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USI CORPORATION
Annual Report 2021

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Chapter 1 LETTER TO SHAREHOLDERS

Dear Shareholders,

Looking back at 2021, the Company has posted consolidated revenue of NT\$71,760,000,000, an increase of NT\$21,550,000,000 from the previous year, of which the budget achievement rate was 142%. The Company's consolidated profit before tax was NT\$12.75 billion, an increase of NT\$5.63 billion from last year. The consolidated net profit after tax was NT\$10,080,000,000, the budget achievement rate was 455%, and the consolidated net profit after tax attributed to owners of the Company was NT\$5,190,000,000.

The Company's operating performance in 2021 was as follows:

Sales and Marketing:

For operations of this year, prices surged after the Spring Festival because supply was impacted by ice storm at the beginning of this year. Production of the encapsulating film factory decreased for continuous significant increase in prices of raw materials such as EVA, and production capacity of EVA increased in Mainland China, the prices started to drop from the end of the second quarter. In consideration that installation in Mainland China greatly fell behind in the first half of this year, stimulus proposals were launched in Mainland China in succession. Thus, the demands for PV increased significantly and EVA prices hit an all-time high in October. Thereafter, correction of EVA prices was initiated, because the encapsulating film factory couldn't conduct cooperation due to soaring costs. This year, 224,000 tons of EVA have been sold, with an increase of 5% from the previous year. With normal supply of face masks, the demands for HDPE products have become normal. In terms of ABS/PS products, Affected by the COVID-19 epidemic and the ferment of stay-at-home economy in 2021, the demand in mainland was strong, and the demand increased significantly with a good margin. Given that the demand for GPS products surged due to the increase in consumption of disposable tableware driven by the COVID epidemic, the

Company continued to increase the proportion of sales of high-profit products made from injection molding to ensure its operating performance. As for EPS products, although the international market is in a situation of oversupply and sea freight has been significantly increased, basically it can still be passed on smoothly due to the development and growth of new markets/new customers, as well as the improved sales ratio of general-purpose EPS with better profit, coupled with the quality advantages of original ordinary materials and rapid prototyping materials, and the continuously improved quality of ultra-light materials. In terms of Vinyl Chain, the explosive demand arising from the COVID-19 epidemic since 2020 continued at the beginning of 2021, which led to the rising prices and overall low PVC inventory. In addition, the winter storm in Texas in the central region of the United States caused the shutdown of manufacturers and the intensive annual repairs of Asian manufacturers from March, the market imbalance of PVC supply kept worsening. Later, Affected by the lockdown caused by re-emergence of the COVID-19 epidemic and the halted economic activities after national isolation, the demand in South America and India plummeted. In the third quarter, factors such as the United States hit by hurricanes, India's urgent order demand, and the lack of space/container caused freight rates to soar. And in the fourth quarter, the prices were prompted to rise again by the dual control of energy consumption in the mainland. After deducting the amount of VCM used for the production of PVC powder, the Company has exported 28,000 tons of VCM, with an increase of 130% from the previous year. After deducting the amount of PVC powder used for the production of downstream processed products, the Company has exported 359,000 tons of PVC powder, with an increase of 2% from the previous year. In terms of chemical products, due to price increase in sodium hydroxide and hydrochloric acid and accented market conditions for the electronics industry, the annual output of chemical products was 66,000 tons (calculated at 100% concentration) and the sales volume was 60,000 tons, an increase of 3% from previous year. As for the self-made PVC powder products, sales of building materials and tape products declined, mainly due to the government's policy of



cracking down on the real estate market, shrink of the end user market, the decline in orders from downstream customers, and tariff barriers. Rubber cloth products grew along with the recovery of the US automotive market. The sales volume for ferrite cores this year was 11,000 tons, an increase of 41% from the previous year, due to the steady recovery of demand for passive components along with the recovery of the global economy, the increased penetration rate of 5G smart phones, and the booming downstream demand for electric vehicles and industrial control products.

Production Management:

The annual production volume of PE / EVA was 385,000 tons. Constantly improve production processes, eliminate obsolete equipment and update equipment to improve production efficiency and quality, so as to reduce production costs and actively promote trial production of niche products. Actively improve workplace safety and environmental protection; promote introduction of PSM and execute proposals for energy conservation and reduction of carbon emissions. This year, the Company has invested in two solar fields with a power generation capacity of 4MW, which can produce 0.1 billion kW.h green power and reduce carbon emissions by 5 metric tons, to attain its goals of achieving sustainable development and reducing carbon emissions. The annual production volume of ABS/PS was 438,000 tons. The annual production volume was 448,000 tons for VCM, and 433,000 tons for PVC powder. The annual production volume of ferrite cores was 10,000 tons. Continuously improve the production process, upgrade old equipment to improve production efficiency and quality, and build a raw material recovery system to reduce raw material consumption rate. The Company will continue to implement lean production and introduce automation and digitalization to integrate the production systems. Doing so will make the production systems more automatic, reasonable, and smart, thereby improve the overall quality and cost competitive edge. At the same time, the Company continued to pay serious attention to and strictly implement workplace safety and

environmental protection, as well as strengthen predictive maintenance measures to ensure the safety of every plant and operating environments.

Corporate Social Responsibility:

The Company will continue to pay serious attention to and strictly implement workplace safety and environmental protection, as well as strengthen predictive maintenance measures to ensure the safety of every plant and operating environments. For sustainable development and in terms of social responsibilities, the Company has started promoting carbon footprint and water management in addition to continuously promoting green energy development and factories' smart energy management. It has strongly promoted energy conservation, reduction of carbon emissions, recycling and public security. In terms of social public welfare, the Company has not only actively taken part in activities related to public welfare and epidemic prevention and provided local residents with work opportunities, but also supported the disadvantage and rural areas while caring for environment through the USI Education Foundation. It has also education and charity organizations as well as service club activities at colleges and universities by providing scholarships, to fulfill its corporate social responsibilities with practical actions.

Research and Development:

Continued to optimize the production process and develop new specifications of cyclic block copolymers for optical grade materials. By optimizing the production process and improving the quality and performance of raw materials, the Company made major breakthroughs in the application of special packaging materials and UVC-related applications, and passed a number of new medical-related regulations, to be actively promoted in the field of medicine bottles and pre-filling injection. The Company continued to expand the market application of high VA EVA products to inks, shoe foaming, and wires and cables. High-MI HDPE raw materials were put into steady production and used in manufacturing process such as injection molding. Orders kept coming in and



products were shipped. Furthermore, the Company has also improved the process for existing products to enhance product quality and promote them to high-end market applications. The Company has developed glass wool for soundproof wooden floors, ABS products with effectively lowered residual monomer, and antistatic EPS products, as well as environmentally friendly and energy-saving EPS products used as automotive materials and furniture packing materials. The explosion in the stay-at-home economy has led to a significant increase in global demand for PC, Notebook, game consoles, 5G communication and server-related products. The Company continues to actively develop related products in line with this market context. In terms of the automotive electronics market, due to the rise of the electric vehicle market, the market demand for passive components has grown significantly. In terms of power, the Company has charging piles, on-board chargers and DC power converters. In terms of sensors, it has keyless induction antenna rods, tire pressure detectors. and Internet of Vehicles and other related products. After years of in-depth development, the Company is still growing.

Comprehensive Annual Operating Performance:

As for operating conditions this year, the Company's profits have hit a record high due to increased product sales and widened product spreads. The consolidated net operating income from the Company's businesses was NT\$12.88 billion, an increase of 87% from the previous year, of which the budget achieving rate was 327%. The Company's consolidated non-business net losses, including losses of investment accounted for using equity method, amounted to NT\$130 million.

Overview of 2021 Business Plan and Strategic Planning for Future Development:

Looking forward into 2022, Possibly affected by the epidemic, geopolitical risks and other factors, global economic uncertainties will increase in the future, the Company will, in terms of PE/PVA products, strive to seek stable sources of low-price ethylene sources, reduce production costs, improve product quality,

make more efforts to develop markets outside mainland China to diversify risks, continue to develop differentiated products, and strengthen the research and development of new products and new technologies, so as to achieve sustainable operations and development. The Company will increase the proportion of direct customers of ABS, increase the proportion of sales of GPS products made from injection molding, and strive to achieve the main goals of 100% sales ratio and continued increase in the proportion of sales of general-purpose materials for EPS; and continue to control the inventory of raw materials and finished products to avoid market fluctuations that affect operating performance. In 2022, the low new capacity of PVC than demand growth, sustained high PVC demand from the emerging market, and China's restriction on and reduction of production in PVC by the calcium carbide method subject to environmental factors will help promote the positive development of PVC/VCM prices. As the material supply side is estimated to be superior to levels in 2021, we expect to attain a certain amount of profits. However, we must pay close attention to the impact of the post-COVID-19 epidemic stage on the global economy, and the recent tensions between Russia and Ukraine affecting oil prices and raw material supply chains. The Company will actively seek to expand VCM/PVC production capacity, continue to implement equipment automation, improve the energy efficiency of existing equipment, substitute new equipment for old ones, and establish an intelligent manufacturing management system; build an automatic storage system, and promote Processes Safety Management (PSM) to ensure operation safety; and actively develop new products that are high value-added and differentiated. It is hoped that the highest profit can be obtained through the overall planning of the industry chain. It is expected to achieve an annual sales volume of 382,000 tons for PE/EVA products, 550,000 tons for the Vinyl series and the downstream processed products, and 449,000 tons for ABS/PS products. With constant launch of new applications, the electronics industry abounds with emerging opportunities. Given this, along with its efforts in sharpening the competitive edge of the ferrite core business and in actively developing new business, the Company hopes to



continue the growth and progress and generate better profits. The Company has gradually developed the market applications of SiC, while countries around the world have listed SiC as a strategic key material, and Taiwan has also included this material in policy-backed development projects. The Company has made certain progress in the development of high-purity SiC powder, with a sustainable growth in its sales, and will upscale production and sales in line with the development of markets, e.g., the electric vehicle market and 5G power modules market. The Company will also actively develop the application market for high-purity SiC ceramic products to prepare for the next new opportunity. In addition to its commitment to developing high value-added products, the Company also continuously strives to ensure product quality and service advantage, make good use of vertical integration, actively engage in active management and enhance product competitiveness to enable the sustainable development and growth of the Company.

I want to express my utmost gratitude to all our beloved shareholders for your continuous support and encouragement for the Company. I wish everyone good health and all the best.

Chairman

Yi-Gui Wu



General Manager

Ke-Shun Wang



Chapter 2 Company Profile

I. Date of Founding

The Company was founded on May 26, 1965.

II. Company History:

1. The Company's current capital is NT\$11.9 billion, with over 110,000 shareholders and 400 employees. Since 1972, the Company has been listed on the Taiwan Stock Exchange.
2. The main business of the Company is to design, develop, manufacture and sell polyethylene plastic pellets. The Company's head office and factory are located in Renwu District, Kaohsiung. Polyethylene produced by the Company can be classified as the following: Low Density Polyethylene (LDPE), Ethylene Vinyl Acetate (EVA), High Density Polyethylene (HDPE) and Linear Low Density Polyethylene (LLDPE). Polyethylene plastic pellets are processed by downstream manufacturers to produce a wide range of plastic products for everyday use.
3. At the beginning of our founding, the Company was a wholly-owned subsidiary of National Distillers and Chemical Corporation (NDCC) from the United States of America. The Company built Taiwan's first ever LDPE plant in the Kaohsiung area, where production started in May 1968. After consecutive expansions and the addition of EVA production lines, the current production capacity of the plant stands at 150,000 metric tons per annum.
4. In July 1980, the Company merged with United Polymers Corporation and added the production and sale of HDPE, thus having an annual production capacity of 80,000 metric tons.
5. In December 1989, the Company's LLDPE plant was completed. In addition to LLDPE, the plant was also designed to produce HDPE. The annual production capacity of the second plant stands at approximately 130,000 metric tons.
6. The primary raw material for the Company's product is ethylene, which is supplied by the third, fourth and fifth naphtha cracking plants owned by CPC Corporation.
7. On November 15, 1982, NDCC sold all its shares in the Company (approximately 43% of the total shares issued) to a Hong Kong company, Shing Lee Enterprise Limited.
8. The Company set up a research and development (R&D) division in Linkou,



Greater Taipei, which serves as an independent R&D center. Due to its outstanding performance, the Company was awarded the top prize in the consumer petrochemical category during the 4th National Industrial Innovation Award organized by the Ministry of Economic Affairs on December 18, 1995.

9. Since March 1, 1997, the Company participated in the management of China General Plastics Corporation (CGPC) via indirect investment, thereby expanding our scope of business and creating the synergistic effect of resource integration. Furthermore, the Company is also actively diversifying our investments in various sectors, including electronics, materials, finance, venture capital and others, with the purpose of enhancing our profitability.
10. In September 1997, CGPC subscribed to NT\$ 800 million worth of new shares issued by Taiwan VCM Corporation (TVCM), thus achieving an actual shareholding ratio of 87.22% in the company.
11. In March 1998, our plant successfully obtained its ISO 14001 certification. On March 10, 1999, the Company won the Outstanding Plant Award in the 1998 Pollution Control Assessment by the Environmental Protection Administration under the Executive Yuan. The Company's mission is to provide excellent products and services and satisfy customer needs. Through total quality management, as well as environmental, safety and health management, the Company is committed to enhancing operating performance to gain a competitive advantage.
12. In May 2000, Taita Chemical Company (TTC) completed the first EPS production line at its Zhongshan plant in Mainland China. The second production line was completed in October of the same year, and went into production smoothly.
13. In June 2000, Acme Electronics Corporation (ACME) established Acme Electronics (Cayman) Corp. in Cayman Islands, with a shareholding ratio of 21.05%, and invested in Acme Electronics (Kunshan) Co., Ltd. through Acme Electronics (Cayman) Corp.
14. In July 2000, Acme Electronics (Kunshan) Co., Ltd. successfully obtained a business license, and began the construction of its plant. The plant went into production in July 2001.
15. In March 2001, the Company obtained OHSAS 18001 certification, and in May 2020, the Company converted the version and completed ISO 45001 certification.
16. In May 2001, the trial run for the new GPS/IPS NOVA production process was completed at TTC's Cianjhen plant with an annual production capacity

- of 10,000 metric tons, and the plant went into production smoothly.
17. USI Management Consulting Corporation (UM), which was founded in 2001, is responsible for implementing a common platform for the Group's administration, industrial relations, information engineering, finance and accounting operations in order to enhance the synergistic effect of resource integration through common service functions in our group.
 18. In December 2002, the Company converted our ISO 9002 certification to ISO 9001 certification.
 19. In response to the promotion of the use of electronic systems by the Industrial Development Bureau, the Company set up an e-service system for the petrochemical industry in 2003.
 20. In October 2004, the third EPS production line at TTC's Zhongshan plant in Mainland China was completed, thus increasing its production capacity to 150,000 tons.
 21. In November 2004, Acme Electronics Corporation invested 100% in Acme Electronics (Guangzhou) Co., Ltd. via a company established in a third region, namely Golden Amber Enterprises Ltd.
 22. In September 2005, TTC completed the construction of its EPS plant in Tianjin, Mainland China. A production trial run was also completed in October in the same year. Its production capacity is 100,000 metric tons.
 23. In March 2006, the Company invested in USI Trading (Shanghai) Co., Ltd. via Swanlake Traders Ltd. This company was then transferred to Asia Polymer Corporation (APC) on October 19, 2016.
 24. In March 2008, ACME presented the outcome of the New Leading Sapphire Product Development Guidance Program.
 25. In the third quarter of 2008, TTC completed the debottlenecking project at its Cianjhen plant, and its Zhongshan plant in Mainland China, thus increasing the production capacity at each plant to 66,000 tons and 180,000 tons respectively.
 26. In May 2009, CGPC established a wholly-owned subsidiary known as CGPC Polymer Corporation, with a registered capital of NT\$ 800 million. A PVC powder plant with an annual production capacity of 170,000 tons was built in Linyuan Industrial Park, Kaohsiung. The plant officially began operations in February 2012.
 27. In December 2009, ACME acquired Acme Components (Malaysia) Sdn. Bhd. via Acme Electronics (Cayman) Corp.
 28. In 2010, the Company engaged in capital increase by earnings and issued 120 new shares for every one thousand shares owned, thus issuing 92,568,379



- shares in total. The Company's paid-in capital after the capital increase was NT\$ 8,639,715 thousand.
29. In June 2010, the Company won the Excellence Award in the 2009 Excellent Unit for the Promotion of Labor Health and Safety organized by the Ministry of Labor under the Executive Yuan.
 30. In October 2010, ACME divested its Sapphire business and transferred this business to its wholly-owned subsidiary, USI Optronics Corporation in order to implement organization restructuring and specialization, thereby enhancing competitiveness and operating performance.
 31. In 2011, the Company engaged in capital increase by earnings and issued 150 new shares for every one thousand shares owned, thus issuing 129,595,731 shares in total. The Company's paid-in capital after the capital increase was NT\$ 9,935,673 thousand.
 32. In June 2011, the Company won the Excellence Award in the 2010 Excellent Unit for the Promotion of Labor Health and Safety organized by the Ministry of Labor under the Executive Yuan.
 33. In December 2011, the Company's Board of Directors decided to invest NT\$ 3.1 billion to build an EVA production line with an annual production capacity of 40,000 to 45,000 tons at the Kaohsiung plant. The production line went into production in 2016.
 34. In December 2011, APC's Board of Directors decided to invest NT\$ 3.1 billion to build an EVA production line with an annual production capacity of 40,000 to 45,000 tons at its Linyuan plant. The production line went into production in 2016.
 35. In 2012, the Company engaged in capital increase from earnings and issued 150 new shares for every one thousand shares owned, thus issuing 149,035,091 ordinary shares in total. The Company's paid-in capital after the capital increase reached NT\$11,426,024 thousand.
 36. In March 2013, the Company's Board of Directors decided to invest NT\$2.7 billion in building a cyclic block copolymer production plant.
 37. In November 2013, the Company's Board of Directors decided to establish USIG (Shanghai) Co., Ltd. ("USIG") through investment.
 38. In February 2014, the Company's Board of Directors decided to invest indirectly in the production of petrochemical-related products in Gulei Petrochemical Industrial Park located in Zhangzhou City, Fujian via investment by a company established in a third region.
 39. In March 2014, the Company's Board of Directors decided to establish INOMA Corporation via joint venture.

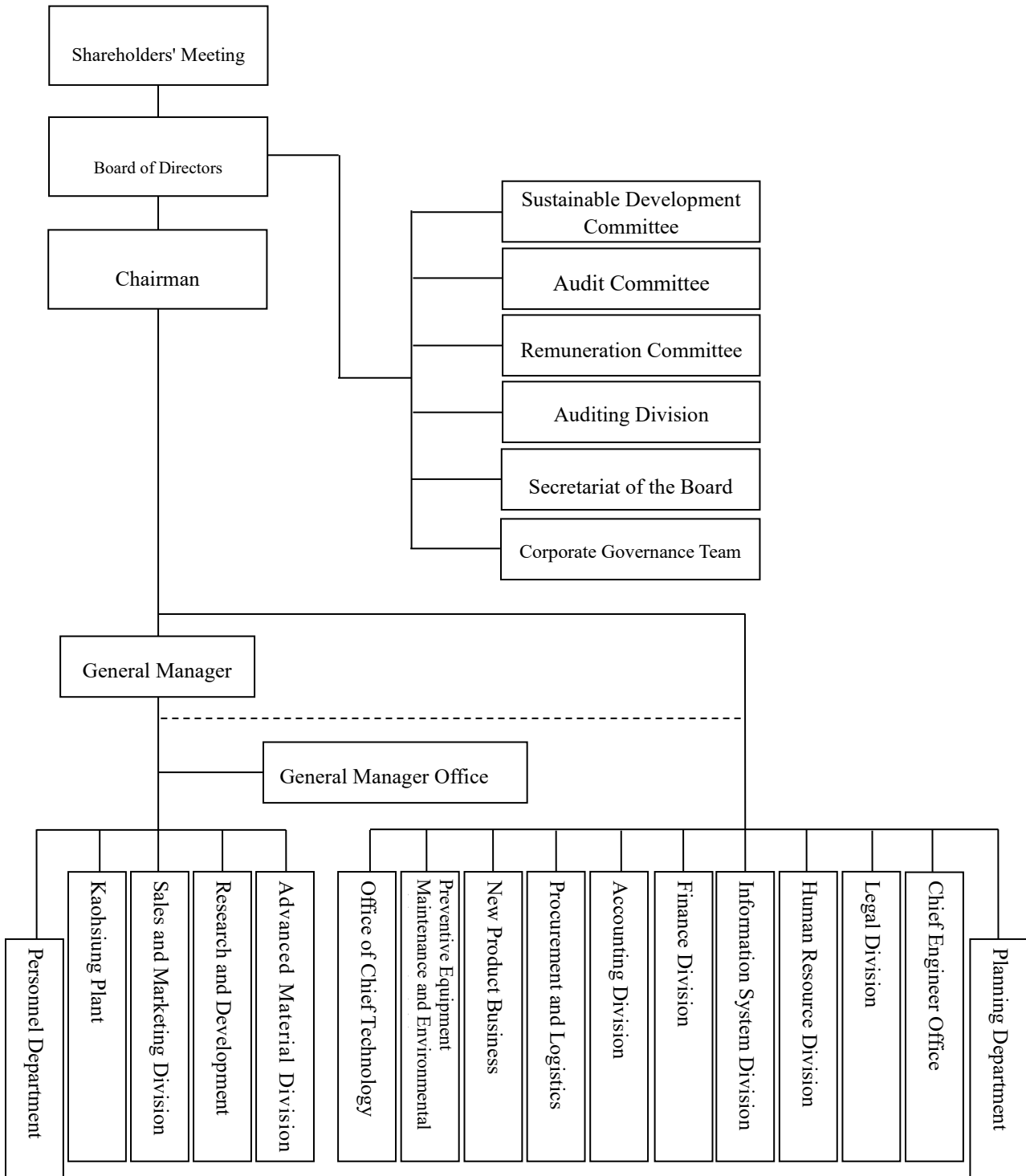
40. On August 30, 2016, the Ministry of Economic Affairs approved the change of the Company's registered address to No. 330, Fengren Road, Renwu District, Kaohsiung City.
41. In November 2016, the Company indirectly invested in the establishment of Fujian Gulei Petrochemical Co., Ltd. for the production of petrochemical-related products at Gulei Petrochemical Park located in Zhangzhou, Fujian, China.
42. In 2017, the Company engaged in capital increase by earnings and issued 20 new shares for every one thousand shares owned, thus issuing 22,852,047 ordinary shares in total. The Company's paid-in capital after the capital increase was NT\$11,654,544,000.
43. In 2018, the Company engaged in capital increase by earnings and issued 20 new shares for every one thousand shares owned, thus issuing 23,309,088 ordinary shares in total. The Company's paid-in capital after the capital increase was NT\$11,887,635,000.
44. In November 2019, the Company obtained ISO 50001 certification.
45. In August 2020, the Company's Board of Directors resolved to establish a sales company in Fujian Province, China by fully reinvesting in its subsidiaries Swanlake Traders Ltd and APC(BVI) Holding Co., Ltd. At 70% : 30%. This sales company was established and registered in March 2022.
46. In order to implement sustainable development and energy conservation and carbon reduction, In July 2021, the Company's Board of Directors decided to establish USI Green Energy Corporation ("SG") through investment, and used this company to engage in green energy power generation.



Chapter 3 Corporate Governance Report

I. Organizational Structure

(I) Organization Chart: As of April 6, 2020



(II) Responsibilities and Functions of Major Departments

Department	Main Responsibilities
General Manager	Responsible for the Company's overall operations
Advanced Material Division	<ol style="list-style-type: none"> 1. Planning and development of high-value products. 2. Responsible for CBC-related businesses and focus on marketing strategies and market development. 3. Coordination of fireproof materials and coating-related businesses. 4. Integrate the Group's resources and green environmental protection building materials planning and development.
Kaohsiung Plant	Responsible for matters related to manufacturing, research and development (R&D), storage, quality control, coordinating transportation of company products and maintenance of plant equipment, work safety and environmental protection
Office of Chief Technology Innovation Officer	Responsible for integrating product R&D and innovation at the Group's each affiliated company.
Research and Development Division	<ol style="list-style-type: none"> 1. Responsible for optimizing the research and production process of new products and new technologies. 2. Responsible for client technical support and quality service assistance. 3. Responsible for developing market for new applications of products.
Sales and Marketing Division	<ol style="list-style-type: none"> 1. Responsible for product sales. 2. Market analysis and product promotion 3. Customer service 4. Receive and handle customer complaints
Personnel Department	<ol style="list-style-type: none"> 1. Planning of human resources strategies and compliance with labor laws 2. Establish and promote recruitment and appointment systems 3. Develop and promote strategic payroll management system 4. Formulation, implementation, evaluation and assessment of training methods
Procurement and Logistics Division	<ol style="list-style-type: none"> 1. Purchase and audit major capital expenditures including bulk raw materials, machinery and equipment. 2. Plan the supervision and execution of trading and transportation, warehousing and customs-related operations.
Accounting Division	<ol style="list-style-type: none"> 1. Preparation and analysis of financial statements and budgets to be used by decision-making units for the management and formulation of strategies 2. Establishment, evaluation and implementation of accounting systems 3. Planning and declaration of various taxes. 4. Regular announcement or reporting of financial performance
Finance Division	<ol style="list-style-type: none"> 1. Fund scheduling and foreign exchange management 2. Financing planning and financial investment 3. Property insurance and claims 4. Customer credit and risk control 5. Shareholder affairs and regulatory compliance 6. Financial project planning and implementation
Information System Division	Plan, build, develop and manage various information and communication systems and facilities at the Company.
Human Resource Division	<ol style="list-style-type: none"> 1. Plan human resources strategies and systems 2. Plan training and organizational development strategies 3. Plan and handle salary and benefits 4. Provide employee services and handle general affairs 5. Assist overseas branches in organizational planning, as well as dispatch and training of personnel



Department	Main Responsibilities
Legal Division	<ol style="list-style-type: none"> 1. Review of deeds and legal documents 2. Handling legal disputes 3. A study of ad hoc legal issues 4. General legal advice 5. Other legal related matters
Chief Engineer Office	<ol style="list-style-type: none"> 1. Assist and participate in the construction of new plants, or deal with such constructions entirely 2. Assist and participate in the improvement of equipment and local manufacturing processes in operation, or deal with such cases entirely 3. Integration of engineering personnel and engineering specifications
New Product Business Division	<ol style="list-style-type: none"> 1. Assist in formulating marketing strategies for new businesses, and establish appropriate business models 2. Responsible for developing new products or acquiring new customers to increase revenue 3. Integrate Company resources and generate synergy so as to enhance the successful development of new businesses
Preventive Equipment Maintenance and Environmental Risk Control Division	<ol style="list-style-type: none"> 1. Assist the Group in establishing preventive maintenance systems at all plants 2. Improve and enhance existing equipment 3. Equipment fault management and prevention 4. Routine/non-routine audit, counseling and training 5. Environment risk management planning and technical supervision 6. Plan and promote compliance with laws related to energy conservation and carbon reduction, and establish related systems
Planning Department	<ol style="list-style-type: none"> 1. Develop and propose product trees, according to markets for current products and products to be invested in the future, as well as the technical strengths and weaknesses of such products, for future planning and development 2. Track and analyze the macroeconomy 3. Track and analyze upstream industries and future competitors 4. Coordination and follow-up of various projects
Auditing Division	<ol style="list-style-type: none"> 1. Implement internal audit and improve work flows in the Company 2. Evaluate the soundness and reasonableness of the Company's internal control systems, as well as the effectiveness of their implementations at all departments and divisions
Secretariat of the Board	<ol style="list-style-type: none"> 1. Plan and handle matters related to Board of Directors' meetings 2. Handle matters related to Shareholders' meetings such as convening, various announcements and reporting associated with such meetings, preparing handbooks and tracking information regarding shareholders presence in accordance with the law. 3. Assist in promoting and handling decrees issued by the competent authority
Remuneration Committee	<ol style="list-style-type: none"> 1. The Committee evaluates the remuneration policy and system of the Directors and managers objectively and make suggestions to the Board of Directors accordingly for policy-making reference. 2. The Committee adopts a comprehensive remuneration management system to encourage managerial officers to perform their duties for business operations, improve management performance, core competitiveness, and short, mid, and long-term profitability and create value for shareholders.

Department	Main Responsibilities
Audit Committee	<ol style="list-style-type: none"> 1. Establishment, amendment, and evaluation of the effectiveness of internal control systems. 2. Stipulate or amend procedures for acquiring or disposing of assets, derivatives trading, provision of capital loans to other parties, the provision of endorsements or guarantees to other parties, and other major financial activities. 3. Major assets or derivative trading 4. Major loaning of funds, making of endorsements or provision of guarantees 5. Appointment, dismissal and compensation of CPAs 6. Review the financial report stamped with the seal of the Chairman, managerial officer, and principal accounting officer. 7. Other material matters as may be required by the Company or by the competent authority
Sustainable Development Committee	<ol style="list-style-type: none"> 1. Outlining sustainable development policies; 2. Outlining the sustainable development strategy, annual plan, and project plans; 3. Supervising the plans of sustainable development strategies, the implementation of the annual plan and project plans, and evaluating the implementation; 4. Reviewing and approving the Sustainability Report. 5. Report the implementation of sustainable development activities to the Board of Directors each year; 6. Other matters to be conducted by the Committee per board resolution.
Corporate Governance Team	<ol style="list-style-type: none"> 1. Formulate corporate governance policies and coordinate the corporate governance evaluation. 2. Implement corporate social responsibility and compile corporate social responsibility report. 3. Implement the internal control system and ISO 9001 quality management system. 4. Plan and establish various departments' knowledge management systems. 5. Supervise the company registration and change registration in accordance with the law. 6. Supervise and assist the Board of Directors and the Shareholders' Meetings to handle the meeting minutes according to law and assist the Company to comply with the relevant laws and regulations of the Board of Directors and the Shareholders' Meeting. 7. Coordinate with related units to provide Independent Directors and Directors with information required for the exercise of their duties and arrange courses for Directors in accordance with law. 8. Supervise and coordinate the relevant units to handle matters related to investor relations in a timely manner.

II. Directors, General Manager, Deputy General Manager, Senior Managers, and Managerial Officers of various departments or branches

(I) Composition of the Board of Directors

1. Information regarding members of the Board of Directors

As of April 2, 2022: Unit: Shares

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected (Note 3)	Shares Held when Elected		Current Number of Shares Held		Current Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Education and work experience (Note 4)	Current Position Held in the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remark
							Shares	Shares Holding %	Shares	Shares Holding %	Shares	Shares Holding %	Shares	Shares Holding %			Position	Name	Relatio nship	
Chairman and CEO	Hong Kong	Shing Lee Enterprise (Hong Kong) Limited	-	June 12, 2020	3 years	December 2, 1982	173,776,546	14.62%	173,776,546	14.62%	-	-	0	0%	Chairman of USI	(Note 7)	Directors	Ching- Shou Yu	In-law	(Note 5)
	Republic of China	Representative: Yi-Gui Wu	Male 71 ~ 75 years old			December 2, 1982 (Note 6)	-	-	113,122	0.01%	-	-	0	0%						
Directors	Republic of China	Asia Polymer Corporation	-	June 12, 2020	3 years	June 12, 2020	101,355,673	8.53%	101,355,673	8.53%	-	-	0	0%	Bachelor of Engineering, Kyushu University (Japan)	Directors: Shing Lee Enterprise (Hong Kong) Limited, UPHC, Ever Victory	Chairman	Yi-Gui Wu	In-law	
	Hong Kong	Representative: Ching-Shou Yu	Male 91 ~ 95 years old			December 2, 1982	-	-	0	0%	12,500,000	1.05%	0	0%						
Directors	Republic of China	Asia Polymer Corporation	-	June 12, 2020	3 years	June 12, 2020	101,355,673	8.53%	101,355,673	8.53%	-	-	0	0%	(Note 8)	Director: INOMA Corporation	None	None	None	
	Republic of China	Representative: Che-I Kao	Male 76 ~ 80 years old			June 08, 2017	-	-	0	0%	0	0%	0	0%						
Directors	Republic of China	Taita Chemical Company, Ltd.	-	June 12, 2020	3 years	June 12, 2020	15,109,901	1.27%	15,109,901	1.27%	-	-	0	0%	Bachelor of Electrical Engineering, National Taiwan University (Taiwan); General Manager at Taiwan VCM Corporation; General Manager at Asia Polymer Corporation; General Manager at USI Corporation	Supervisor: Taiwan VCM Corporation	None	None	None	
	Republic of China	Representative: Kuang-Che Huang	Male 81 ~ 85 years old			June 13, 2008	-	-	125,000	0.01%	0	0%	0	0%						
Director and General Manager	Republic of China	Taita Chemical Company, Ltd.	-	June 12, 2020	3 years	June 12, 2020	15,109,901	1.27%	15,109,901	1.27%	-	-	0	0%	(Note 9)	(Note 10)	None	None	None	
	Republic of China	Representative: Ke-Shun Wang	Male 56 ~ 60 years old			April 25, 2018	-	-	130,704	0.01%	0	0%	0	0%						
Directors	Hong Kong	Shing Lee Enterprise (Hong Kong) Limited	-	June 12, 2020	3 years	December 2, 1982	173,776,546	14.62%	173,776,546	14.62%	-	-	0	0%	(Note 11)	(Note 12)	None	None	None	
	Republic of China	Representative: Hung-Ting Wu	Male 36 ~ 40 years old			June 12, 2020	-	-	50,418	0%	11,973	0%	0	0%						
Independ ent Director	Republic of China	Chung Chen	Male 71 ~ 75 years old	June 12, 2020	3 years	June 06, 2014	0	0%	0	0%	0	0%	0	0%	(Note 13)	(Note 14)	None	None	None	



Title (Note 1)	Nationality or Place of Registration	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected (Note 3)	Shares Held when Elected		Current Number of Shares Held		Current Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Education and work experience (Note 4)	Current Position Held in the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remark
							Shares	Shares Holding %	Shares	Shares Holding %	Shares	Shares Holding %	Shares	Shares Holding %			Position	Name	Relationship	
Independent Director	Republic of China	Tzu-Chun Tu	Male 61 ~ 65 years old	June 12, 2020	3 years	June 12, 2019	0	0%	0	0%	0	0%	0	0%	(Note 15)	(Note 16)	None	None	None	
Independent Director	Republic of China	Ying-Chun Hai	Male 71 ~ 75 years old	June 12, 2020	3 years	June 06, 2014	0	0%	0	0%	0	0%	0	0%	(Note 17)	(Note 18)	None	None	None	

Note 1: For institutional shareholders, their names and representatives shall be stated (for representatives, the names of institutional shareholders they represent shall be indicated respectively), and filled in Table 1.

Note 2: Please list the actual age and express it in intervals, such as 41-50 years old or 51-60 years old.

Note 3: Any disruption of duty as a director or supervisor after the date they are elected shall be included in a separate note.

Note 4: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, should be disclosed along with job titles and responsibilities.

Note 5: If the Chairman, General Manager, or personnel with an equivalent position (top-level manager) are the same person, spouses, or relatives within first degree of kinship, relevant information on the reasons, reasonability, necessity, and measures to be taken accordingly (e.g. by way of increasing the number of independent directors and having half of the Directors not serving as employees or managerial officers concurrently) shall be addressed.

Based on the overall operation, the Company's Chairman serving as the CEO concurrently is to tap into his excellent business vision. With his participation in the Company's operations in person, the Company can implement the business decisions consistently and improve the operating efficiency. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte & Touche. The Company has also established an Audit Committee, a Remuneration Committee, a Sustainable Development Committee, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

Note 6: From February 17, 1992 to May 18, 1993, institutional shareholder Shing Lee Enterprise (Hong Kong) Limited experienced a disruption of duty as a Director because the representative of the company was replaced.

Note 7: Chairman: APC, CGPC, TTC, Acme Electronics Corporation, Union Polymer Int'l Investment Corp, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USI Investment, CGPCPOL, APC Investment, Taiwan United Venture Capital Corporation, USI Management Consulting, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation, and Fujian Gulei Petrochemical.

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson (Kunshan), Golden Amber Enterprises, Acme (BVI), Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, AS Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, USIG (Shanghai) Co., Ltd. ("USIG"), PT. Swanson Plastics Indonesia, USI Green Energy, USI (Zhangzhou), Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, and CTCI Group United Polymers Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd. and Ever Victory Global Ltd.

General Manager: USI Corporation, Asia Polymer Corporation, China General Plastics Corporation, Taita Chemical Company Limited, Acme Electronics Corporation and USI Optronics Corporation.

