount of Union (ZS) of US\$898 thousand, and the investment amount of CGPC (SH) of US\$4,000 thousand.

Note 4. All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES  
Taita Chemical Company, Ltd.  
Information on Investments in Mainland China  
Year 2022

TABLE 8-4

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2022	Net Income (Loss) of the Investee for the Period (Note 6)	Ownership of Direct or Indirect Investment	Investment profit and loss recognized in current year (Note 6)	Book value of investment at the end of the year (Note 6)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and sales of polystyrene derivatives	\$ 1,420,338 (USD 46,250 thousand) (Note 1)	Reinvest in the mainland companies by establishing a company through investment in the third region	\$ 1,320,530 (USD 43,000 thousand)	\$ -	\$ -	\$ 1,320,530 (USD 43,000 thousand)	(\$ 19,457) (USD -552 thousand)	100.00%	(\$ 19,457) (USD -552 thousand) (Note 7)	\$ 1,826,664 (USD 59,481 thousand) (Note 7)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)") (Note 8)	Production and sales of polystyrene derivatives	839,919 (USD 27,350 thousand) (Note 2)	Reinvest in the mainland companies by establishing a company through investment in the third region	798,460 (USD 26,000 thousand)	-	-	798,460 (USD 26,000 thousand)	( 37,119) (USD -1,248 thousand)	100.00%	( 37,119) (USD -1,248 thousand) (Note 7)	( 152,697) (USD -4,972 thousand) (Note 7)	-
Zhangzhou Taita Chemical Company, Limited (ZTC)	Production and sales of polystyrene derivatives	1,491,879 (USD 48,580 thousand) (Note 3)	Reinvest in the mainland companies by establishing a company through investment in the third region	-	-	-	-	12,104 (USD 396 thousand)	100.00%	12,104 (USD 396 thousand) (Note 7)	1,365,483 (USD 44,464 thousand) (Note 7)	-
Acme Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	943,565 (USD 30,725 thousand)	Investment through a holding company registered in a third region ACME Electronics (Cayman) Corp	41,582 (USD 1,354 thousand)	-	-	41,582 (USD 1,354 thousand)	( 45,406) (USD -1,488 thousand)	5.39%	( 2,449) (USD -80 thousand)	42,829 (USD 1,395 thousand)	-

Accumulated Outward Remittance of Investment to Mainland China from Taiwan at the End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$2,160,572 (USD70,354 thousand)	\$3,863,850 (USD 125,817 thousand) (Note 4)	\$ -(Note 5)

Note 1. Taita Zhongshan increased capital from surplus of USD 3,250 thousand in 2007.

Note 2. Taita Tianjin increased capital from surplus of USD 1,350 thousand in 2012.

Note 3. ZTC has registered for establishment in 2021, and TAITA (BVI) injected capital of ZTC amounted to USD 48,580 thousand on March 8, 2022.

Note 4. It includes the capital increase transferred from surplus by TAITA (ZS) of USD 3,250 thousand, capital increase transferred from surplus by TAITA (TJ) of USD 1,350 thousand, capital increase transferred from surplus by ACME (KS) of USD 802 thousand and capital injection from TAITA (.) to ZTC of USD 50,000 thousand.

Note 5. As TTC has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 11120416710 on June 8, 2022, the upper limit on investment in Mainland China is not applicable.

Note 6. The calculation is based on the financial statements audited and approved by CPAs of the parent company of TTC.

Note 7. All the transactions were written off when preparing the consolidated financial statements.

Note 8. TTC management has decided to suspend the production of TAITA (TJ) from April 2019, and please refer to Note 12 to the Consolidated Financial Statements Description.

USI CORPORATION AND SUBSIDIARIES  
Asia Polymer Corporation  
Information on investments in mainland China  
Year 2022