Chief Executive Officer: Chinese National Federation of Industries

Executive Director:

Note 8: Department of Chemical Engineering, National Taiwan University; PhD in Chemical Engineering, Perdue University; Chief Scientist, Dow Chemical; Senior Consultant and Expert, Industrial Technology Research Institute (Chairman Office); Senior Advisor, Chi Lin Technology Co., Ltd.

Note 9: Master of Business Administration, Andrews University, Michigan (U.S.A.); Bachelor of Chemistry, National Tsing Hua University (Taiwan); and General Manager, China Petrochemical Development Corporation

Note 10: Chairman: USIG (Shanghai) Co., Ltd., USI Green Energy, USI (Zhangzhou)

Director: Dynamic Ever Investments Limited, Ever Victory Global Limited, Swanlake Traders Ltd., Golden Amber Enterprises, USI (Hong Kong), USI Management Consulting Corporation, China General Plastics Corporation, Chong Loong Trading Co., Ltd., Taiwan United Venture Capital Corp., INOMA Corporation, USI Trading (Shanghai) Co., Ltd., United Polymers Corporation, Swanson Technologies Corporation, USI Education Foundation, Ever Conquest Global Ltd., USI Investment Co., Ltd., APC (BVI), Acme Electronics Corporation (Kunshan), and Fujian Gulei Petrochemical

General Manager: USI, USIG (Shanghai), and CL

Note 11: Master of International Business Administration, Antai College of Economics & Management, Shanghai Jiao Tong University; analyst at Yuanta Securities Investment Consulting Co., Ltd.; Legal Affairs Manager and Financial Affairs Manager of Aetas Technology Inc.

Note 12: Founder and CEO of Foxli Networks (Shanghai) Technology Co., Ltd.; Director of Oak Analytics; Initial capital investor of Bloominous, Inc..

Note 13: Masters of Law, National Taiwan University (Taiwan); President of the Executive Yuan, Taiwan (R.O.C.); Vice President of the Executive Yuan, Taiwan (R.O.C.); Chairman of the Financial Supervisory Commission under the Executive Yuan, Taiwan (R.O.C.); Chairman of the Taiwan Stock Exchange; Deputy Minister of the Minister of Finance, Taiwan (R.O.C.); Director General of Finance Bureau, Ministry of Finance, Taiwan (R.O.C.); Director General of Insurance Bureau, Ministry of Finance, Taiwan (R.O.C.); and Chairman of Taiwan Cooperative Bank.

Note 14: Chair Professor at School of Law and School of Business, Soochow University (Taiwan).

Chairman: Appacus Foundation, Vision Project

Director: Lien Hwa Industrial Corporation and Union Petrochemical Corporation.

Independent Director: TransGlobe Life Insurance.

Note 15: Ph.D., School Forestry and Resource Conservation, National Taiwan University; Minister of Economic Affairs, Chairman of National Development Council; Vice Premier, Executive Yuan; Adjunct Associate Professor, Department of Business Management, Soochow University.

Note 16: Consultant, Institute of Taiwan Electrical and Electronics Manufacturers' Association; Highest Consultant, Taiwan Transportation Vehicle Manufacturers Association, and Highest Consultant, National Federation of Industries.

Director: Shinfox Energy Co., Ltd.

Independent Director: Macronix International Co., Ltd. and CDIB Capital Group

Director:

Note 17: Vice Chairman and CEO, Delta Electronics, Inc., and General Manager of GE Capital Taiwan.

Note 18: Chairman: Delta Electronics, Inc.

Director: Delta Networks, Inc., Delta Capital Co., Ltd., Cyntec Co., Ltd., and CTCI.

Independent Director: Taiwan Semiconductor Manufacturing.

Director:



2. Major Shareholders of the Corporate Shareholders

As of April 2, 2022

Name of corporate shareholder (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)	
Shing Lee Enterprise (Hong Kong) Limited	XANADU INTERNATIONAL. CO.,LTD.	27.27%
	SILVER HERO VENTURES LTD.	18.18%
	SOCIAL LUCKY INT'L INVESTMENT LTD.	18.18%
	RICH GRADE HOLDINGS LTD.	18.18%
	ASIA DYNAMIC OVERSEAS LTD.	10.61%
	BEST PERSPECTIVE OVERSEAS LTD.	7.58%
Asia Polymer Corporation	Union Polymer Int'l Investment Corp.	36.08%
	Chunghwa Post Co., Ltd.	2.58%
	Chang Hwa Commercial Bank, Ltd. as custodian of Yuanta Taiwan High-yield Leading Company Securities Investment Trust Account	2.04%
	Taiwan Union International Investment Corporation	1.99%
	Citibank Taiwan as custodian of UBS Europe SE Investment Account	1.25%
	JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account	0.93%
	Prudential Life Insurance Company of Taiwan Inc.	0.89%
	China General Terminal & Distribution Co.	0.89%
	JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Total International Stock Index Fund Investment Account, a series of Vanguard Star Funds	0.87%
	Taiwan Life Insurance Co., Ltd.	0.42%
Taita Chemical Company, Ltd.	Union Polymer Int'l Investment Corp.	36.79%
	Taiwan Union International Investment Corporation	2.23%
	China General Terminal & Distribution Co.	0.57%
	He Ding Investment Co., Ltd.	0.52%
	Ge Luo Xi Industrial Corporation Limited	0.49%
	USIFE Investment Co., Ltd.	0.35%
	Lin Tse-Tien	0.21%
	JP Morgan Chase Bank Taipei Branch as custodian of Emerging Markets Index Non-lenderable Fund Investment Account	0.21%
	Standard Chartered International Commercial Bank Business Department as custodian of the St. James Regional Balanced Management Unit Trust for the Nevester's trustee and Depository Services Co., Ltd.'s entrusted external manager GMO investment account	0.20%
	Zimi Chemicals Co., Ltd.	0.16%

Note 1: For directors whose representatives are institutional shareholders, the name of these representatives should be filled.

Note 2: Fill in the name of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages. If the major shareholder is a juristic person, his/her name should be filled in Table 2 below.

Note 3: For institutional shareholders who are not under the organization of the Company, the name and shareholding of the shareholders shall be disclosed, i.e. name of the investor or donor (refer to

the announcement of the Judicial Yuan for inquiries) and their investment or donation ratio. If the donor has passed away, note "deceased".

3. Where major shareholders are institutions and their main shareholders

As of April 2, 2022

Name of Juristic Person (Note 1)	Major Shareholders of Juristic Persons (Note 2)	
SILVER HERO VENTURES LTD.	JEFFREY WU	90%
SOCIAL LUCKY INT'L INVESTMENT LTD.	WU, I-KUANG	100%
ASIA DYNAMIC OVERSEAS LTD.	SEAQUEST VENTURES INC.	100%
BEST PERSPECTIVE OVERSEAS LIMITED	SEAQUEST VENTURES INC.	100%
XANADU INTERNATIONAL CO., LTD.	BILL WU	50%
	WU SHUNG, HUI-CHENG	50%
RICH GRADE HOLDINGS LTD.	WU , CHIAO-FENG	50%
	CHANG, CHING-JEN	50%
Union Polymer Int'l Investment Corp.	USI CORPORATION	100%
Taiwan Union International Investment Corporation	UPC Technology Corporation	100%
China General Terminal & Distribution Co.	China General Plastics Corporation	33.33%
	Asia Polymer Corporation	33.33%
	Taita Chemical Company, Ltd.	33.33%
USIFE Investment Co., Ltd.	USI CORPORATION	100%

Note 1: If the major shareholder of juristic person shareholders as shown in Table 1 is a juristic person, the name of the juristic person shall be filled.

Note 2: Fill in the name of the major shareholders of the juristic person (include top 10 major shareholders by shareholding percentage) and their shareholding percentages.

Note 3: For institutional shareholders who are not under the organization of the Company, the name and shareholding of the shareholders shall be disclosed, i.e. name of the investor or donor (refer to the announcement of the Judicial Yuan for inquiries) and their investment or donation ratio. If the donor has passed away, note "deceased".



4. Information of Directors

(1) Disclosure of Information on Professional Qualifications of Directors and Supervisors and Independence of Independent Directors:

As of April 6, 2022

Criteria Name	Professional qualifications <u>and</u> experience (Note 1)	Status of Independence (Note 2)	Number of other public companies the person serves as an independent director
Yi-Gui Wu	<p>(1) Currently holds the position of Chairman and Chief Executive Officer of USI Corporation and several of its affiliated companies, with professional experience in the field of business operation and management and direct supervision of finance director and accounting officer.</p> <p>(2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.</p>	N/A	N/A
Ching-Shou Yu	<p>(1) Serves as a Director of the Company for many years and has in-depth expertise in finance, chemical engineering, etc.</p> <p>(2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.</p>		
Che-I Kao	<p>(1) Holds a Ph.D. in Chemical Engineering from Purdue University, USA, and worked as the Chief Scientist of Dow Chemical Company in the USA, and has extensive experience in the chemical industry.</p> <p>(2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.</p>		
Kuang-Che Huang	<p>(1) Previously served as the General Manager of the Company and possesses chemical expertise required by the Company.</p> <p>(2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.</p>		
Ke-Shun Wang	<p>(1) Previously served as the General Manager of the Company and possesses chemical expertise required by the Company.</p> <p>(2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.</p>		
Hung-Ting Wu	<p>(1) Has working experience and professional qualifications as a legal and financial director.</p> <p>(2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.</p>		

Criteria Name	Professional qualifications <u>and experience</u> (Note 1)	Status of Independence (Note 2)	Number of other public companies the person serves as an independent director
Chung Chen	<p>(1) Currently holds the position of Chair Professor of Law and Business at Soochow University. He has served as the Premier of the Executive Yuan, the Head of the Ministry of Finance and Economics, and has written many papers and articles on the situation of finance and public policy issues, and possesses the ability to strengthen corporate governance and the functions of the Board of Directors.</p> <p>(2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.</p>	In the two years before the election and during the term of office, none of the circumstances in the paragraph 1 of Article 3 of the "Measures for the	1
Tzu-Chun Tu	<p>(1) Previously held the position of Associate Professor in the Department of Business Administration of Soochow University, and served as the Vice Premier of the Executive Yuan and Head of the Ministry of Finance, with experience in the fields of industrial development planning, industrial technology research and development, and management.</p> <p>(2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.</p>	Establishment of Independent Directors by Public Companies and Matters to be Followed".	3
Ying-Chun Hai	<p>(1) Served as Chairman of the Board of Directors of Delta Electronics Inc., with experience in the setting the direction of the Company's operation and development, planning the organizational structure, promoting and implementing the development of strategic and innovative businesses, and strengthening corporate governance and the functions of the Board of Directors.</p> <p>(2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.</p>		1

(2) Diversity and Independence of the Board of Directors:

Diversity of the Board of Directors:

According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors



shall possess the following abilities:

- Ability to make sound business judgments.
- Ability to perform accounting and financial analysis.
- Ability to manage a business.
- Ability to handle crisis management.
- Knowledge of the industry.
- An international market perspective.
- Leadership skills.
- Decision-making ability.

In addition to the eight competencies above, the Company has added two professional abilities, namely legal capability and environmental protection for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection.

As for Board diversity, it is planned to engage one more Director with legal professional experience, particularly those with legal licenses and practice experience in technology law, so as to strengthen the protection of the Company's patent rights in the future; it is also planned to engage another Director with risk management expertise to enhance the Company's sustainable competitiveness. The Company sets goals for increasing the diversity of board members in terms of legal, risk management, and other professional skills so that the functions of the Board of Director can be more complete. The current Board was elected on June 12, 2020. Among them, Director Wu, Hung Ting was a newly-elected director. He double majored in finance and mercantile law at School of Business and Enterprise Management of Boston University. He used to be the principal officer of finance and legal affairs, possessing expertise in control of financial risks, which would facilitate not only the improvement in the quality of the Board deliberating proposals, but also the achievement of goal of Board members diversity.

Independent of the Board of Directors:

The term of office of independent directors of the Company is 8 years for two directors, Chung Chen and Ying-Chun Hai, and 3 years for director Tzu-Chun Tu. All independent directors shall serve no more than 3 consecutive terms. Two of the directors are foreign nationals, and the rest are from

Taiwan. The proportion of the composition is 33% for 3 independent directors; 22% for 2 directors with employee status. The age distribution of directors includes 1 director aged 31-40, 1 director aged 51-60, 1 director 61-70, 4 directors 71-80 and 2 directors over 80 years old. Except for Director Yi-Gui Wu and Director Ching-Shou Yu who have a relationship of second degree of kinship by marriage, the other directors of the Company do not have any spouse or relative relationship within the second degree of kinship with each other.

- Note 1: Professional qualifications and experience: State the professional qualifications and experience of individual directors and supervisors. If they are members of the Audit Committee and have a expertise in accounting or finance, their accounting or financial background and work experience should be stated, and whether circumstances of Article 30 of the Company Act applies.
- Note 2: Independent directors shall state their independence, including but not limited to whether they, their spouse, or relatives within the second degree are the directors, supervisors or employees of the Company or its affiliated companies; the number and proportion of the Company's shares held by them (or in the name of others); whether serve as a director, supervisor, or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.
- Note 3: For disclosure methods, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(II.) General Manager, Deputy General Manager, Senior Managers, Heads of Departments and Branches

As of April 2, 2022: Unit: Shares

Nationality	Name	Gender	Date Elected (Appointed)	Shares Held		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Main Work Experience and Academic Qualifications (Note 2)	Current Position Held in Other Companies	Managerial officers who are spouses or relatives within the second degree of kinship			Remark
				Shares	Shares Holding %	Shares	Shares Holding %	Shares	Shares Holding %			Position	Name	Relationship	
Republic of China	Yi-Gui Wu	Male	March 22, 2007	113,122	0.01%	—	—	0	0%	Chairman of USI	(Note 4)	None	None	None	(Note 3)
Republic of China	Ke-Shun Wang	Male	October 1, 2017	130,704	0.01%	0	0%	0	0%	Master of Business Administration, Andrews University, Michigan (U.S.A.); Bachelor of Chemistry, National Tsing Hua University (Taiwan); and General Manager, China Petrochemical Development Corporation	(Note 5)	None	None	None	
Republic of China	Han-Tai Liu	Male	September 8, 2009	0	0%	—	—	0	0%	PhD in Chemical Engineering, Pennsylvania State University	Director: Ever Victory Global; Dynamic Ever Investments; APC; CGPC; CGPC (Zhongshan); Taiwan VCM Corporation; Swanson Plastics Corporation; INOMA Corporation; USI Green Energy Corporation; Zhangzhou USI; USI Education Foundation. Supervisor: CGTD; Fujian Gulei Petrochemical Co., Ltd.	None	None	None	
Republic of China	Ming-Tsung Wu (Note 6)	Male	July 1, 2021	9	0%	0	0%	0	0%	Master in Chemical Engineering, National Taiwan University	Director: USI Trading (Shanghai) Co., Ltd. Republic of China: APC	None	None	None	
Republic of China	Yung-Chih Chen	Male	May 13, 2019	0	0%	0	0%	0	0%	(Note 7)	(Note 8)	None	None	None	
Republic of China	Wen-Li Yang	Male	December 6, 2018	0	0%	0	0%	0	0%	(Note 9)	(Note 10)	None	None	None	
Republic of China	Chuan-Hua Kuo	Female	September 1, 2015	0	0%	0	0%	0	0%	Master of Accounting, Tamkang University (Taiwan)	Accounting Officer: Union Polymer Int'l Investment Corp and UM	None	None	None	

- Note 1: Information of General Manager, Deputy General Manager, Senior Managers, and Heads of Departments and Branches shall be included, whereas information of positions equivalent to General Manager, Deputy General Manager, or Senior Managers shall be disclosed regardless of job title.
- Note 2: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, should be disclosed along with job titles and responsibilities.
- Note 3: If the General Manager or personnel with equivalent position (chief officer) and the Chairman are the same person, spouses or relatives within first degree of kinship, relevant information on the reasons, reasonability, necessity, and measures to be taken accordingly (e.g. by way of increasing the number of independent directors and having half of the directors not serving as employees or officers concurrently) shall be addressed. Based on the overall operation, the Company's Chairman serving as the CEO concurrently is to tap into his excellent business vision. With his participation in the Company's operations in person, the Company can implement the business decisions consistently and improve the operating efficiency. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte & Touche. The Company has also established an Audit Committee, a Remuneration Committee, a Sustainable Development Committee, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.
- Note 4: Chairman: CGPC, APC, TTC, Acme Electronics Corporation, Union Polymer Int'l Investment Corp, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Plastics Corporation, Chong Loong Trading Co., Ltd., USI Investment, CGPCPOL, APC Investment, Taiwan United Venture Capital Corporation, USI Management Consulting, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation, and Fujian Gulei Petrochemical.
Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Curtana, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson (Kunshan), Golden Amber Enterprises, Acme (BVI), Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, AS Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Cypress Epoch, Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, USIG (Shanghai) Co., Ltd. ("USIG"), PT. Swanson Plastics Indonesia, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, and CTCI Group
General Manager: United Polymers Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd. and Ever Victory Global Ltd.
Chief Executive Officer: USI, APC, CGPC, TTC, Acme Electronics Corporation and USI Optronics Corporation.
Executive Director: Chinese National Federation of Industries
- Note 5: Chairman: USIG (Shanghai) Co., Ltd., USI Green Energy, USI (Zhangzhou)
Director: Dynamic Ever Investments Limited, Ever Victory Global Limited, Swanlake Traders Ltd., Golden Amber Enterprises, USI (Hong Kong), USI Management Consulting Corporation, China General Plastics Corporation, Chong Loong Trading Co., Ltd., Taiwan United Venture Capital Corp., INOMA Corporation, USI Trading (Shanghai) Co., Ltd., United Polymers Corporation, Swanson Technologies Corporation, USI Education Foundation, Ever Conquest Global Ltd., USI Investment Co., Ltd., APC (BVI), Acme Electronics Corporation (Kunshan), and Fujian Gulei Petrochemical
General Manager: USIG (Shanghai) Co., Ltd. and Chong Loong Trading Co., Ltd.
- Note 6: On July 1, 2021, he was promoted from the senior manager of the sales and marketing division to the deputy general manager of the sales and marketing division.
- Note 7: PhD. in Law, University of Munich, Germany; Arbitrator of Chinese Arbitration Association, Taipei
Lawyer: Winkler Partners - Attorneys at Law of Taiwan and Foreign Legal Affairs
- Note 8: Corporate Governance Officer: CGPC, APC, TTC, and ACME
Director: CGPC (Zhongshan), ACME (Kunshan), ACME (Guangzhou), HRDDL.
Independent Director: Man Zai Industrial Co., Ltd.
Supervisor: Zhongshan Huaju Plastic & Chemical Products Co., Ltd.; USIG (Shanghai) Co., Ltd. ("USIG"); USIFE Investment Co., Ltd.; APC Investment; Chong Loong Trading Co., Ltd.; USI Green Energy Corporation; Shun Coating Technology



(Kunshan) Co., Ltd.; Swanson Plastics Corporation (Tianjin); Swanson Plastics Corporation (Kunshan); Swanson Plastics Corporation; Zhangzhou USI Trading Co., Ltd.; Taiwan United Venture Capital Corp.; Taiwan United Venture Management Corporation; INOMA Corporation; Global Green Technology Corporation; United Polymers Corporation; Cyberbra Technologies Co., Ltd.; FiduciaEdge Technologies Co., Ltd.

Note 9: Master of Accountancy and Information Systems, Cleveland State University; Senior Vice President, Chief Financial Officer, and Spokesperson, Apex Medical Corp.; Executive Assistant to CEO of Primax Electronics Ltd. and Deputy General Manager of US subsidiary; American accountant.

Note 10: Director: CGPC (BVI), Forever Young, Swanlake, Taita (BVI), USI International, Taiwan United Venture Capital Corp., Taiwan United Venture Management Corp., Ever Victory Global, Dynamic Ever Investments, TTC (Zhongshan), Taiwan Highpolymer Corp. (Zhongshan), CGPC (Zhongshan), Zhangzhou TTC

Supervisor: JSIT (Shanghai), Fujian Gulei Petrochemical Co., Ltd., Zhangzhou USI Trading

(III.) Where the Chairman, General Manager, or individual with equivalent roles are the same individual, spouses, or relatives within the first degree of kinship, the Company shall specify related information regarding the reason, reasonableness, necessity, and response measures (e.g., appointment of additional Independent Directors and requiring the appointment of more than half of the Directors from individuals who are not employees or managers):

Based on the overall operation, the Company's Chairman serving as the CEO concurrently is to tap into his excellent business vision. With his participation in the Company's operations in person, the Company can implement the business decisions consistently and improve the operating efficiency.

More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte & Touche. The Company has also established an Audit Committee, a Remuneration Committee, a Sustainable Development Committee, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

III. Remuneration Paid to Directors (Including Independent Directors), Supervisors, General Manager, and Deputy Manager During the Most Recent Fiscal Year

- I. If the Company has any of the following circumstances, it shall disclose its individual Directors' or Supervisors' name and remuneration; it can choose to disclose a range table with name disclosed, or disclose the name and remuneration individually for the rest (where individual disclosure is adopted, please fill in the job title, name, and amount; there is no need to fill in the table of remuneration ranges):
 - (I.) The name and remuneration of the "directors and supervisors" should be disclosed individually if pre-tax losses have been recorded in its parent company-only or individual financial statements in the most recent three (3) fiscal years. However, the preceding sentence shall not apply if the company's parent company-only or individual financial statements in the most recent fiscal year indicates a net income after taxes which is sufficient to cover cumulative losses [Note 1].
 - (II.) A Company with Directors whose shareholding percentages have been insufficient for three (3) or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual Directors. A Company with Supervisors whose shareholding percentages have been insufficient for three (3) or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual Supervisors [Note 2].
 - (III.) A Company with an average ratio of shares pledged by Directors or Supervisors that exceeds 50 percent in any three (3) months during the most recent fiscal year shall disclose the remuneration paid to each individual Director or Supervisor who owns a ratio of shares pledged that exceeds 50 percent for each of these three months [Note 3].
 - (IV.) If the total amount of remuneration received by all the directors and supervisors of a company from all the companies listed in its financial statements exceeds two (2) percent of its net income after taxes, and the amount of remuneration received by any individual director or supervisor exceeds NT\$15 million, the company shall disclose the amount of remuneration paid to individual directors or supervisors. (Description: The remuneration of Directors and Supervisors is calculated based on "Remuneration of Directors" plus "Remuneration of Supervisors" as in the Appendix without including the relevant remuneration received as concurrent employees.)
 - (V.) A company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) is ranked in the lowest tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEX, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation. [Note 4]
 - (VI.) The average annual salary of a full-time employee of a listed company who does not hold a managerial position in the most recent year has not reached NT\$500,000. [Note 5]
- II. If the circumstance in sub-item "(I)" or in sub-item "(V)" of the preceding item applies to a company listed on the TWSE or the TPEX, it shall disclose the individual remuneration paid to each of its top five management personnel (e.g., General Manager, Deputy General Managers, Chief Executive Officer, or Chief Financial Officer).



- 【Note 1:】 For example, in the case of the 2019 annual report prepared for the shareholders' meeting of the Company in 2020, if it is a loss after tax in the Company's parent company only or individual financial statements in any year from 2017 to 2019, individual disclosure shall be adopted. However, although it was a loss after tax in the parent company only or individual financial statements for the fiscal year of 2017 and/or 2018, but the net profit after tax in the parent company only or individual financial statements for the fiscal year of 2019 is sufficient to make up for the accumulated losses; thus, individual disclosure is not may not be adopted.
- 【Note 2:】 Example: Suppose the 2009 Annual Report was prepared by the Shareholders' Meeting in 2010. The company should opt for individual disclosure of remuneration information if its directors or supervisors were found to have insufficient shareholding percentages for three (3) or more consecutive months between January 2009 and December 2009. In another example, if the company's directors or supervisors were found to have insufficient shareholding percentages in January 2009 for three (3) or more consecutive months (i.e. three consecutive months including November 2008, December 2008 and January 2009), the company should opt for individual disclosure of remuneration information.
- 【Note 3:】 Example: Suppose the 2009 Annual Report was prepared by the Shareholders' Meeting in 2010. If the ratio of shares pledged by all the directors of a company exceeded 50 percent in three separate months within 2009 (e.g. February, May and August 2009), the company should disclose the amount of remuneration paid to each director for the months when the ratio of shares pledged exceeded 50 percent, namely February, May and August 2009. In another example, if the ratio of shares pledged by the supervisors of a company exceeded 50 percent in any three months, the company should disclose the amount of remuneration paid to each supervisor for the months when the ratio of shares pledged exceeded 50 percent.

*The average ratio of share pledged by all Directors per month: $\text{Number of shares pledged by all Directors} / \text{Number of shares held by all Directors (including retained decision-making trust shares)}$. The average ratio of shares pledged by all Supervisors per month: $\text{Number of shares pledged by all Supervisors} / \text{Number of shares held by all Supervisors (including retained decision-making trust shares)}$.

- 【Note 4:】 For example: Taking the 2021 Annual Report prepared by the 2022 Shareholders' Meeting as an example, the results of the corporate governance evaluation are usually announced in April each year, and when the annual report by the shareholders' meeting of listed companies is published, if the results of the corporate governance evaluation for the most recent year (i.e. the year of 2021) has not yet been announced, it can be processed according to the results of the corporate governance evaluation for the nearest period (such as the year of 2020), and after the results of the corporate governance evaluation for the most recent year are announced, if a company is ranked in the lowest tier in the corporate governance evaluation and originally opted to disclose aggregate remuneration information, with the name(s) indicated for each remuneration range, it should amend the annual report of the shareholders' meeting immediately and upload it to the Market Observation Post System (MOPS) to practice the integrity of information disclosure.
- 【Note 5:】 For example: Taking the 2021 Annual Report prepared by the 2022 Shareholders' Meeting as an example, if an OTC listed company prepares the annual report after the end of the most recent year (ie the year of 2021), as it is possible to completely collect the data of the average annual salary of full-time non-executive employees in the most recent year (the year of 2021), a company should assess whether it has not reached NT\$500,000 based on the data of the most recent year (2021), and must disclose the remuneration of individual directors and supervisors for the most recent year.

(I.) Remuneration to Directors and Independent Directors

1. Collective disclosure

Unit: NTS 1,000

Position	Name (Note 1)	Remunerations to directors								Percentage of the total of 4 items A, B, C and D to net income after taxes (Note 10)		Relevant remuneration received by directors who also serve as employees						Percentage of the total of 7 items A, B, C, D, E, F and G to net income after taxes (Note 10)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Notes 9 and 11)			
		Remuneration (A) (Note 2)		Separation Pay and Pension (B)		Director Compensation (C) (Note 3)		Allowances (D) (Note 4)		The Company	All Companies in the Financial Report (Note 7)	Salaries, Bonuses and Special Allowances (E) (Note 5)		Separation Pay and Pension (F)		Employee remuneration (G) (Note 6)					The Company	All Companies in the Financial Report (Note 7)	
		The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)			The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	Amount of Cash	Stock				Amount of Cash
Chairman	Yi-Gui Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited)	0	0	0	0	3,000	3,000	672	918	3,672 / 0.07%	3,918 / 0.08%	27,211	48,000	216	216	253	0	649	0	0.60%	1.02%	1,950	
Directors	Ching-Shou Yu (Representative of Asia Polymer Corporation)																						
Directors	Che-I Kao (Representative of Asia Polymer Corporation)																						
Directors	Kuang-Che Huang (Representative of Taita Chemical Company, Ltd.)																						
Directors	Ke-Shun Wang (Representative of Taita Chemical Company, Ltd.)																						
Directors	Hung-Ting Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited)	4,500	4,500	0	0	0	0	518	518	5,018 / 0.10%	5,018 / 0.10%	0	0	0	0	0	0	0	0	0.10%	0.10%	0	
Independent Director	Chung Chen																						
Independent Director	Tzu-Chun Tu																						
Independent Directors	Ying-Chun Hai																						

1. Please explain the independent director remuneration policy, system, standard, and structure, and the connection between the amount of remuneration and the considered factors such as their job responsibilities, risks, and working time.
The remuneration of Independent Directors is determined in accordance with the Company's Articles of Incorporation and the remuneration policies and regulations. It is also determined by their level of participation in the Company's operations, value of their contribution, and median pay in the industry. The methods of distribution are filed to the Remuneration Committee for approval and the Board of Directors for resolution before implementation. Except for the fixed remuneration, no other consideration is paid each year.

2. In addition to the information disclosed in the table above, remuneration paid to any director who has provided his/her services (such as consulting services in a non-employee capacity to the parent company/all the companies listed in the Company's financial statements/reinvested private businesses) in the most recent fiscal year: None.

2. Compensation Range

Range of Remuneration Paid to the Directors of the Company	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies in the Financial Report (Note 9) H	The Company (Note 8)	The Company and All the Investees Included in the Financial Statements (Note 9, 11) I
Less than NT\$ 1,000,000	Yi-Gui Wu, Ching-Shou Yu, CHe-I Kao, Kuang-Che Huang, Ke-Shun Wang, and Hung-Ting Wu	Yi-Gui Wu, Ching-Shou Yu, CHe-I Kao, Kuang-Che Huang, Ke-Shun Wang, and Hung-Ting Wu	Ching-Shou Yu, CHe-I Kao, Kuang-Che Huang, Hung-Ting Wu	Ching-Shou Yu, CHe-I Kao, Kuang-Che Huang, Hung-Ting Wu
NT\$ 1,000,000 (inclusive) to NT\$ 2,000,000 (exclusive)	Shing Lee Enterprise; APC; TTC; Chung Chen; Tzu-Chun Tu; Ying-Chun Hai.	Shing Lee Enterprise; APC; TTC; Chung Chen; Tzu-Chun Tu; Ying-Chun Hai.	Shing Lee Enterprise; APC; TTC; Chung Chen; Tzu-Chun Tu; Ying-Chun Hai.	Shing Lee Enterprise; APC; TTC; Chung Chen; Tzu-Chun Tu; Ying-Chun Hai.
NT\$ 2,000,000 (inclusive) to NT\$ 3,500,000 (exclusive)	—	—	—	—
NT\$ 3,500,000 (inclusive) to NT\$ 5,000,000 (exclusive)	—	—	—	—
NT\$ 5,000,000 (inclusive) to NT\$ 10,000,000 (exclusive)	—	—	—	—
NT\$ 10,000,000 (inclusive) to NT\$ 15,000,000 (exclusive)	—	—	Ke-Shun Wang	Ke-Shun Wang
NT\$ 15,000,000 (inclusive) to NT\$ 30,000,000 (exclusive)	—	—	Yi-Gui Wu	-
NT\$ 30,000,000 (inclusive) to NT\$ 50,000,000 (exclusive)	—	—	—	Yi-Gui Wu
NT\$ 50,000,000 (inclusive) to NT\$ 100,000,000 (exclusive)	—	—	—	—
More than NT\$ 100,000,000	—	—	—	—
Total	NT\$8,690 thousands	NT\$8,936 thousands	NT\$36,370 thousands	NT\$59,751 thousands

Note 1: The names of Directors shall be listed separately (for corporate shareholders, their names and the name of their representatives shall be listed separately) and the amount of remuneration paid to them shall be disclosed collectively. This table and table (3--1), or tables (3--2--1) and (3--2--2) below shall be filled out if a Director concurrently serves as the General Manager or Deputy General Manager.

Note 2: Remuneration received by a Director in the most recent fiscal year (including Director's salary, job-related allowances, separation pay, various bonuses and incentives).

Note 3: Fill the amount of rewards approved by the Board of Directors and distributed to the Directors in the most recent fiscal year.

Note 4: Business expenses paid to the Directors in the most recent fiscal year (including services and goods provided such as transportation allowances, special allowances, various allowances, accommodation, and vehicle). If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration).

- Note 5: Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including general manager, deputy general managers, other managerial officers and employees) in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). The driver received an annual remuneration of NT\$ 1,401 thousand, while an annual housing allowance of NT\$ 1,247 thousand was provided. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.
- Note 6: For Directors concurrently serving as employees (including general manager, deputy general manager, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.
- Note 7: The total amount of all the remuneration paid to the Company's Directors by all the companies in the consolidated financial statements (including the Company) shall be disclosed.
- Note 8: The name of each Director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the Director by the Company.
- Note 9: The total amount of all the remuneration paid to each Director of the Company by all the companies in the consolidated financial statements (including the Company) shall be disclosed. The name of each Director shall be disclosed in the range of remuneration corresponding to the total amount. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.
- Note 10: Net income after tax refers to net income after tax in the most recent fiscal year. Where IFRS is adopted, net income after tax refers to net income after tax recorded in the parent company-only financial statements in the most recent fiscal year.
- Note 11:
- a. The amount of remuneration received from subsidiaries other than investee companies or the parent company by the Company's Directors shall be stated clearly in this column (please specify "none" if there is no remuneration).
 - b. If a Director of the Company receives remuneration from investees other than subsidiaries or the parent company, the amount of remuneration received by the Director from investees other than subsidiaries shall be combined into Column I of the table for range of remuneration, and this column shall be renamed "Parent Company and All Investees."
 - c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the Director serving as a director, supervisor or manager of an investee company or parent company of the Company other than subsidiaries.
 - d. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.
- * A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

(II.) Remuneration Paid to Supervisors: N/A.

(III.) Remuneration Paid to General Manager and Deputy General Manager

1. Collective disclosure

Unit: NTS 1,000

Position	Name (Note 1)	Salary (A) (Note 2)		Severance Pay and Pension (B)		Bonuses and special allowances (C) (Note 3)		Employee Remuneration (D) (Note 4)				Percentage of the total of 4 items A, B, C and D to net income after taxes (Note 8)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Notes 7 and 9)
		The Company	All companies in the Financial Report (Note 5)	The Company	All companies in the Financial Report (Note 5)	The Company	All companies in the Financial Report (Note 5)	The Company		All the Companies Included in the Financial Statements (Note 5)		The Company	All companies in the Financial Report (Note 5)	
								Amount of Cash	Stock	Amount of Cash	Stock			
Chief Executive Officer	Yi-Gui Wu	14,832	29,189	491	491	26,039	34,331	506	0	902	0	41,868 / 0.81%	64,913 / 1.25%	1,950
General Manager	Ke-Shun Wang													
Deputy General Manager	Han-Tai Liu													
Deputy General Manager	Ming-Tsung Wu (Note 10)													

*Regardless of titles, remunerations of employees with position equivalent to General Manager and Deputy General Manager (such as president, CEO, director) shall be disclosed.

2. Ranges of remuneration

Range of Remuneration Paid to the General Manager and Deputy General Manager	Name of General Manager and Deputy General Manager	
	The Company (Note 6)	The Company and All Investees (Notes 7 and 9) E
Less than NT\$ 1,000,000	—	—
NT\$ 1,000,000 (inclusive) to NT\$ 2,000,000 (exclusive)	—	—
NT\$ 2,000,000 (inclusive) to NT\$ 3,500,000 (exclusive)	Ming-Tsung Wu(Note 10)	—
NT\$ 3,500,000 (inclusive) to NT\$ 5,000,000 (exclusive)	—	Ming-Tsung Wu(Note 10)
NT\$ 5,000,000 (inclusive) to NT\$ 10,000,000 (exclusive)	—	—
NT\$ 10,000,000 (inclusive) to NT\$ 15,000,000 (exclusive)	Ke-Shun Wang and Han-Tai Liu	Ke-Shun Wang and Han-Tai Liu
NT\$ 15,000,000 (inclusive) to NT\$ 30,000,000 (exclusive)	Yi-Gui Wu	—
NT\$ 30,000,000 (inclusive) to NT\$ 50,000,000 (exclusive)	—	Yi-Gui Wu
NT\$ 50,000,000 (inclusive) to NT\$ 100,000,000 (exclusive)	—	—
More than NT\$ 100,000,000	—	—
Total	NT\$41,868 thousand	NT\$66,863 thousand

Note 1: The name of the General Manager and Deputy General Manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If a Director concurrently serves as a General Manager or Deputy General Manager, his/her name and the amount of remuneration paid to him/her shall be listed in Table (1-1) or (1-2-1) and (1-2-2) above.

Note 2: Fill the salary, job-related allowances and separation pay received by the General Manager and Deputy General Manager in the most recent fiscal year.

Note 3: Fill the amount of various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation and vehicle received by the General Manager and Deputy General Manager in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). The driver received an annual remuneration of NT\$ 1,401 thousand, while an annual housing allowance of NT\$ 492 thousand was provided to the deputy general manager. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.