TABLE 8-5

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows for the current year		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2022	Net Income (Loss) of the Investee for the Year Ended December 31, 2022 (Note 3)	Ownership of Direct or Indirect Investment	Investment profit and loss recognized in current year (Note 3)	Investment Carrying amount as of the Year Ended December 31, 2022 (Note 4)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2022
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc ferrite core	\$ 943,565 (USD 30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 128,287 (USD 4,177 thousand)	\$ -	\$ -	\$ 128,287 (USD 4,177 thousand)	B (\$ 45,406 )	16.64%	(\$ 7,557)	\$ 132,135	\$ -
USI Trading (Shanghai) Co., Ltd.	Sales of chemical products and equipment, etc.	76,775 (USD 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	93,223 (USD 3,036 thousand)	-	-	93,223 (USD 3,036 thousand)	B 12,645	100.00%	12,645	150,782	-
Fujian Gulei Petrochemical Co., Ltd.	Crude oil processing and petroleum products manufacturing	41,070,915 (RMB9,314,400 thousand)	(2) Dynamic Ever Investments, Ltd. (Note 2)	4,848,583 (USD 157,883 thousand)	-	-	4,848,583 (USD 157,883 thousand)	A ( 12,297,060 )	11.71%	( 1,439,881 )	2,951,151	-
Zhangzhou Taiju Trading Co., Ltd.	Sales of chemical products	44,094 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	-	13,643 (RMB 3,000 thousand)	-	13,643 (RMB 3,000 thousand)	A ( 3,038 )	30.00%	( 911 )	12,323	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 5,231,762 (Note 5) (USD 170,360 thousand)	\$ 6,873,992 (USD 223,836 thousand)	\$ - (Note 6)

Note 1. Methods of Investment can be divided into three categories as follows:

- (1) Direct investments in mainland companies.
- (2) Reinvestments in mainland companies through a holding company registered in a third region (please specify the holding company).
- (3) Others.

Note 2. The Company indirectly reinvested in 50% of the outstanding shares of Fujian Gulei Petrochemical Co., Ltd. via Ever Conquest Global Limited (40.87%), then reinvested Ever Victory Global Limited (67.40%), and finally vis Dynamic Ever Investments Limited (85.00%).

Note 3. For the column of Investment Gain (Loss) for the Year Ended December 31, 2022:

- (1) If there is no investment gain (loss) during the preparation, it shall be noted.
- (2) If the basis for the recognition of investment gain (loss) is classified into the following three categories, it shall be noted as follows:
  - A. Financial statements audited by international accounting firms in partnership with CPA firms in the Republic of China.
  - B. Financial statements audited by CPAs of the parent company in Taiwan.
  - C. Others.

Note 4. The calculation was based on the spot exchange rate of December 31, 2022.

Note 5. APC invested in Silicon Technology Investment (Cayman) Corp. (STIC) and Solargiga Energy Holdings Ltd. through APC (BVI) Holding Co., Ltd. to indirectly invest in companies in mainland China.

Note 6. As APC has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 11120425760 on August 23, 2022, the upper limit on investment is not applicable.

Note 7. Except for the investment in Fujian Gulei Petrochemical Co., Ltd., the recognized investment gain (loss) and book value in the period have been fully written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FROM JANUARY 1 TO DECEMBER 31, 2022

Table 9

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Trading Company	Counterparty	Relationships with trader (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Transaction Terms	% of Total Consolidated Operating Revenue or Total Asset (%) (Note 4)
0	USI CORPORATION	Swanson Plastics Corporation	1	Sales revenue	\$ 86,833	No significant difference	0.13%
0	USI CORPORATION	Forever Young Company Limited	1	Sales revenue	174,122	No significant difference	0.26%
0	USI CORPORATION	USI Trading (Shanghai) Co., Ltd.	1	Sales revenue	155,146	No significant difference	0.23%
0	USI CORPORATION	USI (Hong Kong) Company Ltd.	1	Sales revenue	321,883	No significant difference	0.48%
0	USI CORPORATION	Asia Polymer Corporation	1	Purchase	1,436,927	No significant difference	2.16%
0	USI CORPORATION	Swanson Plastics Corporation	1	Purchase	69,688	No significant difference	0.10%
0	USI CORPORATION	Dynamic Ever Investments Limited	1	Management service revenue	14,722	No significant difference	0.02%
0	USI CORPORATION	Asia Polymer Corporation	1	Sales revenue	252,526	No significant difference	0.32%
0	USI CORPORATION	Forever Young Company Limited	1	Accounts receivable	69,238	No significant difference	0.09%
0	USI CORPORATION	USI Trading (Shanghai) Co., Ltd.	1	Accounts receivable	30,630	No significant difference	0.04%
0	USI CORPORATION	Asia Polymer Corporation	1	Other receivables	185,661	No significant difference	0.24%
0	USI CORPORATION	Taiwan VCM Corporation	1	Other receivables	222,544	No significant difference	0.29%
0	USI CORPORATION	USI Management Consulting Corp.	1	Management service expenses	161,606	No significant difference	0.21%
0	USI CORPORATION	Asia Polymer Corporation	1	Accounts payable	184,404	No significant difference	0.24%
0	USI CORPORATION	China General Terminal & Distribution Co.	1	Storage tank operating expenses	33,680	No significant difference	0.05%
0	USI CORPORATION	Taiwan VCM Corporation	1	Accounts receivable	222,544	No significant difference	0.29%
1	Asia Polymer Corporation	China General Terminal & Distribution Co.	3	Storage tank operating expenses	33,307	No significant difference	0.05%
1	Asia Polymer Corporation	Swanson Plastics Corporation	3	Purchase	42,693	No significant difference	0.05%
1	Asia Polymer Corporation	Swanson Plastics Corporation	3	Sales revenue	24,044	No significant difference	0.03%
1	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd.	3	Accounts receivable	32,830	No significant difference	0.05%
1	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd.	3	Sales revenue	229,541	No significant difference	0.35%
2	China General Plastics Corporation	Swanson Plastics Corporation	3	Purchase	63,127	No significant difference	0.08%
2	China General Plastics Corporation	USI Management Consulting Corp.	3	Management service expenses	74,077	No significant difference	0.11%
2	China General Plastics Corporation	Taiwan VCM Corporation	3	Accounts payable	790,837	No significant difference	1.02%
2	China General Plastics Corporation	Taiwan VCM Corporation	3	Purchase	6,196,489	No significant difference	9.33%
2	China General Plastics Corporation	CGPC America Corporation	3	Accounts receivable	144,312	No significant difference	0.19%
2	China General Plastics Corporation	CGPC America Corporation	3	Sales revenue	454,504	No significant difference	0.68%
2	China General Plastics Corporation	CGPC Polymer Corporation	3	Purchase	48,475	No significant difference	0.07%

(Continued)

(Continued)

No. (Note 1)	Trading Company	Counterparty	Relationships with trader (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Transaction Terms	% of Total Consolidated Operating Revenue or Total Asset (%) (Note 4)
3	Taita Chemical Company, Ltd.	USI Management Consulting Corp.	3	Management service expenses	\$ 70,290	No significant difference	0.09%
3	Taita Chemical Company, Ltd.	China General Terminal & Distribution Co.	3	Storage tank operating expenses	11,549	No significant difference	0.02%
3	Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	3	Other receivables	281,862	No significant difference	0.42%
4	USI Management Consulting Corp.	Taiwan VCM Corporation	3	Management service revenue	27,715	No significant difference	0.04%
4	USI Management Consulting Corp.	Asia Polymer Corporation	3	Management service revenue	65,772	No significant difference	0.10%
4	USI Management Consulting Corp.	Swanson Plastics Corporation	3	Management service revenue	30,383	No significant difference	0.05%
4	USI Management Consulting Corp.	China General Terminal & Distribution Co.	3	Management service revenue	23,642	No significant difference	0.04%
4	USI Management Consulting Corp.	USI CORPORATION	2	Management service revenue	161,606	No significant difference	0.24%
5	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Accounts payable	732,016	No significant difference	0.94%
5	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Other payables	34,435	No significant difference	0.04%
5	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Purchase	5,516,012	No significant difference	7.10%
6	China General Terminal & Distribution Co.	Taiwan VCM Corporation	3	Storage tank operating expenses	99,027	No significant difference	0.13%
7	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Sales revenue	248,111	No significant difference	0.32%
7	Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Sales revenue	145,878	No significant difference	0.22%
7	Acme Electronics Corporation	ACME Ferrite Product Sdn. Bhd.	3	Sales revenue	27,371	No significant difference	0.04%
7	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Cost of goods sold	38,503	No significant difference	0.06%
7	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Royalty revenue	27,697	No significant difference	0.04%
7	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Accounts receivable	69,040	No significant difference	0.09%
7	Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Accounts receivable	11,083	No significant difference	0.02%
7	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Other receivables	25,265	No significant difference	0.03%
7	Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Notes and accounts payable	54,129	No significant difference	0.07%
8	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Sales revenue	45,639	No significant difference	0.06%
8	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Cost of goods sold	36,652	No significant difference	0.06%
8	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	3	Sales revenue	176,795	No significant difference	0.23%
8	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	3	Accounts receivable	32,284	No significant difference	0.04%
9	Swanson Plastics Corporation	Forever Young Company Limited	3	Revenue	27,406	No significant difference	0.04%
9	Swanson Plastics Corporation	Forever Young Company Limited	3	Management service revenue	21,236	No significant difference	0.03%
9	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	3	Revenue	10,659	No significant difference	0.01%
9	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	3	Accounts receivable	10,429	No significant difference	0.02%
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	3	Revenue	381,293	No significant difference	0.49%
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	3	Accounts receivable	67,711	No significant difference	0.09%
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Revenue	323,509	No significant difference	0.49%
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Operating costs	57,200	No significant difference	0.09%