Note 4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the General Manager and Deputy General Manager in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3. Net income after tax refers to net income after tax in the most recent fiscal year. Where IFRS is adopted, net income after tax refers to net income after tax recorded in the parent company only or individual financial statements in the most recent fiscal year.

Note 5: The total amount of all the remuneration paid to the company's general manager and deputy general manager by all the companies (including the company) listed in its consolidated financial statements shall be disclosed.

Note 6: The name of each General Manager and Deputy General Manager should be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the General Manager and Deputy General Manager by the Company.



Note 7: The total amount of all the remuneration paid to each general manager and deputy general manager of the company by all the companies (including the company) listed in its consolidated financial statements shall be disclosed. The name of each general manager and deputy general manager shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.

Note 8: Net income after tax refers to net income after tax in the most recent fiscal year. Where IFRS is adopted, net income after tax refers to net income after tax recorded in the parent company-only financial statements in the most recent fiscal year.

Note 9:

- a. This field shall clearly indicate the amount of remuneration received by the Company's General Manager or Deputy General Manager from investees other than subsidiaries or the parent company (if not, please fill in "none").
- b. If the General Manager or Deputy General Managers of the Company receive remuneration from investees other than subsidiaries or the parent company, the remuneration received by the General Manager or Deputy General Managers of the Company from investees other than subsidiaries or the parent company shall be included in Column E in the Range of Remuneration Table, and the column shall be renamed "Parent Company and All Investees."
- c. Remuneration in this case refers to remuneration, bonuses (including employee, Director, or supervisor compensation), and allowances received by the General Manager or Deputy General Managers of the Company as the Directors, supervisors, or managerial officers of investees other than subsidiaries or the parent company.
- d. The Company is the ultimate parent company of all subsidiaries included in the consolidated financial statements.

Note 10: On July 1, 2021, he was promoted from the senior manager of the sales and marketing division to the deputy general manager of the sales and marketing division.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.



(IV.) The remuneration of the top five executives with the highest remuneration (name and remuneration shall be disclosed individually): N/A.

(V.) Name of managerial officers who distribute employee bonuses and the situation of distribution

December 31, 2021

Unit: NT\$ 1,000

	Position (Note 1)	Name (Note 1)	Stock	Amount of Cash	Total	Percentage of Total Compensations on NIAT (%)
Managerial Officer	Chief Executive Officer	Yi-Gui Wu	0	886	886	0.0171%
	General Manager and Factory Chief	Ke-Shun Wang				
	Deputy General Manager	Han-Tai Liu				
	Deputy General Manager	Ming-Tsung Wu (Note 5)				
	Corporate Governance Officer	Yung-Chih Chen				
	Finance Manager	Wen-Li Yang				
	Accounting Manager	Chuan-Hua Kuo				

Note 1: Names and positions shall be listed individually, and the amount of profit distributed shall be disclosed collectively.

Note 2: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the managerial officers in the most recent fiscal year. If this amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year. Net income after tax refers to net income after tax in the most recent fiscal year. Where IFRS is adopted, net income after tax refers to net income after tax recorded in the parent company-only financial statements in the most recent fiscal year.

Note 3: The scope of application for the term "managerial officer" shall follow the approved document with Reference No. Tai Tsai Cheng San Tzu 0920001301 dated March 27, 2003. Its scope of application shall be as follows:

- (1) General Manager and Equivalent
- (2) Deputy General Manager and Equivalent
- (3) Senior Manager and Equivalent
- (4) Supervisor of Finance Department
- (5) Supervisor of Accounting Department
- (6) Other Personnel Authorized to Manage the Company's Affairs and Sign for Approval

Note 4: Directors, general manager and deputy general manager who receive employee rewards (including shares and cash) should be listed not only in Table 1-2, but also in this table.

Note 5: On July 1, 2021, he was promoted from the senior manager of the sales and marketing division to the deputy general manager of the sales and marketing division.

(VI.) Analysis and Comparison of Percentages of Remuneration Paid to the Company's Directors, General and Deputy General Manager by the Company and All the Companies Listed in Its Consolidated Financial Statements in the Most Recent Two Fiscal Years to the Net Income After Taxes Recorded in Its Parent Company-Only or Individual Financial Statements, and Explanation on the Remuneration Policies, Standards and Packages, Procedures for Determining Remuneration and Their Correlations with Its Business Performance and Future Risk Exposure

1. Analysis of percentages of remuneration paid to Directors, General Manager, and Deputy General Managers to the net income after taxes:

Category	Item	The Company				All Companies in the Financial Report			
		2021		2020		2021		2020	
		Total Amount	Percentage of Total Remuneration to NIAT	Total Amount	Percentage of Total Remuneration to NIAT	Total Amount	Percentage of Total Remuneration to NIAT	Total Amount	Percentage of Total Remuneration to NIAT
General Directors' remuneration (Note1)		3,672	0.07%	4,572	0.19%	3,918	0.08%	6,179	0.26%
Independent Directors' remuneration (Note1)		5,018	0.10%	5,060	0.21%	5,018	0.10%	5,060	0.21%
General Directors' remuneration (Note2)		31,352	0.60%	27,319	1.13%	52,783	1.02%	47,264	1.96%
Independent Directors' remuneration (Note2)		5,018	0.10%	5,060	0.21%	5,018	0.10%	5,060	0.21%
General Manager and Deputy General Manager		41,868	0.81%	32,503	1.35%	64,913	1.25%	51,086	2.12%
Net income after tax		5,191,394	-	2,409,778	-	5,191,394	-	2,409,778	-

Note1 : Excluding remuneration paid to those who concurrently serve as employees.

Note2 : Including remuneration paid to those who concurrently serve as employees.

The proportion of the remuneration of general directors and independent directors to the net income after tax in 2011 decreased as compared with that of 2010, which was due to the increase in net income after tax in 2011. The total amount of remuneration for general managers and deputy general manager increased compared with that of 2020, which was due to the increase in net income after tax and the increase of bonuses paid.

2. Remuneration Policies, Standards and Packages, Procedures for Determining Remuneration and Correlation of Remuneration with Business Performance and Future Risks:

(1) Remuneration Policies, Standards and Packages :

- The remuneration of the directors is in accordance with Article 19-1 of the Company's Articles of Incorporation, which stipulates, "Regardless of the



Company's operating profit or loss, the remuneration shall be based on the value of their participation in and contribution to the Company's operations, with the industry standards in the R.O.C. as a reference." The remuneration of the directors shall not exceed one percent of the profit for the year, and the remuneration of the employees shall not be less than one percent of the profit for the year in accordance with Article 34 of the Company's Articles of Incorporation. The foregoing remuneration is determined with reference to the Company's operating performance and the results of the evaluation of the directors' performance. In addition, the transportation allowances shall be paid according to the resolution of the shareholders' meeting, except that Managerial Officers who concurrently serves as a Director of the Company shall not receive the transportation allowance. The aspects of performance evaluation for the Directors: Including alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.

- Managers' remuneration shall be handled in accordance with the company's relevant personnel regulations, and shall be determined in consideration of operating performance. The business performance includes evaluation of the achievement rate in terms of finance aspect (operating income, operating profit and net profit before tax), customer aspect, product aspect, talent aspect, safety aspect and project aspect.
- The packages of remuneration paid by the Company is determined in accordance with the organizational regulations of the Remuneration Committee, including cash remuneration, stock options, dividends, retirement benefits or resignation payments, various allowances and other measures with substantial incentives; its scope is consistent with matters concerning directors and managers under the Regulations Governing Information to be Published in Annual Reports of Public Companies ..

(2) Procedures for Determining Remuneration:

- In order to regularly evaluate the salaries and remuneration of directors and managers, the company's "Board of Directors Performance Evaluation

Method" and the "Performance Management Method" applicable to managers and employees are based on the evaluation results.

- Performance assessment and reasonableness of remuneration for directors and managers are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors every year, in addition to the performance achievement rate and contribution to the company, as well as the overall operational performance of the company, future risks and development of the industry Trends, and review the remuneration system at any time according to the actual operating conditions and relevant laws and regulations, and provide reasonable remuneration to achieve a balance between the company's sustainable operation and risk control.

(3) Correlation of Remuneration with Business Performance and Future Risks:

The correlation with the Company's business performance and future risk exposure: The Remuneration Committee references the Company's overall business performance, outlook of the industry, business risks, and development trends and evaluates the performance targets of the Company's Directors and managerial officers to establish the content and amount of their remuneration individually. The Committee forms recommendations and submits them to the Board of Directors for passage. The Committee reviews the remuneration system for the Company's Directors and managerial officers any time in light of the actual operating conditions and relevant laws and regulations and should not guide the Company's Directors and managerial officers to pursue compensation and engage in behaviors beyond the Company's risk appetite.

IV. Company Management

(I.) Operations of the Board of Directors

A total of five (5) meetings (A) were held by the Board of Directors in the most recent fiscal year (2021). The attendance of the members of the Board are as follows:

◎ : Attendance in Person ; ☆ : Attendance by Proxy

Position	Name (Note 1)	The 5th meeting of the 20th term on March 8, 2021	The 6th meeting of the 19th term on May 6, 2021	The 7th meeting of the 19th term on July 8, 2021	The 8th meeting of the 20th term on August 5, 2021	The 9th meeting of the 20th term on November 4, 2021	Attendance in Person (B)	Attendance by Proxy	Rate of Attendance in Person (%) [B/A] (Note 2)	Remark
Chairman	Yi-Gui Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited)	◎	◎	◎	◎	◎	5	0	100.00	Re-elected
Directors	Ching-Shou Yu (Representative of Asia Polymer Corporation)	◎	◎	◎	◎	◎	5	0	100.00	Re-elected
Directors	Che-I Kao (Representative of Asia Polymer Corporation)	◎	☆	◎	◎	◎	4	1	80.00	Re-elected
Directors	Kuang-Che Huang (Representative of Taita Chemical Company, Ltd.)	◎	◎	◎	◎	◎	5	0	100.00	Re-elected
Director and General Manager	Ke-Shun Wang (Representative of Taita Chemical Company, Ltd.)	◎	◎	◎	◎	◎	5	0	100.00	Re-elected
Directors	Hung-Ting Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited)	◎	◎	◎	◎	◎	5	0	100.00	Re-elected
Independent Director	Chung Chen	◎	◎	◎	◎	◎	5	0	100.00	Re-elected
Independent Director	Tzu-Chun Tu	◎	◎	◎	◎	◎	5	0	100.00	Re-elected
Independent Director	Ying-Chun Hai	◎	◎	◎	◎	◎	5	0	100.00	Re-elected

Note 1: For directors who are institutions, the name of institutional shareholders and their representatives shall be disclosed.

Note 2:

- (1) Where directors or supervisors resign before the end of the year, the "remark" column shall be annotated with the date of resignation. Actual presence (attendance) rate (%) shall be calculated using the number of Directors' Meetings convened and actual presence (attendance) during the term of service.
- (2) If directors or supervisors are re-elected before the end of the fiscal year, incoming and outgoing directors or supervisors shall be listed accordingly, and the Remark column shall indicate whether the status of a director is "outgoing", "incoming" or "re-elected", and the date of re-election. The director's percentage of attendance in person (%) shall be calculated based on the number of Board of Directors' Meetings held and the actual attendance in person during his/her term of office.



Other matters to be noted:

I. If any of the following applies to the operations of the Board of Directors, the date and session of the Board of Directors' Meeting, as well as the resolutions, opinions of Independent Directors and the Company's actions in response to the opinions of Independent Directors shall be stated:

(I.) Items listed in Section 3, Article 14 of Securities and Exchange Act.

Board of Directors	Resolution and Follow-up Actions	Items listed in Article 14-3 of the Securities and Exchange Act	Dissenting Opinion or Qualified Opinion by Independent Directors
The 5th meeting of the 20th term on March 8, 2021	1. Approved the appointment of CPAs for year 2021. Opinions of Independent Directors: None The Company's actions in response to the opinions of Independent Directors: None Resolution: All the Directors present voted in favor of the resolution without any dissenting opinion.	v	None
	2. Approved the recommendation to lift competition restrictions against Directors. Opinions of Independent Directors: None The Company's actions in response to the opinions of Independent Directors: None Voting results: The Chair consulted all Directors present, except for the Independent Director Tzu-Chun Tu / the Independent Director Ying-Chun Hai / the Director Wang Ke-Shun who had to recuse himself from voting due to a conflict of interest, and they voted unanimously in favor of the resolution.	v	None
	1. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd. Opinions of Independent Directors: None The Company's actions in response to the opinions of Independent Directors: None Resolution: All the Directors present voted in favor of the resolution without any dissenting opinion.	v	None
	2. Approve the issuance of unsecured ordinary corporate bonds	v	None
	3. Approve the amendment of internal control system Opinions of Independent Directors: None The Company's actions in response to the opinions of Independent Directors: None Resolution: All the Directors present voted in favor of the resolution without any dissenting opinion.	v	None
The 6th meeting of the 20th term on May 6, 2021	1. Approve the issuance of unsecured ordinary corporate bonds Opinions of Independent Directors: The Audit Committee made the following suggestions: Due to the rapid changes in interest rates, the Finance Department should report to the Chairman at any time to analyze the interest rate situation in the second half of the year. The Company's actions in response to the opinions of Independent Directors: The Company shall take actions based on recommendations of the Audit Committee. Resolution: All the Directors present voted in favor of the resolution without any dissenting opinion.	v	None
	2. Approved the lending of funds to the subsidiary Company USI Green Energy Corporation. Opinions of Independent Directors: None The Company's actions in response to the opinions of Independent Directors: None Resolution: All the Directors present voted in favor of the resolution without any dissenting opinion.	v	None
	1. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd. Opinion of Independent Directors: The Audit Committee made the following recommendation: It is recommended that the endorsement guarantee should be stated in the evaluation conclusion that it is in line with the Company's business needs. The Company's actions in response to the opinions of Independent Directors: The Company shall take actions based on recommendations of the Audit Committee. Voting results: The Chair consulted all the directors present, and they voted in favor of the resolution without any dissenting opinion. Please take note of the recommendations of the Audit Committee.	v	None
	2. Ratify endorsements/guarantees made for Chong Loong Trading Co. Ltd. Opinion of Independent Directors: The Audit Committee made the following recommendation: It is recommended that the endorsement guarantee should be stated in the evaluation conclusion that it is in line with the Company's business needs. The Company's actions in response to the opinions of Independent Directors: The Company shall take actions based on recommendations of the Audit Committee. Voting results: The Acting Chair consulted all Directors present, except for the Chairman Yi-Gui Wu who had to recuse himself from voting due to a conflict of interest, and they voted unanimously in favor of the resolution.	v	None
The 7th meeting of the 20th term on July 8, 2021	1. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd. Opinion of Independent Directors: The Audit Committee made the following recommendation: It is recommended that the endorsement guarantee should be stated in the evaluation conclusion that it is in line with the Company's business needs. The Company's actions in response to the opinions of Independent Directors: The Company shall take actions based on recommendations of the Audit Committee. Voting results: The Chair consulted all the directors present, and they voted in favor of the resolution without any dissenting opinion. Please take note of the recommendations of the Audit Committee.	v	None
	2. Ratify endorsements/guarantees made for Chong Loong Trading Co. Ltd. Opinion of Independent Directors: The Audit Committee made the following recommendation: It is recommended that the endorsement guarantee should be stated in the evaluation conclusion that it is in line with the Company's business needs. The Company's actions in response to the opinions of Independent Directors: The Company shall take actions based on recommendations of the Audit Committee. Voting results: The Acting Chair consulted all Directors present, except for the Chairman Yi-Gui Wu who had to recuse himself from voting due to a conflict of interest, and they voted unanimously in favor of the resolution.	v	None
The 8th meeting of the 20th term on August 5, 2021	1. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd. Opinion of Independent Directors: The Audit Committee made the following recommendation: It is recommended that the endorsement guarantee should be stated in the evaluation conclusion that it is in line with the Company's business needs. The Company's actions in response to the opinions of Independent Directors: The Company shall take actions based on recommendations of the Audit Committee. Voting results: The Chair consulted all the directors present, and they voted in favor of the resolution without any dissenting opinion. Please take note of the recommendations of the Audit Committee.	v	None
	2. Ratify endorsements/guarantees made for Chong Loong Trading Co. Ltd. Opinion of Independent Directors: The Audit Committee made the following recommendation: It is recommended that the endorsement guarantee should be stated in the evaluation conclusion that it is in line with the Company's business needs. The Company's actions in response to the opinions of Independent Directors: The Company shall take actions based on recommendations of the Audit Committee. Voting results: The Acting Chair consulted all Directors present, except for the Chairman Yi-Gui Wu who had to recuse himself from voting due to a conflict of interest, and they voted unanimously in favor of the resolution.	v	None



Board of Directors	Resolution and Follow-up Actions	Items listed in Article 14-3 of the Securities and Exchange Act	Dissenting Opinion or Qualified Opinion by Independent Directors
The 9th meeting of the 20th term on November 4, 2021	1. Compensation paid to the certifying CPAs for 2021.	v	None
	2. Approved the amendment to some provisions of the Risk Management Policy and Procedures.	v	None
	3. Approved the endorsement guarantee for the subsidiary Company USI Green Energy Corporation.	v	None
	4. Approved the lending of funds to the subsidiary Company USI Green Energy Corporation.	v	None
	Opinion of Independent Directors: The Audit Committee made the following recommendations: The funding requirements and planning for the endorsement guarantee given on behalf of and financing provided to USI Green Energy Corporation should be clearly stated in the evaluation report.		
	The Company's actions in response to the opinions of Independent Directors: The Company shall take actions based on recommendations of the Audit Committee.		
	Voting results: The Chair consulted all the directors present, and they voted in favor of the resolution without any dissenting opinion. Please take note of the recommendations of the Audit Committee.		
	5. Ratify endorsements/guarantees made for the subsidiary Company Chong Loong Trading Co. Ltd.	v	None
	Opinions of Independent Directors: None		
	The Company's actions in response to the opinions of Independent Directors: None		
Voting results: The Acting Chair consulted all Directors present, except for the Chairman Yi-Gui Wu who had to recuse himself from voting due to a conflict of interest, and they voted unanimously in favor of the resolution.			

(II.) Other resolutions of the Board, which the Independent Director(s) voiced dissenting or qualified opinions that are documented or issued through a written statement in addition to the above: No such occurrences.

II. In regards to the recusal of directors due to conflict of interests, the name of the directors, proposal contents, the reasons for recusal due to conflict of interests and voting result:

Name of Director	Resolutions	Reason for recusal	Participation in Voting	Remark
Tzu-Chun Tu Ying-Chun Hai Ke-Shun Wang	Removal of the non-compete clause for Directors	The recused Director is the subject in the removal of the non-compete clause.	Did not participate in voting	5th Meeting of 20th Term March 08, 2021
Yi-Gui Wu Ke-Shun Wang	Donations to the USI Education Foundation	They recused themselves due to conflict of interest as they serve as Directors of the foundation.	Did not participate in voting	
Yi-Gui Wu Ke-Shun Wang	Proposal for endorsements/guarantees made for the investee company Chong Loong Trading Co. Ltd.	The Director who recused himself had a conflict of interest with the proposal as the director of the investee company Chong Loong Trading Co. Ltd.	Did not participate in voting	The 8th meeting of the 20th term August 5, 2021
Yi-Gui Wu Ke-Shun Wang	Endorsements/guarantees made for the subsidiary company Chong Loong Trading Co. Ltd.	The Director who recused himself had a conflict of interest with the proposal as the director of the investee company Chong Loong Trading Co. Ltd.	Did not participate in voting	The 9th meeting of the 20th term November 4, 2021

III. A listed company shall disclose information regarding cycle, period, scope, and method of self- (or peer) evaluation of the Board of Directors and fill out the implementation status of the evaluation of the Board in Table 2 (2).

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
Annually	January 1, 2021 to December 31, 2021	Performance Evaluation of the Board of Directors	Internal Self-evaluation of the Board of Directors	<p>I. Performance Evaluation of the Board of Directors</p> <ol style="list-style-type: none"> Degree of participation in the Company's operations Improvement in the quality of decision-making of the Board of Directors Composition and structure of the Board of Directors

				4. Election and continuing education of the Directors 5. Internal control
		Performance evaluation of individual director member	Self-evaluation by the members of the Board of Directors	II. Self-evaluation by the members of the Board of Directors 1. Understanding of the Company's goals and tasks. 2. Understanding of the Director's responsibilities. 3. Degree of participation in the Company's operations. 4. Management and communication of the internal relations. 5. Expertise and continuing education of the Directors 6. Internal control.
		Evaluation of functional committees' performance	Self-evaluation of the members of functional committees	III. Evaluation on the performance of the Audit Committee 1. Degree of participation in the Company's operations. 2. Understanding of the Audit Committee's duties. 3. Improvement of the decision-making quality of the Audit Committee. 4. Composition of the Audit Committee and selection of committee members. 5. Internal control.
				IV. Performance evaluation of the Remuneration Committee 1. Degree of participation in the Company's operations. 2. Understanding of the Remuneration Committee's roles and responsibilities. 3. Improvement in the Remuneration Committee's decision-making quality. 4. Composition and member selection of the Remuneration Committee.

※ The performance evaluation results of the Board of Directors and functional committees of 2021 have been submitted to the first meeting of the Board of Directors of 2022 on March 10, 2022, and disclosed on the Company's website after the meeting, capable of accurately evaluating and supervising the Company's existing and potential risks and providing a basis for reference.

Note 1: Fill out the evaluation cycle for the evaluation of the Board of Directors such as once every year.

Note 2: Fill out the period for the evaluation of the Board of Directors such as the period for the evaluation of the performance of the Board of Directors is from January 1, 2021 to December 31, 2021.

Note 3: The scope of evaluation covers the evaluation of the performance of the Board of Directors, individual Directors, and functional committees.

Note 4: Methods of evaluations include the self-evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Note 5: The evaluation content includes at least the following items according to the evaluation scope:

- (1) Performance evaluation of the Board of Directors: The evaluation shall include at least the "participation in the operations of the Company", "improvement of the quality of the Board of Directors' decision making", "composition and structure of the Board of Directors", "election and continuing education of the Directors", "and "internal control".
- (2) Evaluation of individual Directors' performance: It shall at least include the knowledge about the Company's objectives and tasks, the understanding of Director duties, the participation in the Company's operations, the internal relationship management and communication, Directors' specialties and continuous learning, and internal control.
- (3) Performance evaluation of functional committees: Degree of participation in the Company's operations, knowledge of the duties of the functional committee, improvement in the quality of



functional committee decisions, functional committee composition and election of members, and internal control.

IV. The targets for strengthening the functions of the Board of Directors in the current year and recent years (such as the establishment of the Audit Committee and enhancement of information transparency) and the assessment of implementation:

1. The Board of Directors operates in compliance with laws, regulations, the Articles of Incorporation, and the resolutions adopted by the shareholders' meeting. In addition to possess necessary professional knowledge to carry out their duties, all Directors shall act in accordance with the principles of honesty and good faith and their due obligations, to create the maximum interests for all shareholders.
2. The Company constantly pays attention to changes in laws and regulations of the competent authority, reviews its Rules of Procedure for Board of Directors' Meetings and Rules Governing the Scope of Powers of Independent Directors, and evaluates its Audit Committee Charter and Remuneration Committee Charter in due course. The Company really seeks to improve information transparency in accordance with the amended laws, and the implementation of these regulations has been favorable.
3. To have a corporate governance officer to safeguard shareholders' interests and to strengthen the functions of the Board of Directors, the Corporate Governance Officer was established to support operations of the Board on May 13, 2019.
4. The Company has formed functional committees such as the Remuneration Committee and the Audit Committee in 2011 and 2014, respectively, and continues to improve the effectiveness of these functional committees.
5. The Company's website and the Market Observation Post System disclose relevant information on the Company's compliance with related regulations and major resolutions of the Board of Directors to help shareholders understand the Company's development and enhance the transparency of the Company's information.
6. The Company organizes 6 hours of directors training sessions each year and assists directors to participate in external corporate governance courses. Below details the continued training sessions attended by the Company's Directors in 2021:

Position	Name	Date of Course	Organized by	Course Title	Number of Hours
Chairman	Yi-Gui Wu	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		October 7, 2021	Securities and Futures Institute	Insider Trading Case Study	3
Directors	Ching-Shou Yu	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		October 7, 2021	Securities and Futures Institute	Insider Trading Case Study	3

Position	Name	Date of Course	Organized by	Course Title	Number of Hours
Directors	Che-I Kao	November 17, 2021	Securities and Futures Institute	Talking about intellectual property management from the perspective of the Board of Directors	3
		December 7, 2021	Taiwan Stock Exchange (TWSE)	2021 Cathay Sustainable Finance and Climate Change Summit Forum	3
Directors	Kuang-Che Huang	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		October 7, 2021	Securities and Futures Institute	Insider Trading Case Study	3
Director and General Manager	Ke-Shun Wang	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		October 7, 2021	Securities and Futures Institute	Insider Trading Case Study	3
Directors	Hung-Ting Wu	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		October 7, 2021	Securities and Futures Institute	Insider Trading Case Study	3
Independent Directors	Chung Chen	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		September 30, 2021	Computer Audit Association	Improving corporate information security governance capacities from international risk, industry and standard development trends	3
Independent Director	Tzu-Chun Tu	February 26, 2021	Taiwan Institute of Directors	Future trend of AI for corporate digital transformation	3
		July 21, 2021	Computer Audit Association	Strengthening the "Information Resilience" of the Financial Industry - Responding to Risk Crisis	3
		July 27, 2021	Taiwan Corporate Governance Association	Value and Disclosure of Corporate Non-Financial Performance - Global Trends and Impact on Taiwanese Businessmen	3
		September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
Independent Director	Ying-Chun Hai	February 24, 2021	Taiwan Corporate Governance Association	Looking the Future of Taiwan-US-China Trilateral Relations from the Breakage and Reconstruction of the American Dream	3
		July 29, 2021	Taiwan Corporate Governance Association	Functions and Responsibilities of Directors	3
Corporate Governance Officer	Yung-Chih Chen	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		September 1, 2021	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	6
		October 7, 2021	Securities and Futures Institute	Insider Trading Case Study	3
		October 27, 2021	Securities and Futures Institute	Workshop on Equity Trading Compliance for Insiders in 2021	3
		November 8, 2021	Taiwan Corporate Governance Association	How does the Board of Directors Review the Sustainability Report: ESG Disclosure Norms	3
		November 12, 2021	Securities and Futures Institute	2021 Insider Trading Prevention Seminar	3
		December 7, 2021	Taiwan Stock Exchange (TWSE)	2021 Cathay Sustainable Finance and Climate Change Summit Forum	6
Accounting Manager	Chuan-Hua Kuo	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		October 7, 2021	Securities and Futures Institute	Insider Trading Case Study	3
Finance Manager	Wen-Li Yang	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		October 7, 2021	Securities and Futures Institute	Insider Trading Case Study	3

The number of learning hours, scope of learning, learning system, arrangements and information on the above-mentioned training sessions which comply with the Directions for



the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies shall be disclosed.

(II.) Information Regarding the Implementation of the Audit Committee or the Participation of Supervisors in the Operations of the Board of Directors:

1. Status of operations and main functions of the Audit Committee:

(1) The functions and main review items of the Audit Committee are as follows:

- Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act
- Assessment of the effectiveness of the internal control system
- Pursuant to Article 36-1 of the Securities and Exchange Act, formulate or revise procedures for major financial business actions including the acquisition or disposal of assets, engaging in derivative trading, loaning of funds to others, making endorsement or guarantees for others
- Matters concerning the personal interests of Directors
- Discussion and communication with the participants on the issues raised during CPAs' reporting on the status of audit or review of financial reports on a quarterly basis, and regular communication with CPAs and internal audit supervisors individually
- Review the internal control system and relevant policies and procedures
- Major assets or derivative trading
- Major loaning of funds, making of endorsements or provision of guarantees
- The offering, issuance, or private placement of equity-type securities
- Compliance with laws and regulations and filing requests to managers for development of response plans for amendments to the laws

- Review internal audit reports (including risk management of information security and internal controls), and maintain communication with the head of internal audit
- Evaluation of the qualifications, independence, and performance of the CPAs
- Appointment or dismissal of CPAs, or remuneration given thereto
- Appointment and dismissal of finance manager, accounting manager, and head of internal audit
- Review the performance of the Audit Committee
- Review the annual financial report stamped with the seal of the Chairman, managerial officer, and principal accounting officer.
- Accept and deal with whistleblowing cases in accordance with the functions listed in this article
- Other material matters as may be required by the Company or by the competent authority

(2) The Auditing Department met twice (A) in the most recent year. The attendance of Independent Directors was as follows:

Position	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note 1 and Note 2)	Remark
Independent Director	Chung Chen	5	0	100.00	Re-elected. A re-election for Directors (including three seats of Independent Director) was held at the Shareholders' Meeting on June 12, 2020.
Independent Director	Tzu-Chun Tu	5	0	100.00	
Independent Director	Ying-Chun Hai	5	0	100.00	

(3) Operations in the current year:

- I. With regard to the implementation of the Audit Committee, if any of the following circumstances occur, the convening dates, terms of the meetings, contents of motions, independent directors' objections, reservations or major recommendations, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified.

(I.) Items listed in Section 5, Article 14 of Securities and Exchange Act.

Audit Committee	Resolution and Follow-up Actions	Items specified in Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two thirds of all Directors but yet to be approved by the Audit Committee
The 4th meeting of the 3rd term	1. Submit the Accounting Books of 2020 for deliberation.	v	None
	2. Submit the proposal for the 2020 earnings distribution plan for	v	None



Audit Committee	Resolution and Follow-up Actions	Items specified in Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two thirds of all Directors but yet to be approved by the Audit Committee
on March 8, 2021	deliberation.		
	3. Submit the evaluation of the independence of the CPAs appointed for 2021 for deliberation.	v	None
	4. Submit the appointment of CPAs for 2021 for deliberation.	v	None
	5. Submit the 2020 Statement on Internal Control Systems for deliberation.	v	None
	6. Submit the proposal for the removal of the non-compete clause for Directors for deliberation.	v	None
	7. Submit the proposal for the removal of the non-compete clause for Directors for deliberation.	v	None
	8. Submit the proposal for the removal of the non-compete clause for Directors for deliberation.	v	None
	<p>Voting results of the Audit Committee: All the members of the Audit Committee voted in favor of Proposal 1 to Proposal 5, and Proposal 8, which were then submitted to the Board of Directors for deliberation. Except Independent Director Tzu-Chun Tun in Proposal 6 and Independent Director Ying-Chun Hain in Proposal 7 recused themselves due to conflicts of interest, the rest of members, after being consulted by the Chair, all voted in favor of Proposal 6 and Proposal 7, which were then submitted to the Board of Directors for deliberation.</p> <p>The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.</p>		
The 5th meeting of the 3rd term on May 6, 2021	1. Submit the proposal for amendment to the Company's internal control systems for deliberation.	v	None
	2. Ratify endorsements/guarantees made for investee company Union Polymer International Investment Co., Ltd.	v	None
	3. Submit the proposal for the issuance of unsecured ordinary corporate bonds for NT\$2 billion for resolution	v	None
	<p>Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.</p> <p>The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.</p>		
The 6th meeting of the 3rd term on July 8, 2021	1. Deliberate the proposed lending of funds NT\$200 million to the subsidiary Company USI Green Energy Corporation.	v	None
	2. Submit the proposal for the issuance of unsecured ordinary corporate bonds for NT\$2 billion for resolution	v	None
	<p>Recommendations from the Audit Committee: 2nd Agenda Due to the rapid changes in interest rates, the Finance Department is requested to report to the Chairman at any time to analyze the situation of interest rate in the second half of the year.</p> <p>Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.</p> <p>The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.</p>		
The 7th meeting of the 3rd term on August 5, 2021	1. Ratify endorsements/guarantees made for investee company Union Polymer International Investment Co., Ltd.	v	None
	2. Ratify endorsements/guarantees made for the investee company Chong Loong Trading Co. Ltd.	v	None
	<p>Audit Committee Recommendations: Proposal 1 and Proposal 2 It is recommended that the endorsement guarantee should be stated in the evaluation conclusion that it is in line with the Company's business needs.</p> <p>Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.</p> <p>The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.</p>		
The 8th meeting of the 3rd term	1. Ratify endorsements/guarantees made for the subsidiary company Chong Loong Trading Co. Ltd.	v	None

Audit Committee	Resolution and Follow-up Actions	Items specified in Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two thirds of all Directors but yet to be approved by the Audit Committee
on November 4, 2021	2. Discuss the endorsement guarantee for the subsidiary Company USI Green Energy Corporation.	v	None
	3. Deliberate the proposed lending of funds NT\$200 million to the subsidiary Company USI Green Energy Corporation.	v	None
	4. Deliberate the Audit Plan for 2022.	v	None
	5. Submit the proposal for compensation paid to the Company CPAs for 2021 for deliberation.	v	None
	6. Deliberate the proposal to amend some provisions of the "Regulations Governing Risk Management Policy and Procedures."	v	None
	Recommendations from the Audit Committee: 2nd Agenda The funding requirements and planning for the endorsement guarantee given on behalf of and financing provided to USI Green Energy Corporation should be clearly stated in the evaluation report. Audit Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting. The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.		

(II.) In addition to the aforementioned motions, other motions not passed by the Audit Committee but passed by at least two-thirds of the votes of the entirety of the Board of Directors: No such occurrences.

II. In regards to the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the resolutions, reasons for recusal due to conflict of interests and voting results shall be stated:

Name of Director	Resolutions	Reason for recusal	Participation in Voting	Remark
Tzu-Chun Tu Ying-Chun Hai	Removal of the non-competence clause for Directors	The recused Director is the subject in the removal of the non-competence clause.	Did not participate in voting	The 4th meeting of the 3rd term March 08, 2021

III. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)

(1) Not only will the Internal Audit Department submit audit reports to each independent director for review every month, but also the head of internal audit will report major audit findings to each independent director in the Audit Committee every quarter. Both the Company's Audit Committee and the Head of Internal Audit have maintained good communications.

Summary of communications between the Audit Committee and the Head of Internal Audit:

Date	Key Communication Points	Recommendations and Results
March 8, 2021	1. The 4th Meeting of the 3rd Term: Internal Audit Report. 2. Review of the 2020 "Statement on Internal Control Systems".	No dissenting opinion
May 6, 2021	1. The 5th Meeting of the 3rd Term: Internal Audit Report. 2. Amended the Company's "Internal Control System - Procedures for Shareholder Services" in accordance with the amended "Standards for the Internal Control Systems of Shareholder Service Units" promulgated by the Taiwan Depository &	No dissenting opinion



Date	Key Communication Points	Recommendations and Results
	Clearing Corporation.	
July 8, 2021	The 6th Meeting of the 3rd Term: Internal Audit Report.	No dissenting opinion
August 5, 2021	The 7th Meeting of the 3rd Term: Internal Audit Report.	No dissenting opinion
November 4, 2021	Review the annual internal audit plan for 2022.	No dissenting opinion

- (2) CPAs compile information on the audit of the Company's consolidated financial statements (annual financial statements including parent company-only financial statements) and review of governance-related matters every quarter, and report them to the Audit Committee in accordance with the Auditing Standards Bulletin No. 39 - "Communication with Those Charged with Governance" and the letter with the Ref No. Tai Tsai Cheng Liu Tzu 0930105373 issued by SFB on March 11, 2004. Both the Company's Audit Committee and CPAs have maintained good communications.

Summary of communication between the Audit Committee and CPAs:

Date	Key Communication Points	Recommendations and Results
March 8, 2021	1. CPAs reported the status of audit of the Company's 2020 financial statements, as well as discussed and responded to questions raised by attendees. 2. Reviewed the experience, performance, and independence of CPAs. 3. Appointment of CPAs for 2021 4. The CPA has discussed and communicated with attendees on the questions they raised with regard to major legal amendments and their impact.	No dissenting opinion
May 6, 2021	1. CPAs reported the status of the audit of the Company's 2021 Quarter 1 financial statements, as well as discussed and responded to questions raised by attendees. 2. The CPA has discussed and communicated with attendees on the questions they raised with regard to major legal amendments and their impact.	No dissenting opinion
August 5, 2021	1. CPAs reported the status of the audit of the Company's 2021 Quarter 2 financial statements, as well as discussed and responded to questions raised by attendees. 2. The CPA has discussed and communicated with attendees on the questions they raised with regard to major legal amendments and their impact.	No dissenting opinion
November 4, 2021	CPAs reported the status of audit of the Company's 2021 Quarter 3 financial statements, as well as discussed and responded to questions raised by members of the Audit Committee.	No dissenting opinion

Note:

- (1) Where an independent director resigns before the end of the fiscal year, the "remark" column should be filled with the independent director's resignation date, whereas his/her percentage of attendance in person (%) should be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.
- (2) If independent directors are re-elected before the end of the fiscal year, incoming and outgoing independent directors should be listed accordingly and the "remark" column should indicate whether the status of an independent director is "outgoing", "incoming" or "re-elected" and the date of re-election. Actual attendance percentage (%) is calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.
- (3) Please refer to Note 13 to Note 18 on page 18 of the Annual Report for the professional qualifications and experience of the members of the Audit Committee of the Company.

- To fully exercise their powers and have a better understanding of the Company's financial reports and financial and business conditions, independent directors communicate with CPAs and the internal audit supervisor separately in the Audit Committee at least once a year without the presence of general directors and management.
- CPAs compile information on the audit of the Company's consolidated financial statements (annual financial statements including parent company only financial statements) and review of governance-related matters every six months and report them to the Audit Committee. Ad hoc meetings may be convened in the event of major anomalies. Both the Company's Audit Committee and CPAs have maintained good communications.
- Not only will the Internal Audit Department submit audit reports to each independent director for review every month, but also the head of internal audit will report major audit findings to each independent director in the Audit Committee every quarter. Ad hoc meetings may be convened in the event of major anomalies. Both the Company's Audit Committee and the Head of Internal Audit have maintained good communications.
- Individual communications between the Independent Directors, the CPAs and the internal audit supervisor:

Date	Attendee	Communication Item	Results
The 8th Meeting of the 3rd Audit Committee on November 4, 2021	Independent Director Chung Chen Independent Director Tzu-Chun Tu Independent Director Ying-Chun Hai CPA Chuang Pi-Yu Chief Internal Auditor Chiang I-Ting	CPA: 1. The CPA has discussed and communicated with attendees on the questions they raised with regard to major legal amendments and their impact. 2. Communication on the key audit items of the 2021 annual financial reports. Chief Internal Auditor: 1. Report on the implementation of internal audit findings 2. Report on the style of communications between the Independent Directors, the CPAs and the internal audit supervisor	No dissenting opinion

2. Information regarding the participation of Supervisors in the operations of the Board of Directors: N/A.

(III.) Corporate Governance Implementation Status, Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations

<u>Assessment Item</u>	<u>Status of Implementation (Note 1)</u>			Discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies
	<u>Yes</u>	<u>No</u>	<u>Abstract Illustration</u>	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies"?	✓		The Company has established its "Corporate Governance Best Practice Principles" and complied with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies" to promote the implementation of corporate governance and discloses such information on its own website.	No significant difference
II. Shareholding structure & shareholders' rights				
(I.) Has the company established an internal operating procedure for handling matters related to shareholders' recommendations, doubts, disputes and lawsuits, and implemented them accordingly?	✓		The Company has appointed dedicated personnel to be in charge of such matters.	No significant difference
(II.) Does the Company maintain a list of major shareholders who have actual control over the Company and persons who have ultimate control over the major shareholders?	✓		The Company has been maintaining contact with its major shareholders and persons who have ultimate control over the major shareholders.	No significant difference
(III.) Has the Company established and implemented risk control and firewall mechanisms among its affiliated companies?	✓		The Company has established and implemented a system to monitor its subsidiaries.	No significant difference
(IV.) Has the company formulated internal regulations that prohibit insiders of the company from trading securities using undisclosed information in the market?	✓		The Company has formulated its "Procedures for Ethical Management and Guidelines for Conduct", in which Article 14 forbids insiders to use undisclosed information to trade securities.	Consistent with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
III. Composition and responsibilities of the Board of Directors				
(I.) Has the Board of Directors formulated diversity policies, specific management goals and the implementation thereof?	✓		<p>© Policy for the Diversity of the Board Members</p> <p>According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:</p> <ul style="list-style-type: none"> ● Ability to make sound business judgments. ● Ability to perform accounting and financial analysis. ● Ability to manage a business. ● Ability to handle crisis management. ● Knowledge of the industry. ● An international market perspective. ● Leadership skills. ● Decision-making ability. <p>In addition to the eight competencies above, the Company has added two professional abilities, namely legal capability and environmental protection for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present,</p>	No significant difference

Assessment Item	Status of Implementation (Note 1)		Abstract Illustration	Discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies																																																																																																																																												
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			<p>existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection.</p> <p>© Specific Management Goals for the Diversity of the Board Members</p> <p>As for Board diversity, it is planned to engage one more Director with legal professional experience, particularly those with legal licenses and practice experience in technology law, so as to strengthen the protection of the Company's patent rights in the future; it is also planned to engage another Director with risk management expertise to enhance the Company's sustainable competitiveness. The Company sets goals for increasing the diversity of board members in terms of legal, risk management, and other professional skills so that the functions of the Board of Director can be more complete. The current Board was elected on June 12, 2020. Among them, Director Hung-Ting Wu was a newly-elected director. He double majored in finance and mercantile law at School of Business and Enterprise Management of Boston University. He used to be the principal officer of finance and legal affairs, possessing expertise in control of financial risks, which would facilitate not only the improvement in the quality of the Board deliberating proposals, but also the achievement of goal of Board members diversity. For details on the diversity of Board members, refer to the table below</p> <p>© Implementation of the Diversity of the Board Members: For details on the diversity of Board members, refer to the table below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of Director</th> <th rowspan="2">Gender</th> <th colspan="10">Diversified Core Competences</th> </tr> <tr> <th>Business Judgment</th> <th>Finance</th> <th>Accounting and management</th> <th>Business management</th> <th>Crisis management</th> <th>Knowledge of the industry</th> <th>International markets</th> <th>Leadership</th> <th>Decision-making ability</th> <th>Law</th> <th>Environmental protection</th> </tr> </thead> <tbody> <tr> <td>Wu, Quintin</td> <td>Male</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> </tr> <tr> <td>Yu, Ching-Shou</td> <td>Male</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Kao, Che-I</td> <td>Male</td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Huang, Kuang-Che</td> <td>Male</td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Wang, Ke-Shun</td> <td>Male</td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Wu, Hung Ting</td> <td>Male</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> <td>√</td> <td>√</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Chen, Chung</td> <td>Male</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> </tr> <tr> <td>Tu, Tzu-Chun</td> <td>Male</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td></td> </tr> <tr> <td>Hai, Ying-Chun</td> <td>Male</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td></td> </tr> </tbody> </table>	Name of Director	Gender	Diversified Core Competences										Business Judgment	Finance	Accounting and management	Business management	Crisis management	Knowledge of the industry	International markets	Leadership	Decision-making ability	Law	Environmental protection	Wu, Quintin	Male	√	√	√	√	√	√	√	√	√	√		Yu, Ching-Shou	Male	√	√	√	√	√		√	√				Kao, Che-I	Male	√		√	√	√		√	√				Huang, Kuang-Che	Male	√		√	√	√		√	√				Wang, Ke-Shun	Male	√		√	√	√	√	√	√				Wu, Hung Ting	Male	√	√	√	√			√	√				Chen, Chung	Male	√	√	√	√			√	√	√			Tu, Tzu-Chun	Male	√	√	√	√	√		√	√		√		Hai, Ying-Chun	Male	√	√	√	√	√		√	√		√		
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Assessment Item	Status of Implementation (Note 1)		Discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies
	Yes	No	
(II.) Has the company voluntarily established other functional committees, other than the remuneration committee and audit committee that are established in accordance with the law?	✓		No significant difference
(III.) Does the company formulate the performance evaluation methods for the Board of Directors, conduct performance evaluations annually and regularly, and report the results of the performance evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?	✓		No significant difference

Note: The consecutive terms of the three independent directors did not exceed three consecutive terms.
 The Company's Directors with employee status accounted for 22% and Independent Directors with employee status 33%. Three Directors are aged over 80, another four are among 70-79 years old, another one among 60-69 years old, and the remaining one is 60 years old or under. None of the three independent directors has served more than three consecutive terms.

The Company has established a remuneration committee and an audit committee and exercises its authority in accordance with its Remuneration Committee Charter and Audit Committee Charter with favorable performance. The Company has voluntarily established a Sustainable Development Committee which exercises its authority in accordance with the "Sustainable Development Committee Charter" with favorable performance.

I. Results of Performance Evaluation of the Board of Directors and Individual Directors in 2021

1. The Company passed the Rules Governing the Performance Evaluation of the Board of Directors in November 2019, stipulating that the performance evaluation of the Board of Directors and individual Directors shall be executed at the end of each year.
2. The Secretariat of the Board is responsible for the execution of the performance evaluation of the Board of Directors and individual Directors which shall be conducted based on an internal self-evaluation. The results of performance assessments are used as basis for the Company's review and improvement and as reference in determining remuneration for individual Directors, their nomination and additional office term.
3. The Company completed the performance evaluation of the Board of Directors in January 2022 for the evaluation period from January 1 to December 31, 2021. The below summarizes the evaluation result:

(1) Overall performance of the Board of Directors

Performance aspect	Score (Note)
Degree of participation in the Company's operations	4.83
Improvement in the quality of decision-making of the Board of Directors	5.00
Composition and structure of the Board of Directors	5.00
Election and continuing education of the Directors	4.60
Internal control	5.00

Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.

Assessment Item	Status of Implementation (Note 1)		Abstract Illustration	Discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies														
	Yes	No																
			<p>The results of evaluation on the performance of the Board of Directors</p> <ul style="list-style-type: none"> ● The evaluation result of the Board of Directors shows that the average scores of the five major dimensions are all above 4.6 points, an embodiment of a good evaluation result. ● In view of the growing global focus on environmental, social and governance (ESG) issues, the competent authority has also issued the Corporate Governance 3.0 Blueprint for Sustainable Development to promote various measures, so as to encourage listed companies to voluntarily improve their corporate governance quality. The Board of Directors must pay attention to this trend. In addition to the continuous improvement of corporate governance efficiency, they must carefully plan the implementation of carbon reduction goals and the strategies of developing green power in order to meet international standards and achieve the ambitious goal of corporate sustainable development. <p>(2) Performance of Board member</p> <table border="1"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> </tr> </thead> <tbody> <tr> <td>Understanding of the Company's goals and tasks</td> <td>4.81</td> </tr> <tr> <td>Understanding of the Director's responsibilities</td> <td>4.78</td> </tr> <tr> <td>Degree of participation in the Company's operations</td> <td>4.75</td> </tr> <tr> <td>Management and communication of the internal relations</td> <td>4.50</td> </tr> <tr> <td>Election and continuing education of the Directors</td> <td>4.70</td> </tr> <tr> <td>Internal control</td> <td>4.78</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>The results of evaluation on the performance of Board members</p> <p>The Director's self-evaluation result shows that the average score of the six aspects is above 4.5, which is a good evaluation result</p> <p>4. The results of performance evaluation of the Board of Directors and individual Directors in 2021 have been submitted to the Board meeting dated March 10, 2022.</p> <p>II. Evaluation on the performance of the Audit Committee</p> <p>1. The Audit Committee's performance evaluation cover the following items:</p> <ol style="list-style-type: none"> (1) Degree of participation in the Company's operations. (2) Understanding of the Audit Committee's duties. (3) Improvement of the decision-making quality of the Audit Committee. (4) Composition of the Audit Committee and selection of committee members. 	Performance aspect	Score (Note)	Understanding of the Company's goals and tasks	4.81	Understanding of the Director's responsibilities	4.78	Degree of participation in the Company's operations	4.75	Management and communication of the internal relations	4.50	Election and continuing education of the Directors	4.70	Internal control	4.78	
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Assessment Item	Status of Implementation (Note 1)		Abstract Illustration	Discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies														
	Yes	No																
			<p>(5) Internal control.</p> <p>2. The performance evaluation of the Audit Committee is conducted by the Accounting Division using an internal questionnaire to evaluate the operation of the Audit Committee. The performance evaluation results are used as references for the Company's review and improvements.</p> <p>3. Upon full collection of the questionnaires in January each year, the Company's Accounting Division will report the results to the Board of Directors in accordance with the "Regulations Governing the Evaluation of the Performance of the Board of Directors."</p> <p>4. The Company completed the performance evaluation of the Audit Committee (the evaluation period was from January 1 to December 31, 2021) in January 2022. The results of the performance evaluation of the Audit Committee was reported to the Board of Directors for review and improvement on March 10, 2022 with a view to accurately assessing and monitoring the Company's existing or potential risks.</p> <p>5. The evaluation results for each category are as follows:</p> <table border="1"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Company's operations</td> <td>5</td> <td rowspan="5">The evaluation result of the Audit Committee shows that the average scores of the five major dimensions are all above 5 points, an embodiment of a good evaluation result.</td> </tr> <tr> <td>Understanding of the Audit Committee's duties</td> <td>5</td> </tr> <tr> <td>Improvement of the decision-making quality of the Audit Committee</td> <td>5</td> </tr> <tr> <td>Composition of the Audit Committee and selection of committee members</td> <td>5</td> </tr> <tr> <td>Internal control</td> <td>5</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>III. Performance evaluation of the Remuneration Committee</p> <p>1. The Remuneration Committee's performance evaluation covers the following four items:</p> <ol style="list-style-type: none"> (1) Degree of participation in the Company's operations. (2) Understanding of the Remuneration Committee's roles and responsibilities. (3) Improvement in the Remuneration Committee's decision-making quality. (4) Composition and member selection of the Remuneration Committee. <p>2. The performance evaluation of the Remuneration Committee is conducted by the Human Resource Division through an internal questionnaire which is filled out by the members of the Committee. The performance evaluation results are used as references for the Company's review and improvements.</p>	Performance aspect	Score (Note)	Evaluation results	Degree of participation in the Company's operations	5	The evaluation result of the Audit Committee shows that the average scores of the five major dimensions are all above 5 points, an embodiment of a good evaluation result.	Understanding of the Audit Committee's duties	5	Improvement of the decision-making quality of the Audit Committee	5	Composition of the Audit Committee and selection of committee members	5	Internal control	5	
Performance aspect	Score (Note)	Evaluation results																
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Assessment Item	Status of Implementation (Note 1)		Abstract Illustration	Discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies												
	Yes	No														
(IV.) Does the company regularly evaluate the independence of CPAs?	✓		<p>3. The Company completed the performance evaluation of the Remuneration Committee in January 2022 for the evaluation period from January 1 to December 31, 2021. The evaluation results for 2021 were good in all aspects, and have been submitted to the Board of Directors for review on March 10, 2022 as a reference basis for further improvement.</p> <p>4. The evaluation results for each category are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Performance aspect</th> <th>Score (Note)</th> <th>Evaluation results</th> </tr> </thead> <tbody> <tr> <td>Degree of participation in the Company's operations</td> <td style="text-align: center;">5</td> <td rowspan="4">The result of the self-evaluation of the Remuneration Committee shows that the average scores of the four major dimensions are all above 4.9 points, an embodiment of a good evaluation result.</td> </tr> <tr> <td>Understanding of the Remuneration Committee's roles and responsibilities</td> <td style="text-align: center;">4.93</td> </tr> <tr> <td>Improvement in the Remuneration Committee's decision-making quality</td> <td style="text-align: center;">4.95</td> </tr> <tr> <td>Composition and member selection of the Remuneration Committee</td> <td style="text-align: center;">5</td> </tr> </tbody> </table> <p>Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</p> <p>The Accounting Division of the Company evaluates the independence of the CPA every year. The evaluation results of the most recent year were passed in the 9th meeting of the 3rd Audit Committee and the 10th meeting of the 20th Board of Directors on March 10, 2022. Based on the evaluation of CPAs Kuo Tzu-Jung and Wu Shi-Tsung from Deloitte & Touche by the Company's Accounting Division, both CPAs have met the Company's independence evaluation standards. Items to evaluate the independence of CPAs were formulated in accordance with Article 47 of the Certified Public Accountant Act and "Code of Ethics for Certified Professional Accounts Bulletin No. 10." The main evaluation items were as follows:</p> <ol style="list-style-type: none"> 1. As of the most recent assurance operation, no CPA has yet to be replaced for seven (7) years. 2. The CPA does not have significant financial interest in his/her trustor. 3. The CPA avoids any inappropriate relationship with his/her trustor. 4. The CPA should ensure that his/her assistants are honest, fair and independent. 5. The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two (2) years before practicing. 6. The CPA may not permit others to practice under his/her name. 7. The CPA does not own any shares of the Company and its affiliated companies. 8. The CPA has not engaged in lending and borrowing of money with the Company and its 	Performance aspect	Score (Note)	Evaluation results	Degree of participation in the Company's operations	5	The result of the self-evaluation of the Remuneration Committee shows that the average scores of the four major dimensions are all above 4.9 points, an embodiment of a good evaluation result.	Understanding of the Remuneration Committee's roles and responsibilities	4.93	Improvement in the Remuneration Committee's decision-making quality	4.95	Composition and member selection of the Remuneration Committee	5	No significant difference
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Assessment Item	Status of Implementation (Note 1)		Discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies
	Yes	No	
			<p>affiliated companies.</p> <p>9. The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies.</p> <p>10. The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary from them.</p> <p>11. The CPA is not involved in the decision-making process of the Company and its affiliated companies.</p> <p>12. The CPA does not concurrently engage in other businesses that may lead to loss of independence.</p> <p>13. The CPA does not have a spouse, immediate family members or relatives within the second degree of kinship who serve in the senior management of the Company.</p> <p>14. The CPA has not collected any commission related to his/her service.</p> <p>15. As of now, the CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or damage to the principle of independence.</p> <p>According to the Company's evaluation, the CPAs has not engaged in matters that violate their independence, and thus, they were deemed fit to serve as CPAs for the Company. The CPA firm has also issued a letter of declaration stating that they have not engaged in matters that violate their independence.</p>
<p>IV. Has the TWSE or TPEX listed company set up a full-time (part-time) unit or appointed designated personnel to handle governance related affairs (including but not limited to supplying information requested by the directors and supervisors, processing company registration and change of registration and preparing minutes of the board meetings and shareholders' meetings)?</p>	✓		<p>No significant difference</p>

In order to safeguard the interests of the shareholders and strengthen the functions of the Board of Directors, the Company has appointed Yung-Chih Chen, Head of Legal Division, as the Corporate Governance Officer, the top-level manager in charge of corporate governance, as approved by the Board of Directors on May 13, 2019. Mr. Chen, Yung-Chih has more than six years of experience in services as a manager of a public company's legal affairs unit. His main duties include related affairs of board meetings and shareholders' meetings, production of meeting minutes for board meetings and shareholders' meetings, assisting Directors in taking office and continuing education, providing data required by Directors to perform their duties, and assisting Directors in legal compliance.

Key points for business execution in 2021:

I. Assisted Directors in performing their duties, provide the necessary information, arrange continuing education for Directors, and process liability insurance policies.

1. Compile the latest laws and regulations related to the business areas and corporate governance of the Company, put them forward at the Board of Directors meeting for discussion, and keep members of the Board informed accordingly from time to time.
2. Assist Directors, upon request, in understanding the regulations to be complied with in the execution of their business.
3. Provide corporate information required by the Directors and assist them with communication and interaction with supervisors in various business categories.
4. Assist Independent Directors in arranging meetings with the chief internal auditor or CPAs to understand the financial and business needs of the Company.

<u>Assessment Item</u>	<u>Status of Implementation (Note 1)</u>			Discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies
	<u>Yes</u>	<u>No</u>	<u>Abstract Illustration</u>	
			<p>5. Assisted the Company in arranging at least 6 hours of continuing education courses for members of the Board of Directors.</p> <p>6. Verified that the Company has purchased the liability insurance for Directors and key persons" for members of the Board of Directors and reported to the Board of Directors.</p> <p>II. Organized matters related to the proceedings of Board of Directors' meetings and shareholders' meetings and confirmed compliance matters of resolutions.</p> <p>1. Prepare notice and agenda of Board of Directors meetings in accordance with laws; where Directors have to recuse themselves from the agenda items, they shall be reminded beforehand; the minutes shall be prepared within the statutory period.</p> <p>2. Register the date of the shareholders' meeting in advance according to the law and prepare the meeting notice, handbook, and meeting minutes within the statutory time limit.</p> <p>3. Confirm that the convening of the Board of Directors meetings and shareholders' meetings, procedures for resolutions, and minutes of the said meetings are in compliance with relevant laws and regulations and the Corporate Governance Best Practice Principles.</p> <p>4. Changed registration items.</p> <p>III. Maintain relations with investors: The Company updates website information from time to time to keep investors abreast of the Company's financial, business, and corporate governance information and protect the interests of shareholders.</p> <p>Continuing education in 2021: According to Article 24 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", TWSE-listed companies are required to arrange continuing professional education (CPE) for its chief corporate governance officer. A newly appointed chief corporate governance officer shall complete a minimum of 18 CPE hours within the year from the person's appointment and a minimum of 12 CPE hours per year in each following year. In 2021, Yung-Chih Chen, corporate governance officer of the Company, had completed 30 hours of continuing education classes. The contents of the classes are as follows:</p>	

Assessment Item	Status of Implementation (Note 1)		Abstract Illustration	Discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies																																						
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V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section of the Company's website for stakeholder affairs, and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	✓		The Company has set up a stakeholders' section under Corporate Social Responsibility on its website, which features the categories of stakeholders and contact information as channels of communication. We disclose issues related to frequency, response methods, quality, the environment, occupational safety and health policies, employee rights, as well as social and product liabilities. In addition, the Company has appointed dedicated personnel in charge of the collection and disclosure of company information, and has implemented a spokesperson system. Communication can be performed through interviews, telephone calls, or dedicated mailboxes.	No significant difference																																						
VI. Does the company commission a professional shareholder services agency to handle Shareholders' Meetings and other relevant affairs?		✓	The Company takes charge of its own shares-related affairs and handles matters related to shareholders' meetings in accordance with the law.	The Company handles its own shares-related affairs to ensure quality and efficiency.																																						

Assessment Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
VII. Information disclosure				
(I.) Has the Company established a website to disclose information on financial operations and corporate governance?	✓		The Company has set up a website (https://www.usife.com) and regularly discloses company information.	No significant difference
(II.) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose Company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	✓		In addition, the Company has appointed dedicated personnel in charge of the collection and disclosure of company information, and has implemented a spokesperson system. English website: https://www.usife.com/USIEnHome Investor Conference: https://www.usife.com/zh-tw/dirInvestor/frmInvestor7	No significant difference
(III.) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month ahead of schedule before the specified deadline?		✓	The Company has not announced and declared its annual financial report within two months after the end of the fiscal year but has announced and declared its quarterly financial reports, monthly revenue, and endorsement and guarantee information in advance of the specified period.	No significant difference
VIII. Has the company provided important information to better understand the state of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, progress of training of directors and supervisors, risk management policy and implementation of risk impact standards, implementation of customer policies, and the company's purchase of liability insurance for its directors and supervisors)?	✓		(I.) The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company also provides annual health checkups, sports and fitness equipment, organizes various outdoor recreational activities and talks on mental, emotional and spiritual health, purchases group insurance and issues USI E-Newsletter. In addition, the Employee Assistance Program Center (EAPC) is organized to assist employees in solving problems relating to work, life, and mental health. (II.) The Company has always been committed to the principle of equal opportunities, and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their race, gender, age, religion, nationality or political affiliation. (III.) In promoting environmental protection and occupational safety and health, the Company not only complies with relevant laws and regulations, but also expects itself to meet internationally recognized standards. The Company has passed ISO 14001 and OHSAS 18001 (The ISO 45001 certificate was obtained in May 2020 after the change of version and is currently valid from May 9, 2022 to April 16, 2025). To enhance self-inspection, the Company has established the Group Safety and Health Partners Regional Joint Rescue system led by the South Labor Inspection Institute, and actively participates in the events organized by Renda Safety and Health Promotion Association. (IV.) The Company actively attends activities held by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and upholds its spirit, participates in community events, and cares for product protection in order to create a better living environment. Additionally, the Company also helps contractors by building a safe and health-conscious environmental management system to ensure safety at work.	No significant difference

Assessment Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			<p>(V.) The Company has appointed a spokesperson to answer various types of questions raised by shareholders and serves as the bridge to connect the Company with its shareholders. Additionally, the Company maintains contact with its major shareholders.</p> <p>(VI.) The Company encourages its directors to participate in continuing education. In addition to providing its directors with details on continuing education, the Company also organizes such courses from time to time and invites its directors to attend courses related to corporate governance.</p> <p>(VII.) Implementation of risk management policies and risk measurement standards: The Company has established operating procedures and internal control systems, and possesses clear rules and regulations on authorized limits. The Company also performs internal audit to control risks. The audit supervisor reports the implementation status to the Board of Directors at least quarterly, and the general manager's office reports the implementation status to the Board of Directors at least once a year.</p> <p>(VIII.) Implementation of consumer protection or customer policy: The Company has formulated its quality policy in order to improve product and service quality, as well as continuously strives to enhance customer satisfaction. The Company also maintains good relationships with suppliers based on the principles of good faith and mutual benefits.</p> <p>(IX.) The Company has purchased liability insurance for its directors.</p> <p>(X.) The Company compiles the "CSR Report" each year to disclose the implementation of employee rights, employee care, investor relations, supplier relations, rights of stakeholders, Directors' training records, the implementation of risk management policies and risk evaluation measures, and the implementation of customer relations policies. And prepares the "Sustainability Report" since 2022. The Company's "CSR Report" and "Sustainability Report" have been disclosed on the Company's website</p>	
<p>IX. Improvements made in the most recent fiscal year in response to the results of the corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items to be improved (Leave this section blank if the company is not included in the evaluation process) Priorities for improvement: The Company plans to convene the general shareholders meeting (No. 1.6) before the end of May.</p>				

Note: Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.

(IV.) If the Company builds a remuneration committee or nomination committee, the components, responsibilities and operations of the committee shall be disclosed:

The Company's Remuneration Committee was officially established on December 28, 2011 and the establishment was announced. The composition, duties, and operations of the Remuneration Committee are as follows:

1. Information on the members of the Remuneration Committee

December 31, 2021

Criteria		Professional qualifications and experience (Note 2)	Status of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Identification Type (Note 1)	Name			
Independent Director (Convener)	Ying-Chun Hai	Served as Chairman of the Board of Directors of Delta Electronics Inc., with experience in the setting the direction of the Company's operation and development, planning the organizational structure, promoting and implementing the development of strategic and innovative businesses, and strengthening corporate governance and the functions of the Board of Directors.	In the two years before the election and during the term of office, none of the circumstances in the paragraph 1 of Article 3 of the "Measures for the Establishment of Independent Directors by Public Companies and Matters to be Followed".	1
Independent Director	Chung Chen	Currently holds the position of Chair Professor of Law and Business at Soochow University. He has served as the Premier of the Executive Yuan, the Head of the Ministry of Finance and Economics, and has written many papers and articles on the situation of finance and public policy issues, and possesses the ability to strengthen corporate governance and the functions of the Board of Directors.	In the two years before the election and during the term of office, none of the circumstances in the paragraph 1 of Article 3 of the "Measures for the Establishment of Independent Directors by Public Companies and Matters to be Followed".	1
Independent Director	Tzu-Chun Tu	Previously held the position of Associate Professor in the Department of Business Administration of Soochow University, and served as the Vice Premier of the Executive Yuan and Head of the Ministry of Finance, with experience in the fields of industrial development planning, industrial technology research and development, and management.	In the two years before the election and during the term of office, none of the circumstances in the paragraph 1 of Article 3 of the "Measures for the Establishment of Independent Directors by Public Companies and Matters to be Followed".	3

Note 1: Please state in the form the relevant working years, professional qualifications and experience and independence of each member of the Remuneration Committee. For independent directors, please refer to Appendix 1 Information on Directors and Supervisors (1) on page 14. Fill "Independent Director" or "Others" in the Title column (if it is the convener, please add a note).

Note 2: Professional qualifications and experience: State the professional qualifications and experience of individual remuneration committee members.

Note 3: Independence: Remuneration committee members shall state their independence, including but not limited to whether they, their spouse, or relatives within the second degree are the directors, supervisors or employees of the Company or its affiliated companies; the number and proportion of the Company's shares held by them (or in the name of others); whether serve as a director, supervisor, or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 6, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and the amount of remuneration received for providing business,



legal, financial, accounting and other services to the Company or its affiliates in the last two years.
 Note 4: For disclosure methods, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

2. Responsibilities:

The Remuneration Committee shall exercise the care of a good administrator to faithfully fulfill the following functions and powers, and submit the recommendations to the Board of Directors for deliberation:

- (1) Regularly review the Committee's charter and propose recommendations to amend it when necessary.
- (2) Establishing and regularly reviewing the BOD and Managerial Officer's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure.
- (3) Regular evaluation and stipulation on the compensation of Directors and Managerial Officers.

3. Operational Status of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of three (3) members.
- (2) The term of the current Remuneration Committee: June 15, 2020 to June 11, 2023. A total of 3 (A) Remuneration Committee meetings were held in the current year. The eligibility and attendance of the members was as follows:

Position	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note)	Remark
Convener	Ying-Chun Hai	3	0	100.0%	None
Committee Member	Chung Chen	3	0	100.0%	None
Committee Member	Tzu-Chun Tu	3	0	100.0%	None

Other matters to be noted:

- I. If the Board of Directors declines to adopt or modifies a suggestion of the Remuneration Committee, it shall specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the suggestion of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.
- II. If the members of the Remuneration Committee have any dissenting or qualified opinions on the resolutions of the Remuneration Committee, where such opinions are documented or issued through written statements, the date and session of the meeting of the Remuneration Committee, resolutions, all the members' opinions and handling of these opinions shall be stated:

Remuneration Committee	Resolution and Follow-up Actions	Dissenting Opinions or Qualified Opinions of Members of the Remuneration Committee
The 3rd meeting of the 4th term on March 8, 2021	I. The Company's 2020 Directors' and Employee Remuneration Distribution Plan.	None
	II. Discussion of the 2020 special bonus for managerial officers.	None
	III. Reviewed the remuneration of the Directors and managers and the performance evaluation system.	None
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.	
	The Company's actions in response to the opinions of the Remuneration Committee: All the Directors in attendance voted in favor of the resolution.	
The 4th meeting of the 4th term on August 5, 2021	The Company's annual salary adjustments.	None
	Opinions of the Remuneration Committee: None.	
	Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.	
	The Company's actions in response to the opinions of members of the Remuneration Committee: The Company shall conduct relevant operations based on the resolution.	
The 5th meeting of the 4th term on November 14, 2021	I. Review of the Company's "Remuneration Committee Charter".	None
	II. Establish 2022 Business Plan of the Committee.	None
	Opinion of the remuneration committee: none	
	Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.	
	The Company's actions in response to the opinions of members of the Remuneration Committee: The Company shall conduct relevant operations based on the resolution.	

Note:

- (1) Note: When a member of the Compensation Committee resigns before the end of the year, the remark column shall be annotated with the date of resignation. Actual attendance rate (%) shall be calculated based on the number of meetings held by the Compensation Committee and the number of actual attendance during the term of service.
- (2) When an election is held for the Compensation Committee before end of the year, members of both the new and old committee shall be listed in separate columns and noted as new, old or reelected members, along with the elected date, in the "Remark(s)" column. Actual attendance percentage (%) is calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

4. Materials on members of the nomination committee and operating conditions: NA

(V.) Implementation of the promotion of sustainable development and discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies, and reasons for such discrepancies

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
I. Has the Company established a governance structure and set a dedicated full-time (or part-time) unit to promote sustainable development? Has the Board of Directors authorized senior management to handle such matters and the Board of Directors supervised the implementation status?	✓		<p>1. The Company established the Corporate Social Responsibility Committee in 2014, upgraded it to a functional committee under the Board of Directors, formulated the Corporate Social Responsibility Committee Charter in 2018, (https://www.usife.com/USIWebFiles/Others/USI_CSROrgRule.pdf), and changed its name to the Sustainability Committee in the first quarter of 2022.</p> <p>2. The Committee consists of four members including the Chairman, General Manager, and two Independent Directors assigned by the Board of Directors in a resolution. An Independent Director serves as the Chairman of the Committee and the General Manager serves as the Deputy Chairman of the Committee. The Committee has a project secretary and three Work Groups including the "Corporate Governance Team", "Environmental Protection Team", and "Social Relations Team".</p> <p>3. The Committee convenes meetings at least twice a year and two (2) meetings were convened in 2021. The plans (contents) and results of the current year were reported to the Board of Directors on August 13, 2021.</p> <p>(1)Submitted the implementation results of business for 2020 and the implementation plan for 2021 to the board of directors on March 8, 2021</p> <p>(2)Submitted the implementation results for the first half of 2020 to the board of directors on August 5, 2021 The Corporate Governance Team communicates with investors, customers, suppliers, and government agencies on topics we face for achieving sustainable operations to maintain trust between our company and our stakeholders. The Environmental Protection Team integrates internal measures and plans relating to environmental protection, energy conservation, emissions reduction, and occupational health and safety; follows up and reviews implementation outcomes; and discusses topics in environmental protection that are key to meeting stakeholder expectations, so as to meet stakeholders' expectation. The Social Relations Team communicates with employees, community residents, and non-profit organizations on topics relating to employee care, social care and social engagement to contribute to the creation of a fair, just, safe, and harmonious society. Each team is formed by representatives from relevant departments and responsible for the promotion of CSR-related work. In addition, the Committee reports to the Board of Directors on the status of CSR implementation. Please refer to the Sustainable Development Committee under Section 2.1 Corporate Governance in the Company's 2021 Sustainability Report for more information.</p> <p>https://www.usife.com/CSR/CSRFiles/Report/USI_CSR2020.pdf#page=39</p>	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.