(Continued)

(Continued)

No. (Note 1)	Trading Company	Counterparty	Relationships with trader (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Transaction Terms	% of Total Consolidated Operating Revenue or Total Asset (%) (Note 4)
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Accounts receivable	\$ 17,732	No significant difference	0.02%
10	Forever Young Company Limited	Swanson Plastics (India) Private Limited	3	Revenue	65,488	No significant difference	0.08%
10	Forever Young Company Limited	PT. Swanson Plastics Indonesia	3	Revenue	136,270	No significant difference	0.18%
11	Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Operating costs	180,021	No significant difference	0.23%
11	Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Accounts payable	29,500	No significant difference	0.04%
11	Swanson Plastics (Singapore) Pte., Ltd.	PT. Swanson Plastics Indonesia	3	Operating costs	56,508	No significant difference	0.07%
12	Swanson Plastics (Kunshan) Co., Ltd.	ASK-Swanson (Kunshan) Co., Ltd.	3	Revenue	198,050	No significant difference	0.25%
12	Swanson Plastics (Kunshan) Co., Ltd.	ASK-Swanson (Kunshan) Co., Ltd.	3	Accounts receivable	52,932	No significant difference	0.07%
12	Swanson Plastics (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	3	Accounts payable	49,698	No significant difference	0.06%
13	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	3	Other receivables	174,873	No significant difference	0.22%

Note 1. The information about the transactions between the Company and the subsidiaries should be marked in the note column as follows:

1. The parent company: 0.
2. The subsidiaries were marked from 1 in order of numeric characters by the companies.

Note 2. Investment types are as follows:

1. The parent company to its subsidiary.
2. The subsidiary to the parent company.
3. Between subsidiaries.

Note 3. All the transactions were written off when preparing the consolidated financial statements.

Note 4. The ratio of transactions related to total sales revenue or assets is calculated as follows: a. Assets or liabilities: The ratio was calculated based on the ending balance of total consolidated assets; and b. Income or loss: The ratio was calculated based on the ending accumulated amount of total consolidated sales revenue.

USI CORPORATION  
INFORMATION ON MAJOR SHAREHOLDERS  
December 31, 2022

Table 10

Names of Major Shareholders	Shares	
	Number of Shares Held	Percentage of Ownership (%)
Shing Lee Enterprise (Hong Kong) Limited	173,776,546	14.61
Whole gainer Company Limited's investment account under custody of Fubon Securities Co., Ltd.	110,000,000	9.25
Asia Polymer Corporation	101,355,673	8.52

Note 1. The table discloses shareholding information of shareholders whose shareholding percentage is more than 5%. The Taiwan Depository & Clearing Corporation (TDC) calculates the total number of ordinary shares and preferred shares (including treasury shares) that have completed the dematerialized registration and delivery on the last business day of the quarter. The share capital reported in the Company's consolidated financial statements and the actual number shares that have completed the dematerialized registration and delivery may be different due to the difference in the basis of calculation.

Note 2. In the event where the shareholders delivers its equity to trust, the information is disclosed in the form of individual trust accounts opened by the trustee. As for the shareholders declaring insider equity holdings of more than 10% of the shares in accordance with the Securities and Exchange Act, their shareholdings include the shares held by themselves plus the shares delivered to trust while retaining the right to determine the utilization. For information on insider equity declarations, please refer to the Market Observatory Post System.