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			<p>4. Supervision of the board of directors (including but not limited to: management policy, strategy and goal formulation, review measures, etc.) Handling the responsibilities, powers and operations of the committee in accordance with the charter:</p> <ol style="list-style-type: none"> (1) Determining the CSR policy; (2) Outlining the CSR strategy, annual plan, and project plans; (3) Supervising the plans of SCR strategies, the implementation of the annual plan and project plans, and evaluating the implementation; (4) Reviewing and approving the CSR report. (5) Report the implementation of CSR activities to the Board of Directors each year; (6) Other matters to be conducted by the Committee per board resolution. (7) Disclose the committee's implementation results and future work promotion plans in the Corporate Social Responsibility Report. 	
<p>II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)</p>	✓		<p>To ensure robust operation and sustainable development and lower potential operating risks, the Company actively launches the risk management mechanism with a sound and ethical business philosophy. In 2020, the Board passed the "Regulations Governing Risk Management Policy and Procedures," which stipulates that the risk management boundary covers the Company and its subsidiaries, the General Manager's Office should supervise the operation of the various risk management units, regularly assess risks annually, define the various risks pertaining to the Company's overall operating directives, and early identify, accurately measure, effectively supervise, and strictly control the risk management, and thereby prevent any possible losses within tolerable risks. The Company always keeps an eye on the evolution of risk management systems at home and abroad to review and improve this Policy, and keeps adjusting and best improving the risk management methods based on changes in internal and external environment, so as to raise the implementation effectiveness of the Company's risk management, thereby protect the interest of the Company, employees, shareholders, and stakeholders.</p> <p>The Company reports the implementation status of risk management to the Audit Committee and the Board of Directors at least once a year, and discloses such information on the annual report and the Company's website.</p> <p>The Company's risk management process includes: risk identification, risk measurement, risk monitoring, risk reporting and disclosure, and risk response. Based on corporate social responsibility material principles, the Company integrates the sources of major operating risks, and considers the operating feasibility to establish risk categories. The ESG Taskforce conducts questionnaire survey each year. In 2022, 14 risks were identified according to the possibility of occurrence of risks and their impact. Each risk management unit also regularly adjusts the management mechanism based on changes in internal and external environment:</p> <ol style="list-style-type: none"> I. Financial risks II. Risk of strategy and operation III. Risk of material prices and supply chains IV. Occupational safety risk 	<p>Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>



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			V. Information Security Risk VI. Legal risk VII. Human resources risks VIII. Research and development risk IX. Environmental and Energy Resource Risks X. Climate change risks XI. Risk of disasters and accidents XII. Technology risk XIII. Environmental incident risk XIV. Transportation safety risk (underground pipelines) For details about risk management, please refer to the Company's official website: https://www.usife.com/CSR/zh-tw/CSR23.aspx and refer to VII. Review and Analysis of Financial Conditions and Performance and Risk Items / VI. Risk Analysis and Evaluation / 14. Description of response to the risks of environmental, social, and corporate governance issues.	
III. Environmental issues (I.) Has the company established a suitable environmental management system based on its industrial characteristics?	✓		(I.) The Company established the ISO 14001 environmental management system in 1998, which has been operating for more than 20 years and has passed third-party verification. This environmental management system has provided the Company with an excellent environmental protection structure to control and reduce the impact on the environment, to prevent accidents from impacting the environment, and to ensure compliance with regulations. And conduct examination on greenhouse gases according to ISO14064-1 standard. In addition, the audit and certification of the ISO 50001 energy management system were completed on October 16, 2019, to complete the energy management system (the certification is valid from November 11, 2019 to November 11, 2022).	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(II.) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	✓		(II.) The Company is committed to improving its recovery efficiency of raw materials in terms of the product manufacturing process, hoping to reduce the consumption of raw materials. The recovery methods include the improvement of the high-pressure recovery system in the second plant, the setting of the Monomer Refine Tower (MRT), connecting the new tank with the old tower tank. It is connected in series with the old tower tank, setting up a condenser at the front end of the Ethylene Purification Tower (EPT), and the new addition of the compressor leak gas recovery system. Recovery rate of raw materials increased from 12.2% in 2020 to 12.3 in 2021. The Company promoted the energy-saving plan in 2021 and replaced the pelletizing water pump with a high-efficiency motor to effectively improve energy efficiency.	
(III.) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		(III.) To fulfill the commitment to corporate social responsibility, the Company continues to manage related risks and response strategies and measures for climate change. In addition to compliance with the energy conservation and carbon emissions reduction targets established by the USI Group, the Company also references the procedures for the identification of climate risks and opportunities set forth in the Task Force on Climate-Related Financial Disclosures (TCFD) published by the Financial Stability	



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(IV.) Does the Company calculate the amount of greenhouse gas emission, water consumption, and waste production in the past two years and implement policies to cut down energy and water consumptions, carbon and greenhouse gas emissions, and waste production?	✓		<p>Board (FSB) in 2017. The Company uses the information for the identification and establishment of related response measures and solutions. Please refer to Section 4.3 Climate Change and Energy Management in the Company's 2020 Corporate Social Responsibility Report (https://www.usife.com/CSR/zh-tw/CSR35.aspx).</p> <p>(IV.) To keep the Company updated with its GHG emission status, the Kaohsiung plant voluntarily performs a GHG inventory audit every year, and collectively releases major emission sources by means of operational control. In line with the government's GHG reduction policy, the Company has formulated energy conservation and carbon reduction plans for each unit and set plant-wide energy conservation and carbon reduction goals. In addition, the Company has also established a energy conservation and carbon reduction team with the help of the affiliated companies of USI Corporation, and put together consistent approaches through resource integration and experience sharing in order to jointly promote practical and effective energy conservation and carbon reduction plans and perform quarterly review of implementation results.</p> <ul style="list-style-type: none"> ● GHG Emissions: <ul style="list-style-type: none"> 146,430 tons of CO2e (category 1 + category 2) in 2020. (Kaohsiung Plan) 14.817 tons of CO2e (category 1 + category 2 + category 3) in 2021. (Kaohsiung Plan & Taipei office) ● Total Water Withdrawal:(Kaohsiung Plan) <ul style="list-style-type: none"> 1,029.036 million liters in 2020. 998.098 million liters in 2021. ● Total Waste: <ul style="list-style-type: none"> 474.00 metric tons in 2020. 890.82 tons in 2021. <p>The management policies and implementation plans and results of energy conservation and carbon reduction, water conservation, and waste management of the Company in 2021 are as follows:</p> <p>I. Energy Conservation and Carbon Reduction:</p> <ol style="list-style-type: none"> 1. Goal: To reduce GHG emissions by 1,004 metric tons 2. Measure: 2021 Plant-wide Energy Conservation Plan <ul style="list-style-type: none"> Implementation method: <ol style="list-style-type: none"> (1) C/E/F FKC water pump is changed to high efficiency motor. (2) Low-pressure steam condensate recovery project to reduce the use steam (3) Recycling exhaust gas from the process to the boiler (4) When the process is shut down, the TO furnace is stopped, and the exhaust gas from the process is introduced into RTO for treatment, thereby reducing the consumption of LNG (5) Demand bidding 3. Implementation results: The target power saving rate for 2021 was 0.75%, and the actual achievement rate was 0.75%, and 1,004 metric tons of CO2e of greenhouse gas emissions were reduced. 	



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			<p>II. Water conservation:</p> <ol style="list-style-type: none"> 1. Goal: Reduce wastewater effluent by 5,280 metric tons 2. Measure: Continuous wastewater monitoring and recycling 3. Implementation methods and results: <ol style="list-style-type: none"> (1) The quality of wastewater discharged from the wastewater basin is continuously monitored, while the capacity of wastewater treatment is improved so that effluents comply with regulatory standards. Effluents which are treated by the recycling system is supplied to cooling towers to replenish cooling water so as to reduce the consumption of tap water and reduce the emission of wastewater from manufacturing processes. The total waste water recovered in 2021 was 10,986 metric tons. (2) The Company has implemented the plan to promote the recycling and reuse of water resources over the years, including the improvement of the steam condensate recovery system, the recycling and reuse of pelletized overflow water, the continuous monitoring and recovery of waste water, the recovery of rainwater in flood detention ponds and tank region, and the recovery of MRT steam condensate water. The total volume of water recovered and recycled in 2021 was estimated to be 119,640 metric tons. (3) Acquired the verification certification of ISO 46001:2019 water efficiency management systems in 2022. <p>III. Implementation methods and results of waste management:</p> <ol style="list-style-type: none"> 1. Goal: Strengthen the control of waste removal, transportation and disposal flow 2. Management policy: Audit on waste removal and disposal companies 3. Implementation results: The Company sample audited among the 10 waste removal companies and seven waste disposal companies and found them compliant with laws and regulations. 	
<p>IV. Social issues</p> <p>(1.) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓		<p>(I.)</p> <ul style="list-style-type: none"> ◎ Human Rights Policy The Company has made reference to internationally recognized human rights standards, including the International Bill of Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work to fully exercise CSR and implement human rights protection. Besides, the Company has established human rights policy applicable to the Company and all affiliates of the USI Group, to eliminate human rights violations; as such, the Company's current employees, in addition to enjoying a reasonable and safe workplace, can be treated in a reasonable and dignified manner. ◎ Human Rights Risk Mitigation Measures The Company is committed to reasonably ensuring the safety of its employees and working environment, that people are treated with respect and dignity, that operations are environmentally friendly and that compliance with regulations and ethics is followed. To reflect this commitment, the Company adheres to the business 	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.



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			<p>philosophy of integrity, respects its employees on a legal basis, assigns dedicated personnel to implement employee occupational safety and health operations in accordance with the law, and establishes reasonable channels for appeals in addition to continuous publicity and education to implement human rights policies in daily life.</p> <p>© Human rights concerns and practices</p> <ol style="list-style-type: none"> 1. Provide a safe and healthy working environment. The Company has passed the audit and verification of ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Assessment Series), and completed the conversion in May 2020 to obtain the verification certification of ISO 45001, valid from May 9, 2022 to April 16, 2025), actively promoted improvement activities such as energy conservation, disaster prevention, and pollution prevention, and ensure that a safe working environment can be provided in a reasonable manner. In addition to providing a safe and healthy working environment in accordance with laws and regulations, the Company has established a dedicated unit and committee organization for occupational safety and health, employed professional doctors and nursing staff, and regularly conducted education and training on safety and health, fire protection, etc., and taken necessary precautions to prevent occupational disasters, thereby reducing the risk factors of the working environment. 2. Prohibiting illegal discrimination to ensure equal work opportunities, etc. The Company implements its human rights policies in the internal control procedures, applies them to employment, remuneration and benefits, training opportunities, promotion, dismissal or retirement and other matters related to labor rights and interests, and does not treat employees and job-seekers unfairly based on their race, class, language, thought, religion, party affiliation, native place, place of birth, gender, sexual orientation, age, marriage, pregnancy, appearance, facial features, physical and mental disabilities, constellation, blood type and other factors. 3. No child labor To ensure compliance with corporate social responsibility and ethics, the Company has explicitly prohibited child labor since the beginning of recruitment. As of the end of December 2021, the total number of employees was 460, and the number of child labor was 0. 4. The Company prohibits forced labor. The Company does not force or coerce any unwilling personnel to perform labor services. The daily and weekly normal working hours and extended working hours, vacations, special vacations and other types of leave for employees are in compliance with laws and regulations. A reminder function is set up in the attendance system for employees applying 	

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			<p>for overtime, overtime pay or compensatory leave is provided after overtime, and a dedicated person is assigned to inspect and control the working hours of the factory on a monthly basis.</p> <p>5. Help employees maintain physical and mental health and work-life balance.</p> <p>(1)The Company provides venues or sponsorship funds to encourage employees to participate in healthy activities, and employees can form their own clubs to unite colleagues by emotion through club activities.</p> <p>(2)The Company organizes Spring Festival and Mid-Autumn Festival parties, guessing lantern riddles and other activities to refresh employees' body and mind and condense their centripetal force, and also sets up sports and fitness equipment for employees to use after work.</p> <p>(3)To encourage employees to exercise and manage their health on their own initiative, the Company holds activities that are beneficial to their physical and mental health, such as sports competitions and annual healthy weight loss competitions from time to time.</p> <p>6. Human rights protection training practices</p> <p>(1)New employee training The Company requires employees to take education and training for newcomers on compliance promotion upon onboarding, including: sexual harassment prevention, anti-discrimination, anti-harassment, implementation of working hours management, and protection of humane treatment.</p> <p>(2)Prevention of workplace violence The Company makes its employees aware of their responsibility to assist in ensuring that there is no illegal infringement in the workplace through publicity and announcements, and discloses the complaint hotline to jointly create a friendly working environment.</p> <p>(3)Occupational safety series training The content includes: safety and health education and training, fire safety training, emergency response, first aid training, etc.</p> <p>(4)Honesty and Moral Promotion Educate and promote from daily behavior and ethical standards, to provide a healthy and positive workplace culture.</p> <p>© The Company continues to pay attention to human rights protection and implement relevant training to improve employees' awareness of human rights protection and reduce the possibility of occurrence of related risks. We organized training related to the promotion of human rights protection in 2021, with a total of 4,451.5 hours and a total of 1,068 persons. The details of the number of persons participating and training are as follows:</p>	



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(II.) Has the Company established and implemented reasonable employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	✓		<p>© Complaint system</p> <p>The Company has a smooth complaint channel, through which colleagues can file a complaint with supervisors at all levels or the Human Resources Department when they encounter various problems within the Company. In addition, the Company has a dedicated complaint mailbox and e-mail for sexual harassment prevention, in order to maintain gender equality in work and provide employees and job seekers with a work and service environment free from sexual harassment. . During the period of complaint investigation, it will be handled in a confidential manner, and the name of the complainant or other relevant information sufficient to identify the complainant will not be disclosed to protect the complainant.</p> <p>(II.) The Company has established the Remuneration Committee to regularly review its remuneration policies and report rewards and disciplinary actions based on outcomes of performance appraisal so as to ensure that its reward and disciplinary action system is effective. Each full-time employee receives a 14-month salary, including a 12-month salary and a 2-month bonus. Besides, bonuses are distributed in three sections. Year-end bonuses are also distributed according to the Company's profitability, individual employee performance and organization goal accomplishment.</p>	
(III.) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>(III.) The Company acquired the verification certification of ISO 14001 Environmental Management System (valid until July 2, 2022), and completed the conversion in May 2020 to obtain the verification certification of ISO 45001 Occupational Health and Safety Assessment Series (valid until April 16, 2025), with continuous promotion. The construction safety department and the department responsible for construction in the plants shall inspect construction safety periodically at a daily basis and follow mutual supervision between the affiliate companies of USI to share experiences and improvement of safety and health management. The Company has an "Occupational Safety and Health Committee (OSHC)" established in accordance with the "Regulations for Occupational Safety and Health Management," with labor representatives elected or appointed by the union. The committee meets with management every quarter to discuss, coordinate, plan and make decision on ESH topics on behalf of employees, to implement employee participation, consultation and communication. We team up with the Taiwan Responsible Care Association (TRCA) to promote industrial safety, health, and environmental protection together and learn from one another in order to improve the protection of employee safety and health. In addition, we organize fire exercises and industrial safety education and training biannually to develop emergency response skills and self-safety management of employees. Based on the production activities of the Company, we have established emergency response procedures for raw material (chemical) leakage, fire, explosions, and earthquakes. In addition, we have classified incidents into three stages and have planned different response measures. We re-examined the fire and self-defense team of the factory in 2021, and included the holiday and night shift personnel in the response team in addition to the regular day shift personnel, so as to effectively respond</p>	



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			<p>to and deal with accidents immediately.</p> <p>Depending on the severity of accidents, we adopted corresponding response methods. The relevant response process is described as follows:</p> <p>Stage 1: Minor leakage of hazardous substances and a minor fire occur within the plant.</p> <ul style="list-style-type: none"> ● The on-duty supervisor is the on-site response commander, directing the fire and self-defense team of the shift to respond to and deal with the accident at the initial stage. <p>Stage 2: Major leakage of hazardous substances and a major fire occur within the plant where the emergency response team of the accident occurring unit has been unable to effectively control the situation, and it must notify the supervisors at all levels, and request the relevant units outside the factory to provide personnel and emergency equipment support.</p> <ul style="list-style-type: none"> ● The on-duty officer sends request for support to the head of unit and mobilizes the emergency response organization according to the alert and reporting procedure. ● Based on the emergency situation, request for support outside of the plant and notify relevant agencies when necessary. ● Determine the need to immediately shut down plant operations and isolate the incident affected area. ● The site commander can be the head of the incident occurring unit or department, until the general plant manager or his/her deputy takes over the command. ● Set up a response command center to gather information regarding the latest situation for the chief commander to make decisions and command actions for response. <p>Stage 3: The incident may spread outside of the plant and its impact reaches outside of the plant.</p> <ul style="list-style-type: none"> ● The general plant manager or his/her deputy becomes the chief commander to command the emergency plan within the plant and report the situation to the Fire Bureau of Kaohsiung City. and other related units such as construction safety department and environmental protection department, and transfers the command to the Disaster Response Center, Kaohsiung City. ● If the situation cannot be controlled, threatening the life of employees and disaster relief personnel, the plant is evacuated. <p>Every year we commission major hospitals to give health examinations to employees to protect their physical health and report the examination results to competent authorities for reference as necessary. We also arrange special health examinations for employees of specific plant engaging in noise, dusty, ionizing radiation, n-hexane, and 1,3-butadiene work. At USI, the safety management of contractors and suppliers is equally important. Therefore, we have established the "Contractor Management Regulations" and the "Contractor Entry Management Manual." Both documents include industrial safety education and training for contractors, and they must pass safety</p>	



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			<p>certification before they can perform their contracts at USI. To strengthen safety supervision during construction, we have established the "Labor Safety and Health Tour Inspection Regulations" to implement ESH tour inspections every day within the plant to improve the safety of all processes and ensure the safety, life, and health of employees. Before implementing high-risk work, we run a risk assessment process to identify hazards, assess risk, take precautionary measures, and review the emergency response plan. We also hold communication and coordination meetings with contractors before commencement of work to ensure operation safety. Education, training, and publicity are the foundation to promote ESH awareness to employees and contractors. By establishing the "Occupational Safety and Health Education and Training Regulations," we provide knowledge and skill training for different categories of employees and contractor personnel based on actual need. In 2021, a total of 1,166 people participated in 123 sessions of environmental safety and health education and training, with a total of 3,555 training hours.</p> <p>◎Industrial Safety Inspection</p> <p>Before the contractor enters the factory for operation, the security guard will confirm the physical and mental condition of the contractor and the control the access of the vehicle, and conduct alcohol tests in a timely manner to initially grasp the safety status of the people and vehicles entering the factory. The Occupational Safety Section conducts a comprehensive inspection and confirmation of various on-site operations every day to reduce the occurrence of unsafe behaviors on the site, and the inspection results will be logged on the "Environmental Safety and Health Management Platform" and be reported in the quarterly Occupational Safety Committee meeting to effectively grasp various deficiencies and manage and track the results of improvement. The Group's Audit Office provides audit guidance every six months, and the factory also immediately improves tracking for missing items. In addition, the general manager leads the first-level and second-level supervisors to conduct 6S inspections of the entire plant from time to time, and conducts immediate on-site inspections for defects and division of powers and responsibilities. Taiju is striving to improve occupational safety and process safety through comprehensive industrial safety audit management.</p> <table border="1" data-bbox="981 1161 1671 1396"> <thead> <tr> <th>Keys of implementation(Audit Unit)</th> <th>Frequency of Implementation</th> </tr> </thead> <tbody> <tr> <td>Physical and mental state inspection of contractors before entering the factory (guards)</td> <td>irregularly</td> </tr> <tr> <td>Contractor Agreement Organization Data Review (Industry Safety Section)</td> <td>daily</td> </tr> <tr> <td>Work Site Inspection and Recording (Work Safety Section)</td> <td>daily</td> </tr> <tr> <td>Promotion on the Review of Deficiency and Results of</td> <td>quarterly</td> </tr> </tbody> </table>	Keys of implementation(Audit Unit)	Frequency of Implementation	Physical and mental state inspection of contractors before entering the factory (guards)	irregularly	Contractor Agreement Organization Data Review (Industry Safety Section)	daily	Work Site Inspection and Recording (Work Safety Section)	daily	Promotion on the Review of Deficiency and Results of	quarterly	
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(IV.) Has the Company established an effective career developmental plan for its employees?	✓		<table border="1"> <tr> <td>Improvement (Industrial Safety Course)</td> <td>(Occupational Safety Committee)</td> </tr> <tr> <td>Audit on the entire plant 6S (senior executive)</td> <td>Every half year</td> </tr> <tr> <td>Safety and Health Operations and Regulatory Audit (Auditing Division)</td> <td>Every half year</td> </tr> </table> <p>◎Equipment safety management The Company conducts equipment classification management in accordance with labor inspection regulations, and lists and regularly inspects dangerous machinery and equipment to ensure equipment safety. 110 years of inspection of dangerous machinery: 5, dangerous equipment: 229, all of which passed the inspection. In addition, 9 dangerous equipments were replaced with new ones and decommissioned to maintain operational safety and uninterrupted production.</p> <p>(IV.) The Company has established an all-round education and training system in coordination with the external environment, its business principles, department performance goals and employees' career development needs, in order to provide training courses required by all-round talents. In regards to the employees' continuing education and learning, the Company conducts the employee training needs survey in the fourth quarter of every year to formulate education and training implementation plans and budgets. At the same time, the Company has also set up a digital learning platform as a means for self-learning, and regularly holds employee functional training, management training, seminars, health talks and various conferences to enhance employees' professional and management skills, thereby balancing employees' physical and mental development. In order to improve coworkers' qualities and overall competitiveness, courses are conducted using diverse methods. In addition to lectures, in-class activities are designed according to course attributes, while case study discussions or group discussions are carried out, with a view to making learning livelier and more productive. Additionally, online e-learning courses allows coworkers to effectively participate in learning activities anytime, anywhere, thereby enhancing their career development and overall work performance.</p>	Improvement (Industrial Safety Course)	(Occupational Safety Committee)	Audit on the entire plant 6S (senior executive)	Every half year	Safety and Health Operations and Regulatory Audit (Auditing Division)	Every half year	
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(V.) Has the company complied with relevant laws and regulations and international standards for its products and services respecting customer health and safety, customer privacy, marketing and labeling, and other issues, and formulated relevant consumer or customer protection policies and grievance procedures?	✓		<p>(V.) The Company strives to provide clients with satisfying services and hopes to establish long-term partnerships with them while following relevant laws and international standards and formulating relevant consumer protection policies and complaint procedures to maintain customers' health and safety. As for client data protection, the Group's Information System Division has formulated various regulations to protect and control all kinds of data, and has access control strategy and process in place for clients' data, along with strict measures, such as strengthening firewall management, access control, separation of test environment from actual operating environment, to prevent the risk of leaks of clients' confidential information. In 2021, there were no violations of product labeling regulations and fines thereof, nor breaches of customer privacy or leaks of their data.</p>							
(VI.) Does the company formulate a supplier management policy	✓		<p>(VI.) The Company establishes long-term cooperation with high-quality suppliers based on</p>							



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that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? And, how well are those policies implemented?			quality, capability and environmental protection policies, fulfills corporate social responsibilities, and delivers the idea of environmental protection policies to contractors and carriers. At the same time, the Company complies with the RoHS directive and enhances environmental protection education and training. The Company also pays serious attention to the safety of construction companies in the plant area and ensures the safety of various operations so as to protect the safety and health of workers and jointly engage in good risk management with them. Therefore, before corresponding with suppliers, the Company must evaluate and screen them. For those who have poor records on adversely impacting the environment and society in the past, the Company avoids doing business with them. Besides, the Company encourages new/existing suppliers to fill in the social responsibility commitment form for self-evaluation and requires them to follow relevant regulations on issues such as environmental protection, occupational safety and health, or human rights of labors. Also, by consulting the Transparent Footprint website (https://thaubing.gcaa.org.tw/), the Company inquires about whether suppliers had material environmental or labor safety violations and whether they had hit any news in this regard.	

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V. Does the Company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the Company obtain third-party assurance or qualified opinion for the reports above?	✓		The Company prepares a sustainability report based on the core options of the GRI Standard, and the report is certified by BSI Taiwan, an independent third-party assurance agency, in accordance with the Type 1 moderate-level assurance of the AA 1000 Assurance Standard (v3) and the degree of compliance set out in the GRI standards.	Consistent with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
VI. Where the Company has stipulated its own sustainable development best practices according to the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies", please describe any differences between the prescribed best practices and the actual activities taken by the company: The company has stipulated its own sustainable development best practices according to the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies", and there is no substantial difference between the prescribed best practices and the actual activities taken by the company.				

VII. Other important information that facilitate the understanding of the implementation of promoting sustainable development:

(I.) Composition, Responsibilities and Operations of the Sustainable Development Committee:
The Company's Sustainable Development Committee was officially established on June 26, 2018 and the composition, duties, and operations of the Sustainable Development Committee are as follows:

1. Information on the Members:

Position	Name	Specialties
Committee Chairman	Tzu-Chun Tu, Independent Director	Operational judgement, accounting and finance, business management, crisis management, industry knowledge, leadership, decision-making, environmental protection
Deputy Committee Chairman	Ke-Shun Wang, Director and General Manager	Operational judgement, business management, crisis management, industry knowledge, leadership, decision-making
Committee Member	Chairman Yi-Gui Wu	Operational judgement, accounting and finance, business management, crisis management, industry knowledge, leadership, decision-making
Committee Member	Ying-Chun Hai, Independent Director	Operational judgement, accounting and finance, business management, crisis management, leadership, decision-making, environmental protection

(1) The current term of office is from June 15, 2020 to June 11, 2023.
(2) The Sustainable Development Committee shall meet at least twice a year. Two meetings were held in the most recent year with 100% attendance in person.

2. Responsibilities:

(1) Outlining sustainable development policies;
(2) Outlining the sustainable development strategy, annual plan, and project plans;
(3) Supervising the plans of sustainable development strategies, the implementation of the annual plan and project plans, and evaluating the implementation;
(4) Reviewing and approving the Sustainability Report.
(5) Report the implementation of sustainable development activities to the Board of Directors each year;
(6) Other matters to be conducted by the Committee per board resolution.

3. Implementation Status:

The 1st meeting in 2021

(1) Meeting date: March 8, 2021
(2) Committee members present: Tzu-Chun Tu, Ke-Shun Wang, Yi-Gui Wu, and Ying-Chun Hai
(3) Report on the business implementation status of the Sustainable Development Committee in 2020 and the 2021 plan.
(4) Report on the identity of stakeholders, issues of concern, communication channels and response methods in 2020.
(5) Report on the implementation progress and planning of the 2020 Corporate Social Responsibility Report.

The 2nd meeting in 2021

(1) Meeting date: August 5, 2021
(2) Committee members present: Tzu-Chun Tu, Ke-Shun Wang, Yi-Gui Wu, and Ying-Chun Hai
(3) Report on the implementation report of sustainable development plans for the first half of 2021.
(4) Report on the implementation results of the Company's 2020 Corporate Social Responsibility Report.

The 1st meeting in 2022

(1) Meeting date: March 10, 2022
(2) Committee members present: Tzu-Chun Tu, Ke-Shun Wang, Yi-Gui Wu, and Ying-Chun Hai
(3) Report on the implementation results and future promotion goals of the Company's 2021 corporate social responsibility.
(4) Report on the identity of stakeholders, issues of concern, communication channels and response methods in 2021.
(5) Report on the implementation progress and planning of the Company's 2021 Sustainability Report.
(6) Proposal for amendment to some provisions of the Company's "Sustainable Development Best Practice Principles".
(7) Proposal for amendment to some provisions of the Company's "Sustainable Development Committee Charter".

(II.) Implementation of Environmental Protection and Occupational Safety and Health:

1. Environmental protection policies:

(1) Comply with regulations relevant to environmental protection and occupational health and safety, and relevant requirements derived from such regulations.
(2) To continuously conserve and reuse resources and energy, and reduce industrial waste



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<p>(3) Prevent pollution, reduce potential risks in operations.</p> <p>(4) Continuously provide education and training for employees to implement environmental safety work.</p> <p>(5) Actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in matters related to environmental protection and occupational safety and health.</p> <p>(6) To thoroughly implement environmental management system to enhance environmental performance and reduce environmental safety risks in communities</p> <p>2. The Company has been a member of the Taiwan Responsible Care Association since 1998. The Company applies the "Responsible Care Management Practices" established by TRCA to its entire plant, and reports its safety, health and environmental protection performance indicators every year.</p> <p>3. The Company continues to implement industrial waste reduction, improve workplace safety, and enhance environmental protection and occupational safety and health training for employees.</p> <p>4. The Company determines the characteristic of waste in accordance with the "Standards for Defining Hazardous Industrial Waste", details such information in the "Waste Cleanup Plan" and submits the plan to the competent authority. In addition, the Company classifies and stores industrial wastes based on the characteristics of the main components of industrial wastes in accordance with the "Criteria Governing Methods of and Facilities for Storage, Clearance and Disposal of Industrial Wastes", and clearly marks it in the storage locations, containers and facilities. Waste removal and disposal operations are entrusted to agencies with qualified licenses for removal and disposal, and are handled in accordance with the "Waste Disposal Act".</p> <p>5. The Company's subsidiary, Taiwan VCM Corporation rented part of the land occupied by the China Petrochemical Development Corporation's Cianjhen Plant from January 1, 1970 to December 31, 1989 to set up its plant and manufacture VCM. In October 2006, the area was deemed a groundwater pollution control site. After remediating the area using the "Physics+Chemistry+Biological" engineering method developed by INOMA Corporation, the groundwater pollution concentration level of the site decreased to less than the groundwater pollution control standard. Based on the findings of re-inspections by the Environmental Protection Bureau of the Kaohsiung City Government on January 11, 2016, it was announced on April 11, 2016 that the area had its status as a groundwater pollution control site terminated and was removed from the delineation of the groundwater pollution control region.</p> <p>6. The Underground Industrial Pipe Bundle Joint Defense Organization won the 2nd and 14th place in the two scorings of "Testing the Industrial Pipe Bundle Joint Defense Emergency Response Ability and Mobilization Effectiveness".</p> <p>7. The Company's Renwu Plant actively implemented the green procurement program in 2019 and reported green procurement NT\$4.38 million in 2021, amounting to NT\$17 million.</p> <p>8. In 2010, part of the land occupied by the CGPC's Toufen Plant was listed as a groundwater pollution control site and included in the groundwater pollution control region by environment unit. Therefore, the Company introduced and implemented the "Physics+Chemistry+Biological" engineering method developed by Taiwan VCM Corporation to carry out remediation and improvement of the area. After the field samples collected were verified by environmental protection agencies, it was found that various data have complied with the government's control standards. The site was removed as a groundwater pollution control site by the Environmental Protection Administration on February 24, 2017 and the Environmental Protection Bureau of the Miaoli County Government on March 21, 2017.</p> <p>9. The Environmental Development Department of Taiwan VCM Corporation was awarded the Certificate of Contaminated Site Remediation Techniques and Cancellation of Regulatory Listing by the Environmental Protection Administration, Executive Yuan.</p> <p>10. Chien, Hua-Yi, Director of Environmental Development Department of Taiwan VCM Corporation, was awarded the 2020 Outstanding Program Manager Award by Taiwan Association of Soil and Groundwater Environmental Protection (TASGEP).</p> <p>11. CGPC reported green procurement amounting to NT\$32.57 million in 2021, and was awarded a certificate of appreciation by the Department of Environmental Protection, Taipei City Government.</p> <p>(III.) Implementation of energy conservation and carbon reduction:</p> <p>1. Energy Conservation and Carbon Reduction Policies:</p> <p>(1) To achieve energy conservation and carbon reduction regulations set by the government, as well as actively promote and develop energy conservation and carbon reduction projects</p> <p>(2) To demonstrate the Company's commitment towards energy conservation and carbon reduction, and rewards the incorporation of energy conservation and carbon reduction cases in order to propose improvements to the system.</p> <p>(3) To promote energy conservation and carbon reduction plans at departmental level and carry out energy conservation and carbon reduction education and promotional work.</p> <p>(4) To implement energy conservation and carbon reduction-related individual job details and continuously provide employees with education and training in order to implement energy conservation and carbon reduction.</p> <p>2. Outcomes of Energy Conservation and Carbon Reduction:</p> <p>(1) The Company and its subsidiaries' carbon dioxide emissions in 2021 and 2020 were 621,797 tons and 577,100 tons respectively, which had reduced by 47,358 tons and 49,369 tons</p>				



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<p>respectively.</p> <p>(2) On January 17, 2016, the Environmental Protection Administration (EPA) of the Executive Yuan announced the "first group of stationary resources required for GHG reporting". As the annual emissions of Renwu plant is less than 25,000 m.t. of CO2e according to the trial calculation of stationary burning of fossil fuel, we are not one of the stationary sources required for reporting. To keep the Company updated with its GHG emission status, the Renwu plant voluntarily performs a GHG inventory audit every year, with the organizational boundary of inventory being within the Renwu plant. We also collectively release major emission sources using the Operational Control Approach. In 2020, we elected to apply the 2019 "ISO14064-1:2018" as the verification standard for GHG inventory, and cooperated with external experts to integrate GHG inventory data and establish a systematic system, on which we also entrusted a third-party to conduct verification. The GHG emission factor is based on version 6.0.4 of the Greenhouse Gas Emission Factor Management Table of the Environmental Protection Agency, and the Global Warming Potentials (GWP) is cited from the IPCC Fifth Assessment Report (2013).</p> <p>(3) On May 4, 2022 the Company obtained the ISO 14064-1 (2018) greenhouse gas inspection declaration - 2021 Greenhouse Gas Emission Information.</p> <p>(4) Completed the verification certification of ISO 46001(2019) Water Efficiency Management Systems on February 22, 2022.</p> <p>(5) Aquired the ISO 14067 (2018) Carbon Footprint Verification Statement on March 3, 2022.</p> <p>(6) The greenhouse gas inventory audit of our production sites of the Toufen Plant and the Linyuan Plant were performed by SGS Taiwan in accordance with ISO14064-1: 2006. The total emissions verified in 2020 was 347,056 metric tons. The estimate through self-inspection for 2021 was 385,370 metric tons (SGS has not completed the verification of the Toufen Plant and the Linyuan Plant as of the publication date. The figure will be published on the website after the verification is confirmed and revised accordingly in the next annual report).</p> <p>(7) The Company's Toufen Plant and Linyuan Plant executed various energy conservation and carbon reduction projects in 2021. The results have been submitted to the Industrial Development Bureau. Total energy savings amounted to 28,528 GJ and carbon emissions were reduced by 2,741 tons CO2e.</p> <p>3. Energy Conservation and Carbon Reduction Plans: In line with the Group's policies, the Company's energy management target from 2010 to 2025 is an average annual energy saving rate of 1.2% or more, and it conducts a dynamic review according to national policies and regulations. Key tasks are as follows:</p> <p>(1) Replaced the refrigerators and air compressors with new ones, improved the electric heating of the pipe press release port, updated the motors to IE3 high-efficiency motors, replaced the box-type air conditioners with new ones, replaced the street lamps with LED lamps, the Lu-style blower with suspended blower and the cooling tower motors with high-efficiency motors, etc.</p> <p>(2) Improved the process with the number of refrigerators for operation changed from two to one, to reduce the circulations of cooling water pumps.</p> <p>(IV.) Implementation of Social Services and Public Welfare:</p> <p>1. Special Renda Class for the Petrochemical Industry in Kaohsiung: Thirteen companies at Renda Industrial Park (including Formosa Renwu Plant, Changchun, and Dashe Industrial Park Manufacturers' Association) and the Company's Kaohsiung Plant jointly established an industry-academia collaboration project with Renwu Senior High School from August 2018 to July 2023 to provide students of Renwu Senior High School with scholarships. We provide ten students, in each of the three grades, totaling 90 students over five years, with a total of NT\$1.08 million in scholarships and subsidies of NT\$330,000 as hourly rates for professional courses for three years. On the one hand, the Company cultivates grassroots talents needed in the future and improves the quality of human resources; on the other hand, colleges can activate teaching by introducing enterprise resources, strengthen their competitive advantages among local colleges, and attract outstanding students. It is hoped that through this industry-government-college tripartite cooperation model, students can develop adaptively in learning, pursue excellence, and ensure their future employment; enterprises can integrate into the local communities to develop good neighborly relations and recruit high-quality human resources; thus promote local prosperity, shorten the gap between urban and rural areas, and revitalizing the region economy, reduce population emigration, and create a win-win situation for enterprises, colleges and local communities.</p> <p>2. Donation to USI Education Foundation The USI Education Foundation was jointly established by the Company and Asia Polymer Corporation on December 30, 2011. Since it began official operations in 2012, it has engaged in education and public welfare industries and focused on disadvantaged groups, remote areas, and the ecology. It has established scholarships, made donations to public welfare platforms, and donated to education and public welfare activities to strengthen service capacity and improve service benefits. To upscale public welfare participation, China General Plastics Corporation and Taiwan VCM Corporation joined the ranks of sponsors in 2017, and Taita Chemical Company, Ltd. also took part in the foundation in 2018, allowing the USI Education Foundation to invest more resources in the charity business, including rural education and environmental sustainability, in order to give back to society. In 2021, the total sponsorship expenditure of the USI Education Foundation was NT\$11.71 million:</p> <p>(1) Awarded NT\$3 million of scholarships and grants: Awarded to 30 students from 16 departments in 11 public and private universities, including 16 PhD students, 9 Master's degree students</p>				



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<p>and 5 Bachelor's degree students, where 17 of them came from poor families. In the ten years since the foundation was established, a total of NT\$14.1 million has been awarded in scholarships to a total of 266 students.</p> <p>(2) Sponsored the Junyi School of Innovation and Alliance Cultural Foundation NT\$6 million: The chairman of The Alliance Cultural Foundation Stanley Yen hopes to implement innovative experimental education through reforming the education system in remote villages to allow economically disadvantaged children an opportunity to turn over. He established the "Remote Village Education Seeds Cultivation Plan," to subsidize the schooling of economically disadvantaged children in Hualien and Taitung. So far, 185 students have benefited, of which more than 80% are indigenous people, including Amis, Puyuma, Bunun, Paiwan, Drekey, Tao, Truku and other ethnic groups, so that children in remote villages could enjoy equal opportunity to education. In addition, the Company's public welfare platform launched the online course "Listener Program" to train front-line teachers to become young people's listeners, learn to build trusting relationships and positive communication with them, and accompany them and provide the thriving young people with psychological support, hoping that they can have more solid strength to support themselves and the inner resilience to support others.</p> <p>(3) Sponsored other educational public welfare activities for NT\$2.71 million.</p> <p>3. Held four blood donation events for employees, two in Taipei and one in Kaohsiung.</p> <p>4. Continued to sponsor the "Kaohsiung City Air Purification Zone Management Project" from 2018 to 2021.</p> <p>5. Responded to "Earth Hour" to turn off the lights.</p> <p>6. Donated bleach and hand sanitizer to neighborhoods and schools.</p> <p>7. Held the 2nd USI Group Charity Slow Softball Cup in 2021.</p> <p>8. The Company cooperated with the Experimental Forest, National Taiwan University to promote the "Reforestation Program".</p> <p>9. Cooperated with Kaohsiung City government to promote corporate disaster prevention.</p> <p>10. Sponsored dedicated funds for medical and epidemic prevention, care for medical staff and building of rapid screening stations for epidemic prevention.</p> <p>11. To support local agricultural products, USI Group ordered 1,000 boxes of Taiwan pineapples.</p> <p>12. Other expenditures to give back to the local and community amounted to about NT\$440 thousand.</p> <p>13. The Company's Love and Care Society has been established for 49 years with 72 members, and it visited the sick, orphanages and old folks' homes 5 times in 2021, a total of about 97 visits from 2010 to 2021. Jointly upholding the concept of "spreading love, caring for the society", and exerting the spirit of not falling behind for doing good, the Company's Love and Care Society continuously participates in the adoption of poor children organized by the Taiwan Fund for Children and families, and visits the sick, orphanages and old folks' homes from time to time.</p> <p>14. Since 2017, the Company has adopted 500 meters of the beach at the Longfeng Fishing Port in Zhunan Township, did not held large-scale beach cleaning activities in 2021 due to the severe COVID-19 epidemic, and held the fifth (after adoption) beach cleaning activity when the epidemic eased in October. This time 12 persons were mobilized to clean a total of 35 kilograms of waste. Since 2017, a total of 612 persons have participated, and a total of 2,153 kilograms of waste have been cleaned. And the activity will continue to be held in the future if the epidemic eased.</p> <p>15. The Company participated in the Public Welfare, Environmental Protection and Social Services event held by Yungchen Temple in Toufen Township and provided fund sponsorship to the event.</p> <p>16. Since 2010, the Company established a volunteer team (of about 60 members) to help clean up and maintain the environment around Yungchen Temple, Nantian Street and Beitian Street. Each time the number of persons participating is about 10-15, and from 2010 to 2021, about 700 persons have been mobilized.</p> <p>17. Since 2010, the Company adopted street lamps around its Toufen Plant, and carries out maintenance of these lamps.</p> <p>18. Since 2014, the Company adopted the Jhonggang River Dongxing Bridge Wetland Park in Miaoli.</p> <p>19. Miaoli County government established the first Occupational Safety and Health Family, CGPC acting as the leader. The Occupational Safety and Health Family aims at assisting enterprises with fewer than 100 workers to improve the working environment and promote employment services. On August 20, 2021, The Company led the family members to work together to establish a workplace safety culture, in order to enhance the safety of various types of equipment in the family's factories. Workplace safety and health courses were taught by professional lecturers at the service center of Zhunan Industrial Zone to create a high-quality working environment together. In addition, on October 8, 2021, we organized a result presentation for comforting the family members and occupational disaster promotion, helping to guide family members in hazard identification, risk assessment and improvement.</p> <p>20. As the COVID-19 epidemic continued in 2021, the subsidiary Company CGPC donated bleaching water for disinfection to the public agencies in the county (ingredients: 12% sodium hypochlorite 25kg/barrel), a total of 456 barrels (about 11.4 metric tons), for epidemic prevention.</p> <p>21. Cared for epidemic prevention – sponsored special funds for epidemic prevention and received a certificate of appreciation from Shuang-Ho Hospital.</p>				



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<p>22. The Chairman felt that the COVID-19 epidemic was severe, so he specially gifted each employee astragalus health tea and safety anti-COVID-19 tea to enhance their bodies' immunity. Because the export of pineapples was blocked, the Company purchased a batch of pineapples and give them to employees to support farmers with actions.</p> <p>23. Assisted in promoting the development of sports culture in local schools, and provided incentives to encourage the Miaoli County Datung Senior High School snooker team to win the gold medal in the team competition in the 2021 National High School Games.</p> <p>24. Fulfilled its corporate social responsibility to donate resources such as digital teaching aids to Toufen Junior High School. And, it also donated hard transparent tape materials and bleaching water for the school to make simple DIY baffles and be used for disinfection, so as to provide additional protection against the epidemic for the campus.</p> <p>25. The Company began to hold blood donation activities since 2018 and joined in the blood donation activity of 1,000 people in internal medicine in 2019. Actual and accumulated achievements of blood donation in the past three years are as follows:</p> <table border="1" data-bbox="421 576 1328 884"> <thead> <tr> <th>ITEM</th> <th>Explanation/Date</th> <th>January 28, 2021 [the Fourth]</th> <th>August 5, 2021 [the 5th term]</th> <th>January 14, 2022 [the 6th term]</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Number of blood donation participants:</td> <td>This Time</td> <td>52</td> <td>46</td> <td>53</td> </tr> <tr> <td>Accumulated participants</td> <td>338</td> <td>384</td> <td>437</td> </tr> <tr> <td rowspan="2">Total blood collection bags: (250CC/bag)</td> <td>This Time</td> <td>83</td> <td>71</td> <td>82</td> </tr> <tr> <td>Accumulated bags</td> <td>494</td> <td>565</td> <td>647</td> </tr> <tr> <td rowspan="2">Amount of donated blood (cc)</td> <td>This Time (cc)</td> <td>20,750</td> <td>17,750</td> <td>20,500</td> </tr> <tr> <td>Accumulated amount (cc)</td> <td>123,500</td> <td>141,250</td> <td>161,750</td> </tr> </tbody> </table>	ITEM	Explanation/Date	January 28, 2021 [the Fourth]	August 5, 2021 [the 5th term]	January 14, 2022 [the 6th term]	Number of blood donation participants:	This Time	52	46	53	Accumulated participants	338	384	437	Total blood collection bags: (250CC/bag)	This Time	83	71	82	Accumulated bags	494	565	647	Amount of donated blood (cc)	This Time (cc)	20,750	17,750	20,500	Accumulated amount (cc)	123,500	141,250	161,750			<p>(V.) Acquired</p> <p>the certificates and awards for promoting sustainable development:</p> <ol style="list-style-type: none"> 1. Ranked among the top 5% of listed companies in the Seventh Corporate Governance Evaluation in 2021. 2. Won the 2021 1st "TSAA Taiwan Sustainable Goals Action Award - Bronze Award" in 2021. 3. Won the 2021 14th TCSA Taiwan Sustainability Award "Taiwan TOP 50 Sustainable Enterprise Award", "Taiwan Corporate Sustainability Report - Platinum Award" and 2021 The 4th Global Corporate Sustainability Award (GCSA) Sustainability Reporting Award – Bronze Class in 2021.
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Note 1: If "Yes" is selected in the implementation status, please explain the important policies, strategies, and measures adopted, and the implementation status in details; if "No" is selected in the implementation status, please specify the difference and reason in field of "Difference of the Listed OTC Companies Sustainable Development Best Practice Principles and Reason Thereof" and explain related future policies and plans for strategies and measures.

Note 2: The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the company's investors and other stakeholders.

Note 3: For disclosure methods, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.



(VI.) Implementation of ethical corporate management and measures for its implementation
 Ethical Corporate Management and Deviations from “the Ethical Corporate Management Best-Practice Principles
 for TWSE/TPEX Listed Companies” and Reasons

Assessment Item	Implementation Status (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
<p>I. Formulating ethical corporate management policies and programs</p> <p>(I.) Does the company specify ethical corporate management policies and programs in its regulations and on external documents? Do its Board of Directors and the management team actively advocate and implement these policies?</p> <p>(II.) Does the company establish an assessment mechanism for unethical risks, according to which it analyzes and assesses operating activities with high potential unethical risks? Does the mechanism include any precautionary measures against all the conducts as stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(III.) Has the company established policies to prevent unethical conduct with relevant procedures, guidelines of conduct, punishment for violation, rules of appeal clearly stated in the policies, and implemented the policies, and reviewed the aforementioned policies on a regular basis?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I.) The Group upholds the business philosophy of "Solid Operation, Professional Management, Seeking Excellence and Serving the Society" and exercises its corporate culture that "seeks truth, honesty and comprehensiveness". The Company has established the "Ethical Corporate Management Best Practice Principles" "Procedures for Ethical Management and Guidelines for Conduct", "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to specify its ethical corporate management policies. The Company's Board of Directors and the General Manager have signed statements of ethical management to fulfill their commitments in management policies.</p> <p>(II.) The Company has established the "Ethical Corporate Management Principles," approved by the Board of Directors, and established a risk assessment mechanism for unethical conduct to regularly analyze and evaluate business activities with higher risk of unethical conduct within the business scope, so as to formulate prevention programs, while reviewing the adequacy and effectiveness of prevention programs on a regular basis and strengthening relevant preventive measures.</p> <p>The prevention programs adopted by the Company include preventive measures against the following:</p> <ol style="list-style-type: none"> 1. To bribe and receive a bribe. 2. To provide illegal political donations. 3. To offer improper charitable donations or sponsorships. 4. To offer or accept unjustified presents or hospitality, or other improper benefits. 5. To infringe on business secrets, trademarks, patents, copyrights, and other intellectual property rights. 6. To engage in unfair competition. 7. Products and services directly or indirectly impair the rights, health, and safety of consumers or other stakeholders when they are developed, purchased, manufactured, supplied or sold. <p>(III.)</p> <ol style="list-style-type: none"> 1. Pursuant to the amended "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" announced by the competent authority in May 2019, the amendments to the "Ethical Corporate Management Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" have been approved by the Board of Directors on November 13, 2019. 	<p>Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies".</p>



Assessment Item	Implementation Status (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			<p>2. The Company has established the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" to promote the reporting of any illegal behavior or violation of the Code of Conduct or the Ethical Corporate Management Principles. Any employee or external party can freely choose to access the Company's website or a dedicated hotline set up at the Auditing Division to report cases of illegal, unethical, or dishonest conduct through the following units:</p> <ul style="list-style-type: none"> ◎ Audit Committee: Accept reports from shareholders, investors, and other stakeholders. ◎ Auditing Division: Accept reports from the Company's clients, suppliers, and contractors. ◎ Personnel Department : Accept reports from employees in the Company. <p>In 2021, the units received 0 reports from individuals who identified themselves The number of anonymous reports with concrete evidence was also zero.</p> <p>3. Implementation of relevant regulations and continuous offering of education and training to raise employees' awareness.</p>	
<p>II. Implementing Ethical Corporate Management</p> <p>(I.) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(II.) Does the Company have a unit under the Board of Directors that specializes in promoting ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?</p>	<p>✓</p> <p>✓</p>		<p>(I.) The Company has requested for terms of ethical conduct to be clearly defined in commercial contracts in accordance with its Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct.</p> <p>(II.) To strengthen ethical corporate management, the corporate governance team is responsible for establishing the ethical corporate management policy and prevention programs while supervising such implementation; the team is also in charge of the following matters, which shall be reported to the Board of Directors by the Corporate Governance Officer regularly at least once a year.</p> <p>The Corporate Governance Officer reported to the Board of Directors on matters related to the implementation of annual integrity management on November 4, 2021.</p> <ol style="list-style-type: none"> 1. Formulate and implement regulations relating to ethical management policies in accordance with the framework of law. 2. Regularly analyze and evaluate the risk of unethical behavior within the business scope. No significant risk was identified in the current year after evaluation. 3. The Company has planned its internal organizational structure and placed a control mechanism on business activities with higher risk of dishonest conduct in the business scope. 4. It promoted and coordinated of honesty policy advocacy training. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. According to statistics, no reports of illegal incidents were received this year. 6. Assist the Board of Directors and the General Manager in reviewing and assessing whether the prevention measures taken for the purpose of implementing ethical corporate management are carried out effectively, and prepare reports on the regular assessment of compliance with operating procedures. 	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies".
<p>(III.) Has the Company established policies to prevent conflicts of interest, provided an appropriate channel for reporting such</p>	<p>✓</p>		<p>(III.) The Company has formulated the "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to prevent conflicts of interest and</p>	



Assessment Item	Implementation Status (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies" and reasons for such discrepancies																																					
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<p>conflicts and implemented them?</p> <p>(IV.) Does the Company have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform the audits?</p> <p>(V.) Does the company regularly hold internal and external training related to ethical corporate management?</p>	<p>✓</p> <p>✓</p>		<p>provide suitable channels (the Audit Committee mailbox, a dedicated section for stakeholders, a dedicated section for shareholders' questions and answers, and a dedicated section for investor services on the Company's website: https://www.usife.com.tw/) for Directors, managerial officers, and employees to explain any potential conflict of interest with the Company. Responses to shareholders' questions are also included in the shareholders' Q&A section for public viewing.</p> <p>(IV.) The Company's accounting systems and internal control systems can run independently and objectively. Internal control personnel regularly report their audit findings to the Audit Committee and the Board of Directors. CPAs appointed by the Company regularly perform internal audits and hold discussions with the management. The internal audit unit, after assessing risks, has drafted the audit plan for the next year, which incorporates the items under "Management of Reporting Illegal and Unethical or Dishonest Behavior," so as to audit the compliance with the Company's Unethical Conduct Prevention Program.</p> <p>(V.) In order to keep our employees informed of the code of ethics, the Company, in addition to publishing the relevant regulations on its official website, continuously invites well-known scholars, experts, or attorneys to offer education and training to increase Directors', managerial officers', employees', and substantive controllers' awareness, so as to allow them to fully understand the Company's determination, policies, prevention programs, and consequences of violation of ethical conduct. In 2021, USI Taipei Plant and USI Kaohsiung Plant offered education and training courses on ethical corporate management, with a total of 93 participants/215 training hours. The details are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Course Title</th> <th rowspan="2">Hours</th> <th colspan="2">Total</th> </tr> <tr> <th>Total Participants</th> <th>Total hours</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>[Ethics Lecture] Insider Trading Practice Cases and Related Legal Liabilities</td> <td>3</td> <td>1</td> <td>3</td> </tr> <tr> <td>2.</td> <td>[Ethics Lecture] Internet Copyright and How to Use Software Legally</td> <td>2</td> <td>67</td> <td>134</td> </tr> <tr> <td>3.</td> <td>[Ethics Lecture] Trade Secrets Act Introduction and Case Analysis</td> <td>3</td> <td>18</td> <td>54</td> </tr> <tr> <td>4.</td> <td>Study on Labor Act for HR Personnel</td> <td>3</td> <td>6</td> <td>18</td> </tr> <tr> <td>5.</td> <td>Labor-Related Knowledge That should be known by Audit Personnel</td> <td>6</td> <td>1</td> <td>6</td> </tr> <tr> <td colspan="3">Total</td> <td>93</td> <td>215</td> </tr> </tbody> </table>	No.	Course Title	Hours	Total		Total Participants	Total hours	1.	[Ethics Lecture] Insider Trading Practice Cases and Related Legal Liabilities	3	1	3	2.	[Ethics Lecture] Internet Copyright and How to Use Software Legally	2	67	134	3.	[Ethics Lecture] Trade Secrets Act Introduction and Case Analysis	3	18	54	4.	Study on Labor Act for HR Personnel	3	6	18	5.	Labor-Related Knowledge That should be known by Audit Personnel	6	1	6	Total			93	215	
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Assessment Item	Implementation Status (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
<p>II. Implementing the Company's whistleblowing system</p> <p>(I.) Has the Company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel to handle investigations against wrongdoers?</p>	✓		<p>(1) The Company's Board of Directors passed the "Procedures for Handling Reporting of Illegal and Unethical or Dishonest Conduct" and disclosed such procedures on the Company's official website. (website: https://www.usife.com.tw/USIWebFiles/Others/USI_IllegalReport.pdf) The Company has specified the whistle-blowing channels, incentive system, dedicated personnel, and whistle-blower protection, stated as follows:</p> <ol style="list-style-type: none"> 1. Report channels: <ol style="list-style-type: none"> (1) Personal report: Face-to-face explanation. (2) Telephone report: 02-26503783 (3) Submitting reports: Auditing Division, 7F, No. 37, Jihu Road, Neihu District, Taipei City. 2. Incentive system: <p>Where a report is verified as true and its contribution generates significant economic benefits, the incident may be submitted to the General Manager to provide the reporter with appropriate rewards.</p> 3. Responsible personnel: <ol style="list-style-type: none"> (1) Audit Committee: Accept reports from shareholders, investors, and other stakeholders. (2) Auditing Division: Accept reports from customers, suppliers, and contractors. (3) Human Resources Department: Accept reports from employees. 4. Whistleblower protection: <p>Whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities and information provided shall be fully maintained, so that they will not be subjected to unfair treatment or retaliation.</p> <p>Where the whistleblower is an employee, the Company shall guarantee that the employee shall not sustain inappropriate treatment that may arise from the report.</p> 	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies".
<p>(II.) Has the Company established standard operating procedures for investigating reported issues, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?</p>	✓		<p>(2) The Company's Board of Directors passed the "Procedures for Handling Reporting of Illegal and Unethical or Dishonest Conduct," which specifies the standard operating procedures for investigating the case being exposed by the whistle-blower and the relevant confidentiality mechanism; where whistle-blower is anonymous or did not use his/her true name, or the content stated or the proof of origin provided is deemed necessary for investigation, the case may still be reported to the Chairman/General Manager before the case is handled and recorded as a reference for internal review. After a report is accepted, an investigation will be conducted for internal evidence. If it is proved to be true, the Company will handle it based on its illegal violation or the severity of violation in accordance with the disciplinary regulations and relevant laws.</p>	
<p>(III.) Has the Company set up protection for whistleblowers to prevent them from being subjected to inappropriate measures as a result of reporting such incidents?</p>	✓		<p>(3) The procedures above also specify that whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities fully maintained, so that they will not be subjected to unfair treatment or retaliation.</p>	



Assessment Item	Implementation Status (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
<p>IV. Strengthening information disclosure</p> <p>(I.) Has the Company disclosed the content and effectiveness of its integrity management principles on the Company's website and the Market Observation Post System?</p>	✓		(1) The Company has disclosed relevant regulations and information on ethical corporate management on the Company's website: (Website: https://www.usife.com/zh-tw/dirInvestor/frmInvestor1.aspx). The information related to ethical corporate management and the effectiveness of implementation is disclosed on the website and in the annual report.	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies".
<p>V. If the company has established its own Ethical Corporate Management Best Practice Principles in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE or TPEX Listed Companies, state the discrepancies between these principles and its implementation: The Company has established its "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers", the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", the "Code of Conduct for Employees Regarding Concurrent and Part-time Work", and the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct". There was no material discrepancy during the implementation of these rules and regulations.</p>				
<p>VI. Other important information that facilitate the understanding of the implementation of ethical corporate management: (such as review and amendment of the Company's Ethical Corporate Management Best Practice Principles) By referring to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" promulgated by the competent authority, the Company has formulated own "Ethical Management Best Practice Principles," "Ethical Management Operating Procedures" and "Code of Conducts," and "Procedures for Handling Reporting of Illegal and Unethical or Dishonest Conduct," which has been effective after reporting to and approving by the Board of Directors. The same rule shall apply to any amendments thereof. The Corporate Governance Officer reports to the Board of Directors at least annually on the implementation matters of ethical management. Matters of ethical management of 2021 have been reported to the Board of Directors on November 4, 2021.</p>				

Note 1: Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.

(VII.) Methods of inquiry in the Corporate Governance Best Practice Principles and related regulations established by the Company:

1. The Company has established the following operating procedures:
 - (1) Articles of Incorporation
 - (2) Corporate Governance Best Practice Principles
 - (3) Rules of Procedure for Board of Directors Meetings
 - (4) Rules for Election of Directors
 - (5) Procedures Governing the Evaluation of the Performance of the Board of Directors
 - (6) Rules Governing the Scope of Powers of Independent Directors
 - (7) Rules of Procedure for Shareholders Meetings
 - (8) Procedures for Acquisition or Disposal of Assets
 - (9) Operating Procedures for Endorsement and Guarantee
 - (10) Operating Procedures of Funds Lending to Others
 - (11) Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers
 - (12) Ethical Corporate Management Best Practice Principles
 - (13) Procedures for Ethical Management and Guidelines for Conduct
 - (14) Remuneration Committee Charter
 - (15) Audit Committee Charter
 - (16) Procedures for Handling Material Insider Information
 - (17) Sustainable Development Best Practice Principles
 - (18) Sustainable Development Committee Charter
 - (19) Management Guidelines for Employee Complaint and Feedback Mailboxes
 - (20) Procedures for dealing with Unlawful, Unethical or Dishonesty issues
 - (21) Standard Operating Procedure for Handling Directors' Requests
 - (22) Human Rights Policy and Management Plan
 - (23) Risk Management Policy and Procedures
 - (24) Corporate Governance Self-Evaluation Report
2. For related procedures, please visit the following websites
 - (1) The corporate governance webpage of the Market Observation Post System (<https://mops.twse.com.tw/mops/web/index>).
 - (2) Refer to the Corporate Governance section under Investor Services on the Company's website (<https://www.usife.com>).

(VIII.) Other material information that can enhance the understanding of the state of corporate governance at the Company:

The Company regularly performs audit of its subsidiaries, and regularly analyzes and reviews the financial and business information of its subsidiaries in accordance with the requirements for supervision and monitoring of subsidiaries stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies."

(IX.) Disclosure matters of the status of Internal Control

1. Internal Control Statement

USI CORPORATION

Statement on Internal Control System

Date: March 10, 2022

The Company hereby makes the following statement about its internal control system for the year 2021 based on its self-assessment:

- I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system are the responsibilities of the Company's Board of Directors and managerial officers, and thus the Company has established such a system. The objective of this system is to meet various goals including achieving operational benefits and efficiency (including profitability, performance, as well as asset and safety protection), and ensuring the reliability, timeliness, transparency and regulatory compliance of reporting, thereby providing reasonable assurance.
- II. An internal control system has inherent constraints. No matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the abovementioned objectives. In addition, the effectiveness of the internal control system may change with the environment and under different situations. Nevertheless, the Company's internal control systems are equipped with self-monitoring mechanisms, thereby allowing the Company to take immediate remedial actions in response to any identified deficiency.
- III. The Company determines whether or not the design and implementation of its internal control system is effective according to the items for determining the effectiveness of internal control systems as stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The items for the determination of internal control systems adopted in the Regulations has identified five key components based on management control processes: (1) control environment, (2) risk assessment, (3) control operations, (4) information and communication, and (5) monitoring operations. Each component includes a number of items. For more information on the above-mentioned items, please refer to the Regulations.
- IV. The Company has adopted the items for determining internal control systems in order to evaluate the effectiveness of its internal control system design and implementation.
- V. Based on the above results, the Company believes that the design and implementation of its internal control systems (including supervision and management of its subsidiaries), as of December 31, 2021 and understanding the level of goal achievement in regards to operational benefits and efficiency, as well as whether the reporting is reliable, timely and transparent and whether it complies with the relevant laws and regulations, is effective and can reasonably assure the accomplishment of the abovementioned goals.
- VI. The Statement shall become the main content of the Company's annual report and prospectus, and shall be made public. Should the abovementioned content contain

illegalities such as fraudulent and hidden information, the Company shall assume legal liabilities involving Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

VII. The Statement has been agreed by the Company's Audit Committee on March 10, 2022, and approved by the Board of Directors on the same day, where the nine Directors present all agreed with the content of the Statement.

USI CORPORATION

Chairman:

Yi-Gui Wu



Signature

General

Ke-shun Wang

Manager:



Signature

2. Where CPAs are commissioned to audit the Company's internal control systems, the audit report prepared by the CPAs should be disclosed: N/A

(X.) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

(XI.) Major Resolutions of Shareholders' Meeting and Board Meetings within the current fiscal year and as at the date of the Annual Report

1. Shareholders' Meeting

Year of Meeting	Date of Meeting	Key Resolutions
2021	July 26, 2021	<p>The minutes of the Shareholders' Meeting were posted onto MOPS on August 12, 2021. The resolutions and their status of implementation are as follows:</p> <ol style="list-style-type: none"> 1. Approve the 2020 Account Book. Implementation status: Resolution passed 2. Approve the 2020 earnings distribution plan. Implementation status: The distribution of cash dividends of NT\$1,188,763,500 to the shareholders, NT\$1 per share, with August 2, 2021 as the base date, was completed on August 25, 2021. 3. Deliberate on the amendment to the Rules of Procedure for Shareholders' Meetings Implementation status: The resolution was passed and has been implemented according to the resolution passed by the Shareholders' Meeting. 4. Deliberate on the removal of the non-compete clause for Directors. Implementation status: Resolution passed

2. Board of Directors

Session (Year) of Meeting	Date of Meeting	Key Resolutions
The 5th Meeting of the 20th Term (1st Meeting in 2021)	March 8, 2021	<ol style="list-style-type: none"> 1. Ratify the three-year medium-term comprehensive credit line signed with Far Eastern International Bank. 2. Approved the 2020 Account Book. 3. Agreed the 2020 distribution of remuneration to Directors and employees of the Company. 4. Approved the 2020 Profit Distribution Plan. 5. Approve the amendment of certain articles in the Rules of Procedure for Shareholders' Meetings. 6. Approve the recommendation to lift competition restrictions against newly elected directors at the Annual General Meeting. 7. Approved matters related to the convening of the 2021 general shareholders' meeting. 8. Accept shareholders' proposals from April 4, 2021 to April 14, 2021. 9. Approved the 2021 Evaluation of the Independence of Appointed CPAs. 10. Approved the appointment of CPAs for year 2021. 11. The 2020 Statement on Internal Control System of the Company. 12. Authorize the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions. 13. Approve donations to the USI Education Foundation.

Session (Year) of Meeting	Date of Meeting	Key Resolutions
The 6th Meeting of the 20th Term (2nd Meeting in 2021)	May 6, 2021	<ol style="list-style-type: none"> 1. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd. 2. Ratify a three-year medium-term loan limit signed with First Bank. 3. Approve the issuance of unsecured ordinary corporate bonds 4. Passed the amendments to the Company's internal control system. 5. Authorized the Chairman to change the venue of the 2021 regular shareholder's meeting in the light of the outbreak of the COVID-19 epidemic.
The 7th Meeting of the 20th Term (3rd Meeting in 2021)	July 8, 2021	<ol style="list-style-type: none"> 1. Ratify the three-year medium-term loan limit signed with Entie Commercial Bank 2. Approve the issuance of unsecured ordinary corporate bonds 3. Approved the lending of funds to the subsidiary Company USI Green Energy Corporation. 4. Approved the change of date and venue of 2021 Annual Shareholders' Meeting 5. Determined matters related to the ex-dividend base date and distribution date of the Company's cash dividends.
The 8th Meeting of the 20th Term (4th Meeting in 2021)	August 5, 2021	<ol style="list-style-type: none"> 1. Ratify endorsements/guarantees made for Union Polymer International Investment Co., Ltd. 2. Ratify endorsements/guarantees made for Chong Loong Trading Co. Ltd. 3. Ratify the renewal of the three-year medium-term loan limit signed with Bank SinoPac
The 9th Meeting of the 20th Term (5th Meeting in 2021)	November 4, 2021	<ol style="list-style-type: none"> 1. Ratify endorsements/guarantees made for the subsidiary Company Chong Loong Trading Co. Ltd. 2. Ratify the three-year medium-term loan limit signed with the Japanese company Mizuho Bank 3. Ratify the five-year medium-term loan limit signed with Taipei Fubon Bank 4. Ratify the five-year medium-term secured loan limit signed with E.SUN Bank 5. Approved the 2022 Company budget. 6. Approved remuneration of CPAs for 2021. 7. Approved the 2022 Annual Audit Plan. 8. Approved the amendment to some provisions of the Risk Management Policy and Procedures. 9. Approved the endorsement guarantee for the subsidiary Company USI Green Energy Corporation. 10. Approved the lending of funds to the subsidiary Company USI Green Energy Corporation. 11. Authorize the Chairman to sign and deliver shot-term credit loan contracts and related documents to financial institutions.
The 10th Meeting of the 20th Term (1st Meeting in 2022)	March 10, 2022	<ol style="list-style-type: none"> 1. Ratify the correction of limit of the endorsement guarantee made by the previous board of directors for the subsidiary Company Chong Loong Trading Co. Ltd. 2. Ratify endorsements/guarantees made for the subsidiary Company Union Polymer International Investment Co., Ltd. 3. Ratified the endorsement guarantee for the subsidiary Company USI Green Energy Corporation. 4. Ratify a three-year medium-term loan limit signed with Export-Import Bank of the Republic of China 5. Approved the 2021 Account Book. 6. Approved the 2021 compensation distribution plan for Directors and employees 7. Approved the 2021 earnings distribution plan 8. Approve the amendment of certain articles in the Regulations Governing the Acquisition and Disposal of Assets. 9. Approve the recommendation to lift competition restrictions against newly elected directors at the Annual General Meeting. 10. Approved matters related to the convening of the 2022 general shareholders' meeting. 11. Accept shareholders' proposals from March 26, 2022 to April 5, 2022 12. Approved the 2022 Evaluation of the Independence of Appointed CPAs. 13. Approved the appointment of CPAs for year 2022. 14. Approve the issuance of unsecured ordinary corporate bonds 15. Approved the amendment of certain articles in the Corporate Social Responsibility Code of Practice. 16. Approved the amendment of certain articles in the Sustainable Development Committee Charter. 17. Approve the issuance of the 2021 Statement on Internal Control System 18. Authorize the Chairman to sign and deliver shot-term credit loan contracts and related documents to financial institutions. 19. Approve donations to the USI Education Foundation.

(XII.) Dissenting opinions or qualified opinions on resolutions passed by the Board of Directors that are made by directors or supervisors, and are documented or issued through written statements, in the most recent fiscal year up to the publication date of this annual report:

No such situation at the Company in the most recent fiscal year up to the publication date of the Annual Report.

(XIII.) Summary of the resignation and dismissal of the Company's Chairman, General Manager, Accounting Manager, Finance Manager, Head of Internal Audit and Head of Research and Development in the most recent fiscal year up to the publication date of this annual report:

No such situation at the Company in the most recent fiscal year up to the publication date of the Annual Report.

V. Information on certified accountant audit fees:

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPAs	CPA Audit Period	Audit Fee	Non-Audit Fees	Total	Remarks
Deloitte & Touche	Chuang Pi-Yu, CPA	2021	4,530	830	5,360	Non-audit fees and details of other services: The fee for tax compliance is NT\$590,000, the fee for review of the information on the consolidated financial statements of the discontinued department is NT\$70,000, the fee for the review opinion on the financial report preparation ability of the listed company is NT\$30,000, and the fee for correction and reporting of 2018 undistributed surplus is NT\$140,000.
	Cheng-Hung Kuo, CPA	2021				

Please state the non-audit services: (e.g., tax compliance, assurance or other financial consulting services)

Note: Where this Company replaces the CPA or accounting firm, the auditing periods of the former and successor CPA or firm shall be annotated separately with the reason for replacement noted. The accounting and non-accounting fees paid to the former and successor CPA or firm shall also be disclosed. Non-audit fees and notes that should be attached to explain the details of other services:

- (I.) If the non-audit fees paid to the CPAs, their accounting firm and affiliated companies of their accounting firm exceed one-fourth of the audit fees paid to them, the amount of audit and non-audit fees, and the content of non-audit services should be disclosed:

The non-audit fees paid by the Company did not exceed one-fourth of the audit fees.

- (II.) Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons for paying this amount shall be disclosed:

The Company did not replace the CPA firm.

- (III.) Where accounting fee paid for the year was 10% (or above) less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed:

The Company's 2021 annual audit fees decreased by NT\$590,000 or 11% compared to the year of 2020, which was because the Company included NT\$590,000 of non-audit fees for tax compliance into the audit fees in 2020.

VI. Information on replacement of certified public accountants:

(I.) Previous CPAs: N/A

Replacement Date			
Replacement reasons and explanations			
Describe whether the Company terminated or the CPA did not accept the appointment	Status	Contracting Party	CPA
	Terminate the appointment	N/A	
	CPA declined to accept (continue with) the appointment		
Opinion and reason for the issuance of audit reports containing opinions other than unqualified opinions in the most recent two fiscal years			
Differences with the Company	Yes		Accounting principles or practices
			Disclosure of financial report
			Audit scope or procedures
			Others
	None	Description:	
Other items for disclosure (where Article 10, Subparagraph 6, Item 1-4 to Item 1-7 of the Regulations shall be disclosed)			

(II.) Successor CPAs: N/A

Name of CPA Firm	/
Name of CPAs	
Date of Appointment	
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement	
Written opinions from successor CPAs with regards to matters with which former CPAs disagreed	

(III.) Former CPAs reply to Item 1 and Item 2-3, Subparagraph 6, Article 10 of the Regulations: N/A.

VII. The Company's directors, general manager, managerial officer in charge of finance or accounting who has served in a CPA's accounting firm or its affiliated companies in the most recent fiscal year: None

VIII. Equity transfer or changes in equity pledged by the Company's directors, supervisors, managerial officers or shareholders with shareholding percentage exceeding ten (10) percent in the most recent fiscal year up to the publication date of this Annual Report:

(I.) Changes in shareholdings of Directors, Supervisors, managerial officers and substantial shareholders

Unit: Share

Position (Note 1)	Name	2021		Current fiscal year up to April 6, 2022	
		Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares
Major Shareholder	Shing Lee Enterprise (Hong Kong) Limited	0	0	0	0
Directors	Yi-Gui Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited)	0	0	0	0
	Hung-Ting Wu (Representative of Shing Lee Enterprise (Hong Kong) Limited)	0	50,000 (50,000)	0	0
Shareholder	Asia Polymer Corporation	0	0	0	0
Directors	Ching-Shou Yu (Representative of Asia Polymer Corporation)	0	0	0	0
	Che-I Kao (Representative of Asia Polymer Corporation)	0	0	0	0
Shareholder	Taita Chemical Company, Ltd.	0	0	0	0
Directors	Kuang-Che Huang (Representative of Taita Chemical Company, Ltd.)	(22,185)	0	0	0
	Ke-Shun Wang (Representative of Taita Chemical Company, Ltd.)	0	0	0	0
Independent Director	Chung Chen	0	0	0	0
	Tzu-Chun Tu	0	0	0	0
	Ying-Chun Hai	0	0	0	0
General Manager	Ke-Shun Wang	20,000	0	5,000	0
Deputy General Manager	Han-Tai Liu	0	0	0	0
Deputy General Manager of Business	Ming-Tsung Wu (promoted on July 1, 2021)	0	0	0	0
Corporate Governance Officer	Yung-Chih Chen	0	0	0	0
Finance Manager	Wen-Li Yang	0	0	0	0
Accounting Manager	Chuan-Hua Kuo	0	0	0	0

Note 1: Shareholders who hold more than ten (10) percent of the Company's shares shall be noted as major shareholders, and listed separately.

Note 2: Counterparties involved in equity transfer or pledging of shares to related parties should be shown in the following table.

(II) Information regarding equity transfer

Unit: Share

Name (Note 1)	Reason for Equity Transfer (Note 2)	Date of Transaction	Counterparty	Relationship between the counterparty and the Company, its Directors, Supervisors, managerial officers, and shareholders with shareholding percentage exceeding ten (10) percent	Shares	Transaction Price
N/A						

Note 1: Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent.

Note 2: Fill either "Acquisition" or "Disposal".

(III) Information regarding pledging of shares

Name (Note 1)	Reason for Pledging of Shares (Note 2)	Date of Change	Counterparty	Relationship between the counterparty and the Company, its Directors, Supervisors, managerial officers, and shareholders with shareholding percentage exceeding ten (10) percent	Shares	Percent age of Owns hip (%)	Perce ntage of Shares Pledge d	Pledge (Redemptio n) Amount
N/A								

Note 1: Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent.

Note 2: Fill either "Pledged" or "Redeemed".

IX. Information of the Top Ten Largest Shareholders who are Related Parties or have a Spousal or Familiar Relationship within the Second Degree of Kinship:

As of April 2, 2022

NAME (NOTE 1)	CURRENT SHAREHOLDING		SHARES HELD BY SPOUSE AND MINORS		SHAREHOLDING BY NOMINEE ARRANGEMENT		TITLE OR NAME AND RELATIONSHIP OF TOP 10 SHAREHOLDERS WHO ARE RELATED PARTIES OR EACH OTHER'S SPOUSES AND RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP (NOTE 3)		REMARK
	Shares	Shareholding Percentage (Note 2)	Shares	Shareholding Percentage (Note 2)	Shares	Shareholding Percentage (Note 2)	Title (or name)	Relationship	
Shing Lee Enterprise (Hong Kong) Limited Representative: Ching-Shou Yu	173,776,546	14.62%	—	—	0	0%	Asia Polymer Corporation,	Note 8	
	0	0%	12,500,000	1.05%	0	0%	Note 4	Note 8	
Wholegainer Company Limited's investment account under custody of Fubon Securities Co., Ltd.	110,000,000	9.25%	—	—	0	0%	None	None	
Asia Polymer Corporation Representative: Yi-Gui Wu	101,355,673	8.53%	—	—	0	0%	Shing Lee Enterprise (Hong Kong) Limited	Note 8	
	113,122	0.01%	—	—	0	0%	Ching-Shou Yu	Note 8	
Fubon Life Insurance Co., Ltd. Representative: Ming-Hsing Tsai	47,506,000	4%	—	—	0	0%	None	None	
	0	0%	0	0%	0	0%	None	None	
Yueh Hsing Hua Investment Co., Ltd. Representative: Hui-Liang Hsueh	20,621,422	1.73%	—	—	—	—	Mei-Liang Hsueh	Company Director	
	0	0%	0	0%	0	0%	Mei-Liang Hsueh	Note 9	
Shan-Shan Lin Su	19,853,807	1.67%	0	0%	0	0%	None	None	
Taixing Investment Co., Ltd. Representative: Mei-Liang Hsueh	17,791,424	1.50%	—	—	—	—	None	None	
	6,442,271	0.54%	0	0%	0	0%	Hui-Liang Hsueh	Note 9	
Wen-Hsuan Yu	16,750,000	1.41%	0	0%	0	0%	Note 5	Note 8	
Wen-Tsung Yu	16,750,000	1.41%	0	0%	0	0%	Note 6	Note 8	
Wen-Yu Yu	16,750,000	1.41%	0	0%	0	0%	Note 7	Note 8	

Note 1: All the top 10 shareholders should be listed. For institutional shareholders, their names and the name of their representatives shall be listed separately.

Note 2: Shareholding percentage is calculated separately based on the number of shares held in the name of the person, his/her spouse and minors, and others.

Note 3: Relationships between the aforementioned shareholders, including institutional and natural person shareholders shall be disclosed based on the financial reporting standards used by the issuer.

Note 4: Yi-Gui Wu, Wen-Hsuan Yu, Wen-Tsung Yu, and Wen-Yu Yu.

Note 5: Ching-Shou Yu, Wen-Tsung Yu, and Wen-Tsung Yu.

Note 6: Ching-Shou Yu, Wen-Hsuan Yu, and Wen-Tsung Yu.

Note 7: Ching-Shou Yu, Wen-Hsuan Yu, and Wen-Tsung Yu.

Note 8: The representative of Shing Lee Enterprise (Hong Kong) Limited Mr. Yu Ching-Shou and the representative of Asia Polymer Corporation Mr. Wu Yi-Gui are related by marriage. Mr. Yu Ching-Shou is also the father to his daughters Wen-Hsuan Yu and Wen-Yu Yu and his son Wen-Tsung Yu. Miss Yu Wen-Hsuan, Mr. Yu Wen-Tsung and Miss Yu Wen-Yu are relatives within the second degree of kinship.

Note 9: The representative of Yueh Hsing Hua Investment Co., Ltd. and the representative of Tai-Hsing Investment Co., Ltd. are relatives within the second degree of kinship.

X. Number of shares held by the Company, directors, supervisors, managers and entities directly or indirectly controlled by the Company in the same reinvestment entity as well as consolidated shareholding ratio

December 31, 2021

Unit: shares; %

Investee Companies (Note)	Invested by the Company		Direct or Indirect Ownership by Directors/ Supervisors/ Managers		Combined Investment	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
USIFE Investment Co., Ltd.	87,250,800	100.0%	-	0.0%	87,250,800	100.0%
Swanlake Traders Ltd.	30,000,000	100.0%	-	0.0%	30,000,000	100.0%
USI (HK) Co., Ltd.	159,999	100.0%	1	0.0%	160,000	100.0%
USI Management Consulting Corp.	671,400	100.0%	-	0.0%	671,400	100.0%
Union Polymer Int'l Investment Corp.	746,722,725	100.0%	-	0.0%	746,722,725	100.0%
Taiwan United Venture Capital Corp.	25,900,000	70.0%	3,080,866	8.3%	28,980,866	78.3%
Chong Loong Trading Co., Ltd.	5,333,059	99.9%	-	0.0%	5,333,059	99.9%
Acme Electronics Corp.	49,250,733	26.9%	33,768,784	18.5%	83,019,517	45.4%
Swanson Plastics Corporation	62,616,299	40.6%	20,519,558	13.3%	83,135,857	53.9%
INOMA Corporation	9,243,369	94.4%	-	0.0%	9,243,369	94.4%
Ever Conquest Global Limited	246,670,000	59.1%	170,475,000	40.9%	417,145,000	100.0%
USI Optronics Corporation	33,000,000	50.8%	28,263,712	43.5%	61,263,712	94.4%
USI Green Energy Corporation	70,100,000	100.0%	-	0.0%	70,100,000	100.0%
USIG (Shanghai) Co., Ltd.	5,000,000	100.0%	-	0.0%	5,000,000	100.0%

Note: Invested by the Company using the equity method



Chapter 4 Funding Status

I. Capital and Shares

(I.) Sources of share capital

1. Disclose the types of shares issued by the Company in the most recent fiscal year up to the date of the publication of this annual report

As of April 6, 2022; Unit: Shares; New Taiwan Dollars (NT\$)

Year and Month	Issue price	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of share capital	Capital Increased by Assets Other than Cash	Others
100.09	10	993,567,274	9,935,672,740	993,567,274	9,935,672,740	Capital increase from retained earnings NT\$1,295,957,310	None	Note 2(1)
101.08	10	1,142,602,365	11,426,023,650	1,142,602,365	11,426,023,650	Capital increase from retained earnings NT\$1,490,350,910	None	Note 2(2)
102.06	10	1,342,602,365	13,426,023,650	1,142,602,365	11,426,023,650	-	None	Note 2(3)
106.08	10	1,342,602,365	13,426,023,650	1,165,454,412	11,654,544,120	Capital increase from retained earnings NT\$228,520,470	None	Note 2(4)
107.08	10	1,342,602,365	13,426,023,650	1,188,763,500	11,887,635,000	Capital increase from retained earnings NT\$233,090,880	None	Note 2(5)

Note 1: Fill information for the current fiscal year as of the publication date of this annual report.

Note 2: For any capital increase, the effective (approval) date and the document number shall be added.

- (1) Approved document with Reference No. Ching Shou Shang Tzu Reference No. Ching Shou Shang Tzu 10001195590
- (2) Approved document with Reference No. Ching Shou Shang Tzu Reference No. Ching Shou Shang Tzu 10101178710
- (3) Approved document with Reference No. Ching Shou Shang Tzu 10201118240 (change of authorized capital).
- (4) Approved document with Reference No. Ching Shou Shang Tzu Reference No. Ching Shou Shang Tzu 10601121280
- (5) Approved document with Reference No. Ching Shou Shang Tzu Reference No. Ching Shou Shang Tzu 10701105950

Note 3: Shares issued for less than par value shall be indicated in a conspicuous manner.

Note 4: Capital increase by currency debts or technology shall be stated and the type and amount of assets involved in such capital increase shall be noted.

Note 5: Private placement of corporate bonds shall be indicated in a clear manner.

As of April 6, 2022; Unit: Shares

Types of shares	Authorized Capital			Remark
	Outstanding Shares (Note)	Unissued Shares	Total	
Registered common shares	1,188,763,500	153,838,865	1,342,602,365	Listed

Note: Please indicate whether the shares are issued by a Company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) (Shares of which trading is restricted on the TWSE or those which are traded on the TPEX shall be noted).

2. Information regarding shelf registration: N/A.

(II.) Shareholder Structure

As of April 2, 2022; Unit: Shares

Shareholder Structure Quantity	Government Institutions	Financial Institutions	Other Juristic Persons	Individual	Foreign Institutions and Individuals	Total
Number of Shareholders	1	3	299	111,808	277	112,388
Number of Shares	3,567	4,518	225,422,769	557,069,001	406,263,645	1,188,763,500
Shareholding Ratio	0%	0%	18.96%	46.86%	34.18%	100%

Note: Companies primarily listed on the TWSE and the TPEX shall disclose the proportion of their shares held by investors from mainland China. Investors from mainland China refer to natural persons, legal persons, organizations, institutions or companies in areas other than Taiwan and mainland China that are invested by persons of such identity as stipulated in Article 3 of the "Regulations Governing

Investment of Mainland Chinese in Taiwan."

(III.) Distribution of Equity Ownership

1. Common shares

As of April 2, 2022: Unit: Shares

Shareholding Range	Number of Shareholders	Number of Shares	Shareholding Ratio
1 to 999	45,944	7,589,252	0.64%
1,000 to 5,000	50,118	106,661,824	8.97%
5,001 to 10,000	8,462	65,826,334	5.54%
10,001 to 15,000	2,619	32,945,987	2.77%
15,001 to 20,000	1,684	30,550,022	2.57%
20,001 to 30,000	1,317	33,506,726	2.82%
30,001 to 40,000	639	22,570,132	1.90%
40,001 to 50,000	391	18,023,059	1.52%
50,001 to 100,000	707	50,568,270	4.25%
100,001 to 200,000	264	36,312,051	3.05%
200,001 to 400,000	119	33,127,822	2.79%
400,001 to 600,000	36	17,875,967	1.50%
600,001 to 800,000	20	13,657,752	1.15%
800,001 to 1,000,000	11	9,872,978	0.83%
1,000,001 and above (This range can be further classified where necessary)	57	709,675,324	59.70%
Total	112,388	1,188,763,500	100.00%

2. Preferred shares: None.

(IV.) List of Major Shareholders

As of April 2, 2022

Shares Names of Major Shareholders	Number of Shareholders (Unit: Shares)	Shareholding Ratio
Shing Lee Enterprise (Hong Kong) Limited	173,776,546	14.62%
Wholegainer Company Limited's investment account under custody of Fubon Securities Co., Ltd.	110,000,000	9.25%
Asia Polymer Corporation	101,355,673	8.53%
Fubon Life Insurance Co., Ltd.	47,506,000	4.00%
Yueh Hsing Hua Investment Co., Ltd.	20,621,422	1.73%
Shan-Shan Lin Su	19,853,807	1.67%
Taixing Investment Co., Ltd.	17,791,424	1.50%
Wen-Hsuan Yu	16,750,000	1.41%
Wen-Tsung Yu	16,750,000	1.41%
Wen-Yu Yu	16,750,000	1.41%



(V) Market price, net value, earnings, and dividends per share in the past two years

Unit: New Taiwan Dollars (NT\$)/Share

Year ITEM		2021	2020	Current fiscal year up to April 6, 2022 (Note 8)	
Market Price Per Share (Note 1)	Highest	44.85	23.15	32.90	
	Lowest	18.55	8.11	27.15	
	Average	34.53	17.34	29.80	
Net asset value per share (Note 2)	Before Distribution	21.42	17.66	22.31	
	After Distribution	—※	16.66	—※	
Earnings Per Share (Note 3)	Weighted average number of shares (thousand shares)	1,072,298	1,072,298	1,072,298	
	Earnings per share before adjustment	4.84	2.25	0.50	
	Earnings per share after adjustment	—※	2.25	—※	
Dividends Per Share (DPS)	Cash dividends	2.2※	1.0	—	
	Stock Dividends	Dividends from surplus earnings	—※	—	—
		Dividends from capital reserves	—※	—	—
	Cumulative undistributed dividend (Note 4)	—	—	—	
Return on investment	Price/earnings ratio (Note 5)	6.50	6.31	14.67	
	Price/dividend ratio (note 6)	14.30	14.19	—	
	Cash dividend yield (Note 7)	6.99%	7.05%	—	

※Based on the profit distribution plan which has been approved by the Board of Directors but is yet to be acknowledged at the Shareholders' Meeting

*If retained earnings or capital reserves were used for capital increase, market prices and cash dividends that were retroactively adjusted based on the number of shares after distribution shall be disclosed.

Note 1: List the highest and lowest market price of common shares for each fiscal year and calculate the average market price for each fiscal year based on trading value and volume in each fiscal year.

Note 2: Please fill these rows based on the number of shares that have been issued at the end of the fiscal year and the distribution plan approved at the Board Meeting or Shareholders' Meeting in the subsequent fiscal year.

Note 3: If there was any retroactive adjustment required due to stock dividends, earnings per share before and after such adjustment shall be listed.

Note 4: If there was any condition regarding the issuance of equity securities stating that undistributed dividends for the current fiscal year has to be accumulated till the year when a profit is recorded, the Company shall separately disclose cumulative undistributed dividends as of the current fiscal year.

Note 5: Price/earnings ratio = Average closing price per share for the current fiscal year/earnings per share.

Note 6: Price/dividend ratio = Average closing price per share for the current fiscal year/cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share/average closing price per share for the current fiscal year.

Note 8: For net asset value per share and earnings per share, data from the most recent quarter that has been verified (reviewed) by CPAs as of the publication date of this annual report shall be filled. For other fields in this column, data from the current fiscal year as of the publication date of this annual report shall be filled.

(VI.) Company Dividend Policy and Implementation:

1. Dividend policy stipulated in the Company's Articles of Association

If the Company records a net income after taxes (NIAT) as indicated in its final annual accounts for the current fiscal year, the Company shall use its NIAT to cover cumulative loss in the previous fiscal year. If there is remaining balance, ten (10) percent of this balance has to be set aside as statutory reserves, while the rest shall be regarded as distributable profit. This distributable profit shall then be combined with undistributed earnings that has been accumulated in previous fiscal years. Part of this combined amount shall be recognized as or transferred to special reserves as required by the law or the competent authority, while the remaining balance shall be regarded as cumulative distributable profit. The Board of Directors shall propose a profit distribution plan which is then submitted to the Shareholders' Meetings for approval. The Shareholders' Meeting shall retain all or part of the Company's profit based on its business performance.

In regards to the resolution on profit distribution, it has been decided that, due to the fact that the industry to which the Company belongs is in the maturity stage, and taking in account R&D needs and business diversification, dividends paid to shareholders shall not be less than ten (10) percent of distributable profit in the current fiscal year, where cash dividends shall not be less than ten (10) percent of the total dividends. However, no dividend shall be distributed if the distributable profit per share in the current fiscal year is less than NT\$0.1.

2. Distribution of dividends proposed at the most recent Shareholders' Meeting

Cash dividends: The allocation of NT\$ 2,615,279,700 from retained earnings in 2021 as cash dividends, where a dividend of NT\$ 2.2 will be paid for every share, has been proposed. The proposal is still pending approval at the Annual General Meeting before the Chairman of the Board is given the authority to set the date for the distribution of cash dividends.

3. Any expected material changes to the dividend policy should further be explained:

The Company's dividend policy is not expected to experience any material changes as of the publication date of this annual report.



(VII.) The impacts of issuing stock grants in this Shareholder's Meeting on the Company's operational performance and dividend per share:

Unit: NT\$

ITEM	Year	2022 (Estimated)
Beginning paid-in capital		11,887,635,000
Distribution of dividends in the current fiscal year (Note 1)	Cash dividends per share	2.2
	Number of shares distributed per share held due to capital increase from surplus earnings	—
Changes in business performance	Number of shares distributed per share held due to capital increase by capital reserves	—
	Operating profit	N/A (Note 2)
	Percentage of increase (decrease) in operating profit over the same period in the previous fiscal year	
	Net income after taxes (NIAT)	
	Percentage of increase (decrease) in NIAT over the same period in the previous fiscal year	
	EARNINGS PER SHARE	
	Percentage of increase (decrease) in EPS over the same period in the previous fiscal year	
Annual average return on investment (reciprocal of average annual price/earnings ratio)		
Pro forma earnings per share and price/earnings ratio	If capital increase from surplus earnings is entirely replaced by distribution of cash dividends	Pro forma earnings per share
		Pro forma average annual return on investment
	If capital reserves are not used for capital increase	Pro forma earnings per share
		Pro forma average annual return on investment
	If capital reserves are not used for capital increase and capital increase by retained earnings is replaced by cash dividend distribution	Pro forma earnings per share
		Pro forma average annual return on investment

Note 1: Distribution of dividends in 2021 is based on the profit distribution plan approved by the Board of Directors on March 10, 2022.

Note 2: The Company has no regulations in place for the publication of its financial forecast. Hence, changes in the Company's operating performance, pro forma earnings per share and price-to-earnings ratio are not applicable.

(VIII.) Rewards Distributed to Employees and Directors

1. Percentage or range of remuneration distributed to employees and directors as stipulated in the Company's Articles of Incorporation:

- (1) Employee remuneration: Employee remuneration shall not be less than one (1) percent of the Company's profit in the current fiscal year. However, the Company shall reserve its profit to cover its loss if cumulative loss is recorded. The above-mentioned employee remuneration can be distributed in the form of shares or cash. Remuneration may also be distributed to employees of the Company's subordinate companies when they meet certain conditions. Such conditions shall be set by the Board of Directors.

- (2) Directors' remuneration: Directors' remuneration shall not exceed one (1) percent of the Company's profit in the current fiscal year. However, the Company shall reserve its profit to cover its loss if cumulative loss is recorded.
2. Basis for estimating the amount of remuneration to be distributed to employees and directors, basis for calculating the number of shares to be distributed as employee remuneration and accounting treatment for discrepancies between the actual and estimated amount of remuneration to be distributed for this period:
 - (1) Basis for estimating employee compensation: To be calculated based on the condition that employee remuneration shall not be less than one (1) percent of the Company's profit in the current fiscal year.
 - (2) Basis for calculating the number of shares to be distributed as employee remuneration: N/A.
 - (3) Accounting treatment for discrepancies between the actual and estimated amount of rewards to be distributed: If there is any material change made to the amount of rewards upon approval by the Board of Directors, such changes shall be adjusted as annual expenses in the current fiscal year.
3. Distribution of remuneration approved by the Board of Directors:
 - (1) Remuneration for employees and directors shall be distributed in the form of cash or shares. If there is any discrepancy between the abovementioned amount and estimated amount of recognized expenses for the current fiscal year, the amount, causes and treatment of such discrepancy shall be disclosed:

Employee rewards: NT\$ 59,331,734, distributed in the form of cash

Directors' rewards: NT\$ 3,000,000, distributed in the form of cash

There was no discrepancy between the amount of rewards to be distributed as approved by the Board of Directors and the recognized amount of rewards for employees and directors.
 - (2) Amount of employee remuneration distributed in the form of shares and its proportion to NIAT provided in the parent company only or individual financial statements, as well as its proportion to the total amount of employee remuneration:

Not applicable as employee rewards were not distributed in the form of shares.



4. If there is any discrepancy between the actual amount of rewards distributed to employees and directors (including number and dollar amount of shares distributed, as well as share price) and the recognized amount of rewards for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancies shall be stated:

- (1) Distribution of rewards to employees and directors in the previous fiscal year:

Unit: NT\$

ITEM	Distribution of Remuneration to Directors and Employees in 2020		Discrepancy	Description of Reason for Discrepancy
	Approved by the Shareholders' Meeting on July 26, 2021	Approved by the Board of Directors via resolution on March 8, 2021		
Remuneration of directors	3,000,000	3,000,000	0	—
Employees' compensation	25,892,138	25,892,138	0	—

- (2) If there is any discrepancy between the actual amount and the recognized amount of remuneration for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancy should be noted: There is no discrepancy between the actual amount and the recognized amount of remuneration distributed.

(IX.) Repurchase of the Company's Own Shares: None.

II. Issuance of Corporate Bonds

(I.) Unpaid Corporate Bonds:

As of April 6, 2022

Type of Corporate Bonds (Note 2)	2017-1 Unsecured Ordinary Corporate Bond (Note 5)	2019--1 Unsecured Ordinary Corporate Bond (Note 5)
Issue Date	October 27, 2017	April 26, 2019
Par Value	NT\$ 1 million	NT\$ 1 million
Place of issuance and transaction (Note 3)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)
Issue price	NT\$ 1 million	NT\$ 1 million
Total amount	NT\$ 2 billion	NT\$ 2 billion
Rate	1.10% per annum	0.98% per annum
Maturity	5 years Maturity date: October 27, 2022	5 years Maturity Date: April 26, 2024
Guarantor	None	None
Trustee	Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd.
Underwriter	Masterlink Securities Corporation	Yuanta Securities Co., Ltd.
Certified Lawyer	True Honesty International Law Offices Lawyer Hui-Chi Kuo	True Honesty International Law Offices Lawyer Hui-Chi Kuo
Certified Public Accountant	Deloitte & Touche CPAs Tzu-Jung Kuo and Shih-Tsung Wu	Deloitte & Touche CPAs Pi-Yu Chuang and Cheng-Hung Kuo
Repayment method	Payment upon maturity	Payment upon maturity
Outstanding principal balance	NT\$ 2 billion	NT\$ 2 billion
Terms of redemption or early repayment	N/A	N/A
Restrictions (Note 4)	None	None
Name of credit rating agency, rating rate and corporate bond ratings	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on November 28, 2016	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 21, 2018
Other Rights	Amount of common shares already converted (swapped or warranted) and global depository receipts or other negotiable securities as of the publication date of this Annual Report	N/A
	Issuance and Conversion (Swap or Subscription) Methods	None
Possible dilution of equity or impact to shareholders' equity caused by regulations on the issuance and conversion, swap or subscription to stocks	N/A	N/A
Name of commissioned custodian of exchangeable underlyings	N/A	N/A



Type of Corporate Bonds (Note 2)	2021--1 Unsecured Ordinary Bond A (Note 5)	2021--1 Unsecured Ordinary Bond B (Note 5)
Issue Date	June 23, 2021	June 23, 2021
Par Value	NT\$ 1 million	NT\$ 1 million
Place of issuance and transaction (Note 3)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)
Issue price	NT\$ 1 million	NT\$ 1 million
Total amount	NT\$ 1 billion	NT\$ 1 billion
Rate	Annual rate 0.63%	Annual rate 0.73%
Maturity	5 years Maturity date: June 23, 2026	7 years Maturity date: June 23, 2028
Guarantor	None	None
Trustee	Bank SinoPac Company Limited	Bank SinoPac Company Limited
Underwriter	Masterlink Securities Corporation	Masterlink Securities Corporation
Certified Lawyer	True Honesty International Law Offices Lawyer Hui-Chi Kuo	True Honesty International Law Offices Lawyer Hui-Chi Kuo
Certified Public Accountant	Deloitte & Touche CPAs Pi-Yu Chuang and Cheng-Hung Kuo	Deloitte & Touche CPAs Pi-Yu Chuang and Cheng-Hung Kuo
Repayment method	Half of the principal shall be repaid in the fourth and fifth years after the date of issue	Half of the principal shall be repaid in the sixth and seventh years after the date of issue
Outstanding principal balance	NT\$ 1 billion	NT\$ 1 billion
Terms of redemption or early repayment	N/A	N/A
Restrictions (Note 4)	None	None
Name of credit rating agency, rating rate and corporate bond ratings	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020
Other Rights	Amount of common shares already converted (swapped or warranted) and global depository receipts or other negotiable securities as of the publication date of this Annual Report	N/A
	Issuance and Conversion (Swap or Subscription) Methods	None
Possible dilution of equity or impact to shareholders' equity caused by regulations on the issuance and conversion, swap or subscription to stocks	N/A	N/A
Name of commissioned custodian of exchangeable underlyings	N/A	N/A

Type of Corporate Bonds (Note 2)	2021--2 Unsecured Ordinary Bond A (Note 5)	2021--2 Unsecured Ordinary Bond B (Note 5)
Issue Date	Oct. 26, 2021	Oct. 26, 2021
Par Value	NT\$ 1 million	NT\$ 1 million
Place of issuance and transaction (Note 3)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)
Issue price	NT\$ 1 million	NT\$ 1 million
Total amount	NT\$ 700 million	NT\$ 1.3 billion
Rate	Annual rate 0.63%	Annual rate 0.77%
Maturity	5 years Maturity date: Oct. 26, 2026	7 years Maturity date: June 26, 2028
Guarantor	None	None
Trustee	Bank SinoPac Company Limited	Bank SinoPac Company Limited
Underwriter	Masterlink Securities Corporation	Masterlink Securities Corporation
Certified Lawyer	True Honesty International Law Offices Lawyer Hui-Chi Kuo	True Honesty International Law Offices Lawyer Hui-Chi Kuo
Certified Public Accountant	Deloitte & Touche CPAs Pi-Yu Chuang and Cheng-Hung Kuo	Deloitte & Touche CPAs Pi-Yu Chuang and Cheng-Hung Kuo
Repayment method	Half of the principal shall be repaid in the fourth and fifth years after the date of issue	Half of the principal shall be repaid in the sixth and seventh years after the date of issue
Outstanding principal balance	NT\$ 700 million	NT\$ 1.3 billion
Terms of redemption or early repayment	N/A	N/A
Restrictions (Note 4)	None	None
Name of credit rating agency, rating rate and corporate bond ratings	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020	USI Group was given a long-term and short-term rating of tw A-/twA-2 by Taiwan Ratings Corporation on December 29, 2020
Other Rights	Amount of common shares already converted (swapped or warranted) and global depository receipts or other negotiable securities as of the publication date of this Annual Report	N/A
	Issuance and Conversion (Swap or Subscription) Methods	None
Possible dilution of equity or impact to shareholders' equity caused by regulations on the issuance and conversion, swap or subscription to stocks	N/A	N/A
Name of commissioned custodian of exchangeable underlyings	N/A	N/A

Note 1: The issuance of corporate bonds includes public offering and private placement corporate bonds that are still under preparation.

Public offering corporate bonds still under preparation refer to corporate bonds that have already been confirmed valid (approved) by the SFB, whereas private placement bonds still under preparation refer to corporate bonds that have already been approved by the Company's Board of Directors.

Note 2: Adjust the number of rows based on the number of issuance.

Note 3: To be filled as well if corporate bonds are issued overseas.

Note 4: Such as restrictions on the distribution of cash dividends, foreign investments or requirement for maintaining asset ratio at a certain level.

Note 5: Private placement of corporate bonds shall be indicated in a clear manner.

Note 6: Information on corporate bond conversion, information on corporate bond swap, status of shelf registration for corporate bonds and information on equity warrant bonds shall be tabulated according to characteristics.



- (V.) Corporate Bonds Still Under Preparation: None.
- (VI.) Information regarding the Conversion of Corporate Bonds: None.
- (VII.) Information regarding Corporate Bond Swap: None.
- (VIII.) Information regarding Shelf Registration for Corporate Bonds: None.
- (IX.) Information regarding Equity Warrant Bonds: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Global Depository Receipts: None.

V. Issuance of Employee Stock Options: None.

VI. Issuance of New Restricted Employee Shares: None.

VII. Status of New Share Issuance in Connection with Mergers and Acquisitions:
None.

VIII. Implementation of capital utilization plan

(I.) Content:

As of one quarter before the publication date of this annual report, previous issuance or private placement of marketable securities that have not been completed, or that have been completed but are yet to record any benefit within the past three fiscal years: None.

(II.) Status of Implementation:

N/A.

Chapter 5 Operations Overview - Consolidated Information

I. Business Content:

(I.) Scope of Business:

1. Main purpose of the Company's businesses

- (1) Manufacture, process and sell polyethylene plastic raw materials (including ethylene vinyl acetate resin)
- (2) Manufacture, process and sell polyethylene plastic products (including ethylene vinyl acetate resin products)
- (3) Manufacture, process and sell catalyzers and related chemicals required by the plastics industry
- (4) Engage in the research and development of technologies related to the plastic industry, the acquisition and sale of proprietary technologies and patents in the plastic industry, and authorize for use of such technologies and patents to others
- (5) Design, manufacture, process and sell plastic processing equipment
- (6) General import/export trade businesses (except for those subject to license approval)
- (7) Businesses that are not prohibited or restricted by law, except for those subject to license approval
- (8) Manufacture of plastic and its raw materials.
- (9) Manufacture processed plastic products and the chemicals they require.
- (10) Manufacturing and sales of technical services (including design and installation) for chemical machinery equipment (including vinyl chloride monomer (VCM) plant equipment)
- (11) Manufacturing, storage, transport, sales, import and export, and resale of VCM
- (12) Production and manufacturing, import and export, storage, and sales of dichloroethane (EDC)
- (13) Groundwater remediation business.
- (14) Manufacture and sales of degradable plastic materials
- (15) Machinery wholesaling
- (16) Manufacture and sales of polystyrene (GPS) resins and foaming polystyrene (EPS) resins
- (17) Manufacture and sales of acrylonitrile-butadiene-styrene copolymer resin (ABS)
- (18) Manufacture and sales of styrene-acrylonitrile copolymer resin (SAN)
- (19) Manufacture and sales of plastic raw materials and processed products
- (20) Manufacture and sell glass wool and related products
- (21) Production and sales of cubic printing and related products
- (22) E303020 noise and vibration control engineering
- (23) E801010 interior decoration



- (24) Manufacture and sell manganese-zinc and nickel-zinc soft ferrite powder, ferrite cores and other components related to inductors
- (25) Engage in venture capital investments in invested businesses.
- (26) Provide business management and consulting services to invested businesses and other venture capital investments
- (27) Power supply industry.

2. Ratio

The revenue and proportion of the Company's main products are as follows:

Product Item	Proportion of Revenue (%)
Plastic raw materials	95
Electronic Materials	4
Others	1

3. The Company's current product items

- (1) Low-density polyethylene (LDPE)
- (2) Ethylene vinyl acetate resin (EVA)
- (3) High-density polyethylene (HDPE)
- (4) Linear low density polyethylene (LLDPE)
- (5) Vinyl chloride monomer
- (6) PVC powder, plastic pellets and chemicals
- (7) PVC building materials and products: Plastic tubes, pipe fittings, plastic door panels and anti-corrosion protection panels
- (8) Plastic sheets: Soft plastic sheets, rigid plastic sheets, semi-rigid plastic sheets, adhesive plastic sheets and print plastic sheets
- (9) Rubber and soft rubber leather
- (10) Expanded polystyrene (EPS)
- (11) Acrylonitrile-butadiene-styrene copolymer resin (ABS)
- (12) General purpose polystyrene (GPS)
- (13) Styrene (SM)
- (14) Glass wool products
- (15) Cubic printing
- (16) Impact-resistant polystyrene (IPS)
- (17) Manganese-zinc (Mn-Zn) soft ferrite powder
- (18) Nickel-zinc (Ni-Zn) soft ferrite powder
- (19) Mn-Zn soft ferrite cores
- (20) Ni-Zn soft ferrite cores
- (21) High Purity SiC powder

4. Plans for new product development

- (1) Development of new optical-grade applied materials - Cyclic block copolymer

- (2) High-speed laminating film-grade EVA products
- (3) High-viscosity pre-coating film-grade EVA products
- (4) Other special-grade EVA products
- (5) Development of waterproof submerged pump cable
- (6) PVC resin moisture content AI control
- (7) PVC powder whiteness improvement
- (8) 30L PVC synthesis test
- (9) Low-membrane rapidly gelatinized PVC powder
- (10) Flatten 100% non-cracking valve rubber particles
- (11) Environmentally friendly pipe fittings with 30% recycled materials
- (12) PVC inkjet printing advertising cloth
- (13) Non-p floor tile protective layer
- (14) PVC low shrinkage masking tape cloth
- (15) UV resistant PVC veneer edge sealing tape
- (16) Low temperature resistant outdoor PVC door frame adhesive cloth
- (17) Rubber for electric vehicles
- (18) Development of the third-generation stain-resistant PVC rubber
- (19) PVC water-based scratch resistant soft leather development for vehicle
- (20) De-taped sponge leather for multiple printing
- (21) PVC transparent tape anti-fouling treatment
- (22) TPE shoe series (R-grade) products
- (23) Development of High Hydrolysis Resistant TPU Materials and Related Products
- (24) Low VOC PVC series rubber sheets
- (25) Solvent-free surface treatment leather for PVC/TPE
- (26) TPE seat leather products for cars
- (27) Recyclable TPE as final product
- (28) Development of benzene-free/solvent-free TPE paste cloth
- (29) Design, application and development of materials and iron cores with frequency up to 10 MHz
- (30) Development of acrylonitrile-butadiene-styrene (ABS) material with low residue and high glossiness
- (31) Development of acrylonitrile-butadiene-styrene (ABS) heat-resistant materials
- (32) Development of low impedance, anti-static expanded polystyrene (EPS) for electronic packaging materials
- (33) Development of rapid shaping expandable polystyrene (EPS) material
- (34) Design, application and development of materials and iron cores with frequency up to 10 MHz
- (35) Development of 3D/4D automotive sensor iron cores
- (36) Development of power materials and iron cores for electric vehicle charger boxes
- (37) High flux/high Curie temperature choke materials and iron cores for automotive applications
- (38) Development of CAN bus materials and iron cores for automotive applications
- (39) Development of automotive airbag connector materials and iron cores
- (40) Development of amorphous and superfine alloy materials and iron cores



- (41) Development of SiC power semiconductors and semi-insulating powder for monocrystal growth
- (42) Development of SiCC ceramic powder and ceramic chips
- (43) Power supply design high temperature and high current resistant materials and iron core development
- (44) Design and development of iron core material for high-frequency & low-loss GaN/SiC server application
- (45) Development of high-frequency and high-flux ($\Delta B > 120\text{mT}$) power supply materials and iron core

(II.) Industry Overview:

1. Current state and development of the industry

Since the launch of the 6th Naphtha Cracking Project by Formosa Plastics Corporation, the production of PE/EVA has gradually increased year over year, and generally, has reached a stable status recently. Currently, there are three PE/EVA manufacturers in the domestic industry, including USI Corporation and Asia Polymer Corporation, both under the Group, and Formosa Plastics Corporation. As USI Corporation and Asia Polymer Corporation each launched a new EVA production line in 2021, the total domestic production volume reached 1,272,000 tons, including 576,000 tons of HDPE, 197,000 tons of LLDPE, and 498,000 tons of LDPE (including EVA). As to the domestic PE/EVA market in 2021, generally, the status is still in oversupply, with the demand for HDPE amounting to 371,000 tons, and for LLDPE, amounting to 271,000 tons, and for LDPE (including EVA), amounting to 242,000 tons. Despite that, a considerable proportion of PE/EVA material was still procured from import since the import tariff was low and the product price was competitive.

In 2021, due to the repeated unexpected shutdowns of production capacity affected by the extreme weather in the United States, the overall export of Vinyl products was greatly reduced. In addition, due to the improved demand for Vinyl products in the post-epidemic era, the prices of Vinyl products reached new highs both upstream and downstream. Despite the policy intervention in mainland China, the decline of upstream raw materials and the easing of production problems between China and the United States, the demand for PVC continued to shrink from the end of the year to the Spring Festival period, the price is facing a large rollback, rigid demand still exists, and profit can still be expected in 2022. In terms of raw materials: In 2021, the extreme weather in the United States caused large-scale destructive effects on petrochemical plants, and cracking plants were unable to produce normally for a long time, the supply of ethylene was greatly reduced; many small-scale shale oil plants went bankrupt and stopped production due to the collapse of oil prices related to the epidemic, which led to the overall tight supply of ethylene raw materials such as shale gas in the United States. In addition, due to the increase of domestic demand in the post-epidemic era, the export price of ethylene rose, which was unbearable for Asian buyers. As a result, Asia presented a regional balance, with the price fluctuating between \$900-1,200 per ton. In terms of EDC supply, due to the frequent production incidents in the United States as the largest exporter since the end of 2020, and the impact of extreme weather in 2021, which led to a sharp drop in production and further restriction of the supply, in addition to the gradual recovery of life in the United States to normal in the post-epidemic era, the overall domestic demand had increased, while the export volume of EDC was extremely limited. The overall export volume of the United States dropped by 33%, and its market share was shared by Europe, India and other places. There was almost no spot supply to Asia. Only some Asian manufacturers had spot tenders from time to time, resulting in increasingly high prices.

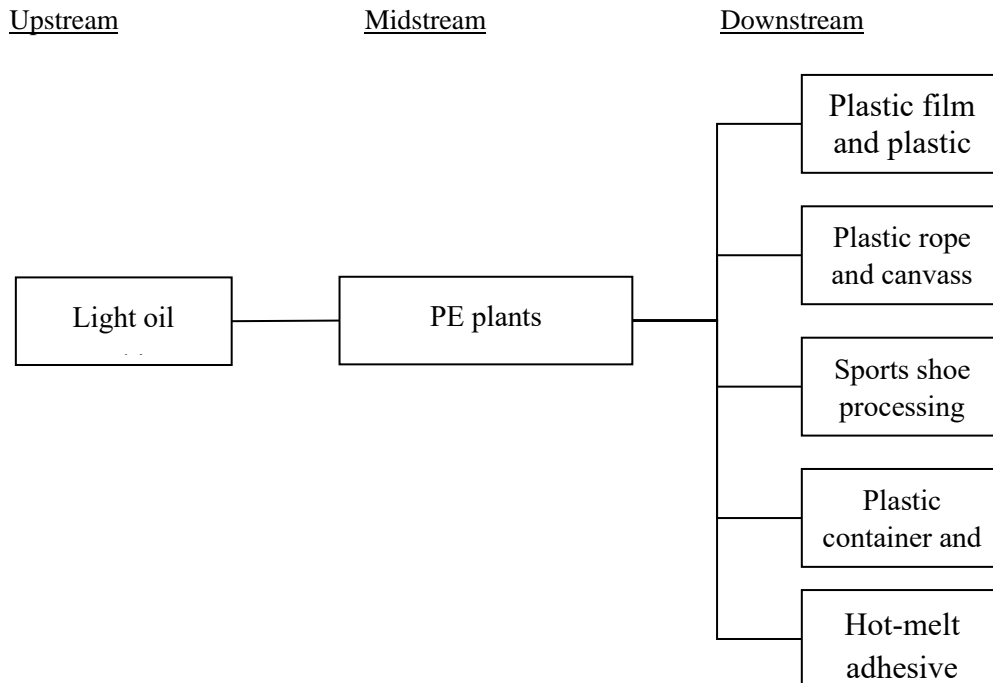
There are four domestic manufacturers for each of ABS/GPS/EPS. Domestic

demand accounts for merely 15% of the annual production of each product while the rest is exported to maintain normal operations by depending on export sales. Because of cost competitiveness and the response to competition from U.S.-China trade, downstream processing plants are slowly shifting from mainland China to Southeast Asian and other countries to set up factories. In addition, the Middle East, Africa, and Central and South America are emerging markets with relative potential for demand growth. The total production capacity of EPS producers in mainland China is also far greater than its domestic demand. According to the statistics 2021, the annual production capacity of EPS was 6.38 million tons in mainland China, with an operating rate of only 50% or so. EPS demand by application is basically divided into four segments: electrical appliances packaging, fruit and vegetable boxes, ceramic packaging, and panels, of which electrical appliances packaging and construction panels are dominant. As regards market distribution by region, it is mainly concentrated in South China (Guangdong), East China (Jiangsu and Zhejiang), North China (Shanxi, Hebei and Shandong) and Northeast China (Heilongjiang, Jilin and Liaoning). South China and East China are mainly for electrical appliances packaging whereas North China and Northeast China are mainly for construction panels. With advancements in the Chinese government's policy for expanding the domestic market, the electrical appliance production sites in South China and East China have gradually relocated inland along the Yangtze river basin. The relocation is exemplified in the emerging appliance manufacturing bases in Hefei, Wuhan, Chongqing, and Chengdu. Demand in the North China and Northeast China regions, which has been affected by the severe overcapacity, has led to fierce competition in the regional market. Moreover, the increasingly stringent environmental protection policies in China have led to early closure or relocation of some EPS molding plants.

Ferrite powder and cores are mainly applied to coil inductors, and belong to inductive materials in passive components. Inductors are mainly used for preventing electromagnetic interference, filtering noise in electric current and power conversion. In addition to the aforementioned functions, inductors can also be used along with resistors and capacitors to demonstrate filtering functions. For example, inductors can be used as upstream material for filters, chokes, ballasts, switch power supplies, various transformers (e.g. inverters, converters, inductors and telecoms), and can be further applied to common electronic products such as (wireless) chargers, cloud servers, desktop computers, notebook computers, liquid crystal displays, LED TVs, smart phones, automotive electronics and communication network devices. Because inductors can stabilize electric current, remove noise and suppress electromagnetic radiation, inductors are widely used in electronic information and consumer products. In 2021, with the steady recovery of the global economy, the increased penetration rate of 5G smart phones and the booming downstream demand of electric vehicles and industrial controls, the output value continued to climb to a new record, with an annual increase of about 21.6%.



2. Correlations between upstream, midstream and downstream Industries



The Company has maintained good upstream and downstream relationship with CPC Corporation in Taiwan for a long time, and both the companies can mutually complement with each other in business. In the future, the Company will still actively seek to tighten up its partnership with CPC Corporation. There are three PE manufacturers in Taiwan and each of these manufacturers has its own supply and sales system. Nevertheless, the Company continuously strives for excellence by improving product quality and production volume, thereby being able to provide high-quality products to a large number of downstream processing companies which subsequently enhance their product processing standards and lead to cooperation with the Company in market development.

Ethylene dichloride (EDC), the raw material for VCM in the upstream, is supplied by Formosa Plastics Corporation and overseas manufacturers. Ethylene is supplied by CPC Corporation, Taiwan and overseas manufacturers. while liquid chlorine is supplied by Taiwan Chlorine Industries Ltd. EDC is cracked to produce VCM and hydrochloric acid gas. EDC is produced from the oxychlorination of ethylene, oxygen and hydrochloric acid altogether. After polymerization of VCM, polyvinyl chloride (PVC powder) is produced and then supplied to secondary plastic processing plants in Taiwan in order to produce plastic products such as plastic leather, plastic sheets, plastic pipes and pellets.

The primary raw material for GPS and EPS is styrene monomer (SM) while that for ABS includes SM, acrylonitrile (AN), and butadiene (BD). SM producers in Taiwan include Taiwan Styrene Monomer Corporation, Formosa Chemicals & Fibre Corporation, and Grand Pacific Petrochemical Corporation. They have a combined output of approximately 2.23 million MTA, which is sufficient for total domestic demand (annual demand is approximately 1.85 million MTA in Taiwan). SM is traded in large quantities in international trade, and the transportation conditions are more convenient. Therefore,

it is relatively easy to obtain. In addition to making purchases from domestic sources, some of the SM required in Taiwan is purchased from foreign sources. The total annual production capacity of SM producers in mainland China is currently about 14.08 million tons. There have been expansions and new plants since 2020, resulting in an oversupply, and therefore SM producers in mainland China seek to export SMs. The main raw material of EPS, SM, for the Company's Zhongshan plant is obtained mainly from domestic SM plants in mainland China while the rest is supplied steadily by overseas major SM manufacturers through contracts. AN producers in Taiwan include China Petrochemical Development Corporation and Formosa Chemicals & Fibre Corporation. They have a combined output of approximately 500,000 MTA, sufficient for all domestic demand (annual demand is approximately 380,000 MTA in Taiwan). AN is toxic and its transportation is governed by numerous regulations and restrictions. It is therefore less favorable for long-distance transportation. The Company mainly obtained AN from domestic sources. BD producers in Taiwan include CPC Corporation and Formosa Chemicals & Fibre Corporation. They have a combined output of approximately 600,000 MTA, which equals the overall domestic demand of 600,000 MTA. However, companies sometimes import the product during annual maintenance shutdowns. The main users are the rubber industry and ABS plants. The Company obtained most of BD from domestic sources. The upstream materials for ABS/PS/EPS are crude oil derivatives and prices usually fluctuate along with fluctuations in oil prices. Reference prices of raw materials for SM/AN/BD are available globally for buyers and sellers. Downstream customers are mainly small and medium enterprises with a generally low processing scale. The design of molds and craftsmanship also differ based on product design provided by final customers. ABS/GPS/EPS plants have to meet the downstream customers' needs for changes and provide technical services and material recommendations upon request.

In respect to magnetic iron oxide powder and cores:

Upstream	Midstream	Downstream	Product Application
Iron oxide	Manganese-zinc ferrite core	Upstream component for power transformers, load coils, choke coils and degaussing coils	Information products: Power supplies, monitors, motherboards, hard drives, optical drives, printers, scanners and other computer peripheral devices
Manganese oxide	Nickel-zinc ferrite core		
Zinc oxide	Manganese-zinc ferrite powder		Telecommunication products: Transmission devices such as smartphones, telephones, fax machines, switches and servers, as well as end-user devices
Nickel oxide	Nickel-zinc ferrite powder		Consumer electronics: tablets, digital cameras, game consoles, CD/DVD players, LED TV, audio, etc.
Copper oxide			Others: Automotive electronics, solar energy, wireless chargers etc.

3. Development trends and competition for the company's products

In terms of domestic sales, there are currently three domestic PE and EVA manufacturers. Over the years, their respective supply and marketing systems have been formed. However, due to the low import tariffs, LDPE, HDPE, and LLDPE products still accounted for a considerable proportion of the import. In terms of the export market, Taiwan is always the main exporter of petrochemical products, such as PE and EVA; the export areas are mainly China and Southeast Asian, and South Asian markets. In addition to Middle East and some ocean-going goods from Europe and the US, the main competitors in Asia include manufacturers from Japan, South Korea, Thailand, Singapore, Malaysia, India, Indonesia, and China. In recent years, with rising local protectionism, countries, including ASEAN, mainland China, and India, have successively implemented differentiated tariff policies. Our main competitor, South Korea, has taken a lead in trade negotiations. Even ASEAN countries, such as Thailand and Singapore, have



continuously expanded their production capacity in recent years with the benefits of preferential tariffs, in addition to the official entry into effect of RECP at the beginning of 2022, which has greatly affected the competitiveness of Taiwan's petrochemical products. Moreover, several million tons of new PE production capacity has been put into operation in North America in the past years with the shale gas as a raw material; the low cost of ethylene produced accordingly has posed a great threat to Asia's light cracking naphtha plants. Faced with this severe challenge, the Company has continued to develop differentiated products for the market in recent years to avoid general specification-based price-undercutting competition, while actively strengthening its international marketing capabilities and developing its business layout in Russia, Pakistan, Vietnam, Cambodia, Myanmar, and Central and South America to avoid the risk of excessive market concentration.

In the current PVC industry in Taiwan, the annual production volume of VCM at the Company and Formosa Plastics Corporation is 485 thousand tons and 1.644 million tons respectively. The annual production volume of PVC at the Company, Formosa Plastics Corporation and Ocean Plastics Co., Ltd. is 450 thousand tons, 1.785 million tons and 150 thousand tons respectively. PVC processed products in the downstream consist mainly of PVC film/sheet, PVC leather and construction products. Domestic private real estate sales and construction projects both increased in 2021 compared with 2020. In the second quarter of the year, the construction business deteriorated due to the impact of the epidemic. However, it improved in the second half of the year due to the demand of Taiwan enterprises for plant construction and the expansion of TSMC's new plant, driving the demand for building materials products. Although the export market continued to be affected by COVID-19 in 2021, the north American climate factors (snowstorms, hurricanes) impacted its export supply, which rapidly boosted the performance of PVC volume and price in Asia. Our sales volume grew by 7% in 2021, and transaction prices in all major markets hit record highs. The Company's operating strategy for 2021 is still maintained at a 100% production-sales ratio. However, particular attention shall be paid to price-volume control due to the soaring EDC/ethylene cost in the upstream sector.

ABS was originally classified as a high-priced/high-profit engineering plastic. However, it has gradually lost its high-priced/high-profit advantage and become more of a general-purpose plastic after Taiwan's Chi Mei Corporation and South Korea's LG Corporation increased their capacity and became, respectively, the largest and the second largest plants in the world. However, due to the impact of COVID-19 since 2020, home economy such as home appliance/sports equipment continued growth with stable demand increase, our profit hit new high in 2021. In addition, the Company has maintained full production and sales of ABS products in the past years, and continuously optimized the customer portfolio to improve profits. ABS resin are widely used in automotive engineering, electronics, electrical appliances, equipment and building materials, due to the product's synthesized feature of resistance to impact, heat, low temperature, and chemical erosion, in addition to its modability and surface gloss. It is a type of polymer material between general-purpose plastic and engineering plastic. In mainland China, the downstream consumption of ABS is mainly concentrated in the household appliance industry, accounting for 60% of the total market share. Among all the applications, air conditioners, vacuum cleaner, refrigerator and laundry machines incur the most demand for ABS. GPS is a general-purpose plastic, whose market value mainly fluctuates with the price of its raw material, SM. Due to the advantage of vertical integration, Taiwan's largest GPS manufacturer, Formosa Chemicals & Fibre Corporation, has a lower GPS production cost than other manufacturers, and thus it can easily dominate the market. Other manufacturers in Taiwan (including the Company) all use externally purchased SM material to feed their GPS production lines; therefore, SM price have a material impact

on these companies' competitiveness. The Company is the only manufacturer in Asia who adopts NOVA manufacturing technology in the production of GPS. Featuring the character of low free monomer, the quality of the Company's product is competitive in the market and is mainly distributed in Taiwan, Southeast Asia and mainland China. GPS is primarily applied to the production of disposal tableware and food packaging materials, for which there is stably growing demand and the demand does not vary season by season. TTC GPS reached full production full sales with stable margin; in addition, the Company has continued to optimize its product portfolio (increased the proportion of injection products sales), and continued to improve profits. Because of the gradual relocation of large processing plants in Taiwan, the demand for EPS as packaging has declined. Taiwan is situated in the subtropical zone, where EPS is rarely used as building material for thermal insulation in construction, so the four EPS manufacturers in Taiwan currently have about 90% of sales from exports, covering the world. Due to the continuous development of Southeast Asia and South Asia and other markets, the sales of TTC EPS increased by about 11% in 2021 compared with 2020; while the production of Zhongshan Plant in mainland China recorded a small decline in production and sales due to the epidemic control and other reasons.

For ferrite powder and cores, due to rapid development of 3C products, downstream manufacturers continuously launch new products in response to changes in market demand. With increasingly enhanced functions of electronic products and the polarized development of large-sized transformers and micro-miniature inductors, it is necessary to design product characteristics such as materials, formulas, impedances, dimensions and appearances according to customers' requirements for product functions, materials and shapes, as well as follow the trend of developing complicated products with wide temperature range, high frequency, resistance to high current and micro-miniature size. The Company's products are mainly sold in mainland China. Currently, the Company's principal competitors are the iron core manufacturers in mainland China and Japan. Since there are many competitors in this industry, and the price competition is fierce, the Company has established a competitive advantage by enhancing the added value of its products, improving the manufacturing process to reduce production costs, and bettering the quality of its products in a comprehensive fashion for effective market differentiation. In addition, the Company has established an all-round support service to be in line with customers' need for product development. This has helped the Company shaping competitive advantage in differentiation over other competitors. By cooperating with customers in the research and development of future products, the Company has been able to keep a close eye on market dynamics as well as enhancing its business competitiveness.

(III.) Overview of Technology and Research & Development:

1. R&D expenses invested in the most recent fiscal year

Unit: NT\$ 1,000

	2021	As of the end of March 2022
R&D Expenses	429,830	99,615

2. Technologies and/or products successfully developed

- (1) New specifications of ethylene vinyl acetate resin
- (2) Enhanced function of high-density coating material
- (3) Development of the application of high-performance shoes made of foaming material
- (4) Development of fire-retardant additive formula and its applications



- (5) High reflection cooling water based coating
- (6) Production technology for the large batch production of V18161 low crystal point coating-grade EVA product
- (7) Production technology for low crystallization point coating-grade high-speed laminating film EVA product V18251
- (8) Independent charging of cold and hot pure water in reaction tanks
- (9) Waterproof submerged pump cable
- (10) PVC resin moisture content AI control (Phase 1)
- (11) PVC powder deoxidized with pure water
- (12) PVC rigid foam door panel product technology and formula
- (13) Advancement of the wear-resistant rubber surface treatment production technologies
- (14) TPE fire-resistant rubber structure composition technology
- (15) PVC cooling leather production technology
- (16) CCGN series insulated core wire
- (17) Sink pump waterproof line colloidal particles
- (18) PVC foamed door panel building materials products
- (19) Vinyl chloride-acrylic acid EVA rubber cloths
- (20) Low temperature resistant PVC tape cloth for 5G base station
- (21) Low gloss flat tape
- (22) PU casting stain-resistant PVC leather
- (23) Vacuum embossed antifouling soft leather
- (24) PVC cooling leather for locomotive seat
- (25) Leather for seat pads of agricultural machinery for export
- (26) Soft leather for large truck seats
- (27) Marine seat and interior leather
- (28) Automotive water-based scratch-resistant soft leather
- (29) Third generation soft PVC leather for anti-cat scratch furniture
- (30) TPE foamed leather series for treadmills
- (31) TPE plastic leather for furniture/ marine market in the Americas
- (32) Wooden flooring glass wool sound insulation system has passed the test, with $\Delta L_w=20\text{dB}$ for snap-in marble and $\Delta L_w=22\text{dB}$ for snap-in wood flooring
- (33) Low VOC EPS is developed for environmental protection and energy saving, and promoted to be used in the markets of automobile materials and furniture fillers
- (34) Continuously developed antistatic level EPS, use of compound antistatic formula, improved antistatic value of $10^{<9}$ (Ω)
- (35) Acrylonitrile-butadiene-styrene copolymer resin (ABS) residue monomer is improved and reduced the residual methyl methacrylate monomer.
- (36) Mn-Zn high frequency and Low Loss Material P452/P53
- (37) Ni-Zn High Permeability and High $T_c > 130^\circ\text{C}$ (K201)
- (38) High purity 6N SiC Powder for semi insulating powder
- (39) High purity ceramics SiC powder AFSC4/AFSC3
- (40) Low Core Loss at Wide Frequency 200 to 500kHz (P452ii)
- (41) High μ_i (≥ 10000) and High Impedance Ferrite Material (A105)

- (42) Ceramic injection molding (CIM) for mini-sensor
- (43) Amorphous alloy for power inductor
- (44) Mn-Zn Wide Temp. and High Bs Material (460mT)(P492)
- (45) Mn-Zn high frequency and Low Loss Material P452i/P53i
- (46) High μ (≥ 12000) and High Impedance Ferrite Material (A13i)
- (47) Mn-Zn Power Ferrite for Power Chokes and Transformers at Frequencies of 5MHz to 6 MHz (P6X)

(IV.) Long-term and short-term business development plans

1. Short-term business development plans:

For short-term business planning, due to lack of ethylene supply based on the contract with CPC Corporation, the Company not only is committed to searching for sources of low-priced ethylene, but also continuously develop differentiated products, optimizes product mix, and reduces production costs, thereby enhancing product profitability and the competitiveness in the domestic market. In terms of exports, the Company plans to continuously solidify its position in the markets outside the market in China to diversify risks. Additionally, the Company will comprehensively enhance service quality, improve product structure and focus on differentiation and customization to address niche market needs in order to avoid vicious low-price competition. The Company has the advantages of high quality and reputation in the solar packaging film-grade and special hot melt adhesive market. In recent years, the solar market has developed vigorously. To meet clients' urgent needs, the company established two new EVA production lines with a total annual production capacity of 90,000 tons, which was successfully put into production in the middle of 2016. The products were immediately recognized by clients. At present, the overall EVA sales were smooth. For the continuous investment in the Gulei project, the Company has begun to establish a plant with the aim of having a stable supply of raw materials in the upstream section and integrating both petrochemical raw materials and plastics refining in the mid-stream section, so as to enhance its overall cost support and reduce transportation costs while alleviating the price competition in the international market, thereby enabling the Company to establish a foothold in the Greater China market. The Company will continue to research and develop CBC optical materials and apply CBC's characteristics of high purity and low dissolution to vaccine vials, pre-filled syringes, blood collection tubes, and other related medical devices.

In view of VCM related industries, integrity of the supply chain will be strengthened to keep production at high level and in good quality. Stable supply of material is also actively sought after by the Company. In view of PVC, the Company is keenly to establish cooperative and reciprocal relationship with major clients of PVC powder, while continuously acquiring new clients and enhancing development in high-value sectors. Therefore, both domestic sales and the market share are expected to be maintained in 2022. The production capacity of the plants in Toufen and Linyuan are utilized in flexible ways to enable product diversification, labor division, thereby decentralizing the customer and market base. The Company has set up policies to select customers with good credit ratings for sales and strengthen major distribution channels to increase the proportion of sales with downstream manufacturers. All these have been done in an attempt to balance market fluctuations between the peak and off-peak seasons, and eliminate the bottleneck of excessive sales concentration on retailers. In 2021, despite the impact of the epidemic on the domestic economy, the demand for electronics and transmission exports continued to be strong, and the price of Asian alkali also increased



significantly. The production/sales of chemicals for domestic sale increased in price/volume in 2021. In 2022, the Company will seek to constantly consolidate its relationship with channels, expand supply chain integrity into downstream partnership, and improve the overall service quality to secure constant product supply and increase sales volume. Particularly for the 45% liquid caustic soda product, the Company will keep making solid relationship with core customers in order to maintain its market share. The Company will continue to develop new PVC pellet products with niche and medical devices, hard pipes and relevant parts, and low-odor transparent pellets as the mainstream. Additionally, the Company will continue to enhance product quality, and ensure accurate delivery and services. The Company will develop business opportunities of piping in South Asia, and cooperate with large-scale local manufacturers and agent customers for product promotion. The Company will use the trade service network to grasp opportunities of network sales in major markets and promote and sell PVC compound to emerging markets in mainland China, Central Africa and Southeast Asia. With respect to PVC plastic products, the pipe product portfolio will be optimized in order to increase its market share in general-purpose construction pipes and engagement in public works, so as to reflect the raw material cost and improve profitability in a floating manner. Promote eco-friendly materials, enhance the added value of products and brand image, and it is expected that material innovation will increase sales in the market. On top of that, advertisements on media, website broadcasting design, and participation of various major exhibitions are made to enhance product awareness and expand business opportunities for the plastic leather / sheet products. The Company will also join forces with its peers to strengthen the supply of various types of artificial leather, with the purpose of increasing its product portfolio and enhancing horizontal competitiveness. The formula of the FORBID stain-resistant product is upgraded to improve the cleaning effect. A water-based formula is developed to create more market opportunities. The leather-like product used to make seats and the inner lining of agricultural equipment has seen steady sales in North America, with a sales order clinched from a major tractor seat manufacturer in the U.S serving as a stable source of revenue for the year. Due to this, the Company's product portfolio and sales performance is estimated to experience a strong rise in the future. The Company will enter the OEM truck market, increase the sales of automotive upholstery and seat leather, and expand the application range of products. The upgraded anti-mold formula for plastic leather used in ships have met the REACH requirements. Hence, the Company is expected to establish and benefit from a stable source of orders for this product in the European market. Meanwhile, the anti-UV formula of plastic leather used in ships will be upgraded to step into the US OEM market of plastic leather for ships. The Company will also make improvements in formulas and related labels to make them in line with the regulatory requirements of Prop #65 implemented in the North American market; hence, the Company's market operations in this region is expected to be more sound and robust. It will strengthen the promotion of green brand, continue to optimize the formula upgrade of TPO, TPU and other environmentally friendly materials, and launch cooling rubber mainly for furniture, marine, automotive and shoe materials markets, aiming to improve the performance in the market by means of material innovation and deep awareness of environmental protection. The Company will focus on developing rigid PVC sheets in Asia. The market share has been successfully boosted, and the business is expected to grow in 2022. It will strengthen technical cooperation with Japan to develop box grade hard cloth and develop new market in Japan. The development of the automotive tape market in Europe and Southeast Asia is expected to increase the shipment performance in 2022 substantively. The Company will continue to develop customers for PVC tape, pool and waterproof cloth. With the expansion of the Company's production capacity and market recovery during the post-epidemic period, the business performance will continue to grow in comparison with 2021. The pandemic is not favorable to trade shows. Therefore, the Company will continue to use e-

commerce/Internet services to capture business opportunities in various markets for promotion.

The Company will strive to reach full proportion and sales of ABS products to constantly raise the proportion of direct clients. After the introduction of the Toyo SAN manufacturing process in the production of ABS, the background color and quality of ABS have been improved. The Company will make use of this advantage and actively promote the market applications. The Company will strive to achieve the full production and sales of GPS, and constantly increase the proportion of injection-grade GPS with better profitability, and by tapping into the advantage of the quality of NOVA's manufacturing process, grasp the opportunity for continued growth in the food packaging market. The Company will strive to achieve the full production and sales of EPS, increase the proportion of production and sales of general EPS with good profitability, and continue to develop high value-added LOW VOC products. The Company will realize the integrated supply chain management to maximize production and sales and maintain the inventory of raw materials and finished products at a low level. It will strengthen business development ability, develop market with low market share and product market application, expand sales base customer group and stabilize market sales. The Company will develop and advance high value-added products to strengthen market competitiveness. The Company will enhance functionality and flexible organization. Besides, the Company will actively expand overseas sales and develop markets in emerging and developing countries in particular. With respect to EPS in South China market, the Company will continue to improve and stabilize the quality of fast materials and extra-light materials, and expand the market sales. The Company will constantly strengthen its core markets (i.e., Yunnan and Guangdong provinces), while further develop Guangxi, Fujian, and Hubei markets. The Company will leverage the complementarity of market demand specifications to balance sales specifications, and continue to increase and expand technical service capabilities and scope for customers to increase customer loyalty. The Company will continue to improve the concentration degree of pellets and the screening capacity to meet market demand.

In terms of ferrite powder and cores, the Company will continue to develop new materials, new technology and new products, and integrate the cost advantage of factories in mainland China to increase competitiveness and market share. The Company will reinforce its existing sales network in South China, East China, and Chengdu Office, and add service sites in Japan and Russia, etc., constantly enhance services for downstream customers, and stay close to them in order to respond quickly to their needs. The Company will also work in collaboration with international major manufacturers to implement the Design-in/Spec-in process and recognize their new product designs. As a result, the Company's product portfolio can be adjusted to enhance profitability.

2. Long-term business development plans

In the long-term planning of its PE / EVA business, the Company will actively expand this business into markets including Southeast Asia, South Asia, East Asia, the Middle East and the Americas in order to diversify risks due to excessive market concentration. In addition, the Company will find a stable source of ethylene and seek opportunities for vertical integration, thereby controlling the cost of raw materials in the upstream to get a foothold in the global market, and expanding its sales strategies by integrating refineries in both the upstream and the downstream.

In regards to VCM, the Company will implement occupational safety and health policies and stabilize manufacturing and production, with hopes of reducing cost and ensuring the long-term stability of product supply. The Company will enhance differentiation in PVC powder product processing and continue to expand selling for



special specifications. The Company will also fully utilize its existing production capacity and improve the debottlenecking of its equipment in order to increase product quality and establish stable sales and distribution channels. In the meantime, the Company will continue to enhance PVC pellet product quality and to develop new functional formulas, while engaging in the research and development of high-end products to be in line with market demands and to increase the competitiveness of the PVC pellet products. The Company will enhance research on processing technologies for PVC plastic products, and improve equipment and its environment in order to produce differentiated products, thereby segmenting the increasingly competitive traditional product market. The Company will improve the production capacity and raw material formula of PVC plastic product machines, develop high value-added products, and expand the production capacity of professional products to increase the market share. The PVC products will continuously be promoted in regions with high economic growth potential, such as Southeast Asia, Bangladesh, Vietnam, and South America. The product assortment to be promoted includes SRT stain-resistant leather, cooling leather, automotive leather, and stationery/universal/pool adhesive sheets. Products featuring trendy emboss and colorness will be developed according to fashion and trends. Moreover, research on different new PVC plastic products will be performed through various joint ventures with business partners in the same industry to create a comprehensive set of product assortment, thereby expanding the Company's customer base. In line with the updated environmental protection regulations, the Company will continue to adjust the formula and various supporting measures, and optimize the equipment in order to enhance the value of the products. The Company will continue to develop and promote environmentally friendly materials to the markets ranging from footwear, automotive, furniture, marine to flooring products. The Company will put efforts to reduce the production cost of environmental protection materials, in order to improve the market competitiveness and acceptance. The Company will continue to monitor the impact of the US-China trade war, the COVID-19 epidemic in 2022, and trends in the relocation of downstream production bases. It will plan to export artificial rubber as carbon footprint inventory object, and enhance the competitiveness against international brands.

The Company will collect information on trends in the selection of materials in the electronics and develop suitable products and materials. With the improvement of physical properties of its products, the Company will increase market share in the "high-quality, high-priced" market segment. The Company will increase its market share in overseas emerging markets. The Company will collect information on trends in the selection of industrial materials so as to adapt to industry adjustments and develop suitable product materials.

Resources of the Company will be integrated to continuously make development in the ferrite powder and iron core products as well as new material business lines. The Company will also acquire potential customers and develop new sales bases so as to increase market share. On the other hand, the Company will continue to nurture international marketing talents, set up overseas sales offices, and keep abreast of information related to international markets in order to achieve the goal of internationalization.

II. Overview of Market, Production and Sales:

(I.) Market Analysis:

1. Sales regions and market share for major products

Domestic polyethylene (PE) plastic raw materials are used by USI, APC, and Formosa Plastics Corporation to manufacture low-density polyethylene (LDPE) and ethylene vinyl acetate (EVA). High-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE) are manufactured by both USI and Formosa Plastics Corporation as well. USI's PE / EVA sales account for 39% of the total domestic sales, where its PE / EVA exports account for 61%. APC's PE / EVA sales account for 27% of the total domestic sales, where its PE / EVA exports account for 73%. The Company's products are exported to different countries, including the United Arab Emirates, Australia, Bangladesh, Brazil, mainland China, Ecuador, Egypt, Britain, Hong Kong, Indonesia, Israel, India, Iran, Japan, Cambodia, Sri Lanka, Myanmar, Mexico, Malaysia, Nigeria, New Zealand, Peru, Philippines, Pakistan, Poland, Russia, Senegal, Thailand, Turkey, the United States, Venezuela, Vietnam, South Africa, with 69% of USI's export orders arising from Hong Kong and mainland China. 78% of APC's export orders arising from Hong Kong and mainland China. Among all the plastic materials exported overseas, ethylene vinyl acetate (EVA) is the most important item, followed by high-density polyethylene (HDPE), low-density polyethylene (LDPE) and linear low-density polyethylene (LLDPE). USI's low density polyethylene (LDPE) accounts for about 2.7% of the domestic market, while the rest is supplied by APC and imports. Of the total sales volume of ethylene vinyl acetate (EVA) in the domestic market, sales by USI account for 34%, whereas 43% were sold by APC and Formosa Plastics Corporation, and the remaining 23% are from import. In view of high-density polyethylene (HDPE), 22.6% of domestic sales are from USI, and the Company's linear low-density polyethylene (LLDPE) accounts for 3.4% of the total market share. The rest is supplied by Formosa Plastics Corporation and import. Since the total domestic production volume has exceeded the demand, the Company strives to increase export sales in an attempt to absorb excess production and achieve the balance between production and sales.

For VCM, the ratio of domestic sales to exports to the Company's own use is 5 : 0 : 95. For PVC resin, the ratio of domestic sales to exports to the Company's own use was 12 : 78 : 10. The main export regions are India, Bangladesh, China, Southeast Asia, Middle East, South America and Australia. Chemical products are sold mainly to Hsinchu Science Park, Central Taiwan Science Park and northern regions, accounting for 60% of total sales. The main client for these products are electronics and petrochemical industries. The Company's market share in the domestic market is approximately 3 to 4% for liquid caustic soda and approximately 16 to 18% for hydrochloric acid and liquid bleach. The Company currently focuses more on domestic sales in PVC plastic pellet. Shoe manufacturers in the export markets in India and Nepal have begun seeking low-cost sources and CGPC currently focuses on the pipeline market in Bangladesh. The PVC plastic product portfolio consists of: (1) building products: mainly sold domestically. Domestic market share: approximately 18% for PVC pipes and a gradual increase in PVC door panels. (2) PVC film/sheet: The ratio of domestic sales to exports is 55:45 and the Company's market share in the domestic market is approximately 22%. These products are exported mainly to the Americas, Europe, Australia, South Africa, Russia, Japan, China, Vietnam, Bangladesh and Southeast Asia. (3) PVC leather: The ratio of domestic sales to exports is 35:65, while its market share in the domestic market is approximately 28%. These products are exported mainly to North America, Europe, Australia, Japan, mainland China, Malaysia and India.

ABS/PS is mainly exported overseas and constitutes 90% of the Company's total revenue. Of all the regions for export, mainland China and Hong Kong are the two largest markets for the Company, but sales are gradually increasing in other regions such as the



southeast Asia, South Asia, Central and South America, and North America. The percentage of sales in the domestic market is as follows: 10% for ABS / PS and 61% for glass wool products. In addition, EPS products produced in the Company's plants located in mainland China are basically all sold within mainland China.

In view of ferrite powder and iron cores, the domestic demand for inductor is around 12% to 15% of the total domestic demand for passive components; therefore The estimated market share of the Company's ferrite powder and iron cores is about 3% to 4%.

2. Market supply and demand and market growth in the future

In recent years, domestic demand for PE and EVA has remained generally stable. In the export market, global PE demand has declined slightly due to COVID-19 and the China-US trade war. However, more than 7 million tons of new PE capacity in North America has been put into production, in which shale gas is adopted to refine ethylene; compared with the light cracking plant where naphtha is used, it has a very great advantage in cost, and the threat to the Asian light cracking plants cannot be underestimated. In addition, new PE/EVA production capacity is coming on stream in mainland China. Fortunately, the demand for solar energy is still good, so the impact on the Company's exported EVA products is not significant. The Company's PE products are mainly sold domestically, and in recent years, the Company has gradually turned its focus to differentiated products. Moreover, with the experience of coping with the previous wave of expansion in the Middle East, the Company has the confidence that it can successfully overcome this wave of severe challenges.

In 2022, due to the opening of new PVC production capacity, part of VCM will be used, and in the first half of the year, manufacturers will continue to conduct overhaul. It is estimated that the supply of VCM will remain tight, helping to drive up the price of VCM. However, it is still necessary to observe the degree of impact of the Russia-Ukraine War and the COVID-19 epidemic on the overall raw materials and operate with caution. With respect to PVC powder, the pandemic continues to spread globally, but it does not hinder the demand for raw materials around the world. After the fierce fluctuation in prices in the last year, however, prices are expected to return to normal levels this year. In terms of high growth markets: the demand from South Asia, Southeast Asia, South America and other places will continue to grasp the volume and price changes, in order to continue to create a good business performance. As for domestic demand in 2022, the expansion of production capacity in the brick and building materials industry will support PVC powder demand. However, the downstream processing industry is affected by the shortage of labor, lack of materials, shipping and raw material costs rising, inability to respond to adverse competition will affect the export demand and domestic demand. Therefore, the situation is expected to be in the same level with 2022. The demand from domestic large chemical users is expected to remain stable in 2022, which is mainly influenced by the growth of upstream production capacity of the wafer, panels and petrochemicals industries. Domestic demand for plastic pellets is expected to grow slightly in 2022 as compared to 2021, while for the overseas sales, the business opportunities from pipe users in South Asia and from plastic pellets in Central Asia, Southeast Asia and South America will continue to be developed. In 2021, the government's housing market policy was to curb housing speculation and price increases by adopting some credit control measures while public construction contracts are expected to be issued one after another. Therefore, the overall sales of building materials are expected to remain stable in 2022. With respect to PVC plastic tape, due to the severe impact of the COVID-19 epidemic in 2021, and the sharp increase of raw material prices, in addition to the global container shortage which pushed up the cost of ocean freight and the appreciation of New Taiwan Dollar, the pressure on industrial operations has

multiplied. Countries adopted anti-epidemic lockdown system and took measures to work from home. The market demand sharply reduced. In addition, due to consideration of the epidemic, countries have cancelled large international exhibitions and reduced the opportunities for product expansion. Looking forward to 2022, the domestic and overseas PVC plastic markets remain strong. The Company continues to keep niche products in its product portfolio, and mainly promote high value-added products. In the export market, pressure on businesses has multiplied due to rising in ocean freight and declining demand in the international market. However, the Company's customer base is stable and well-coordinated. Both the Company and its customers spared no effort in developing new products and new markets and we have achieved significant results in this respect. At the same time, the Company's export team continued to develop new customers and new markets, thereby significantly contributing to the Company's sales volume. Looking forward to 2022, the domestic sales of PVC plastic leather will continue to expand the indirect export channels and promote a series of functional and environmentally-friendly products, while in terms of export, the U.S.-based market will continue to be maintained steadily. Despite low-price competition from Vietnam, India, Mexico, and mainland China, the Company's production and sales team will research and develop new products, expand product assortment, and develop new markets; the sales volume is expected to increase in 2022.

As for ABS: the pandemic spurred stay-at-home economy in 2021, bringing good spreads due to strong demand from mainland China. Demand grew significantly throughout the year. In the long run, the demand growth of ABS is still good, but the impact of the COVID-19 epidemic, geopolitical risks, inflation and other factors on the market still needs to be watched at any time. Since 2022, new ABS production capacity will be put into use in succession (estimated to exceed 2 million tons), and the market competition will become increasingly fierce. The Company will strategically maintain full production and sales, and continue to develop a higher profit and higher direct customer ratio to ensure operational performance. GPS: In 2021, due to the COVID-19 epidemic, the demand for GPS continued to increase; although new production capacity will be put into the market in 2022 (estimated to be about 1.9 million tons), the Company's strategy will maintain full production and sales, and continue to increase the proportion of higher-profit injection-grade products to ensure operational performance. EPS: In 2021, the international EPS market was still in a state of oversupply, and the marine freight rose sharply, but due to the development of new markets/new customer growth and improvement of the production and sales ratio of general-level EPS with good profitability, the sales growth of EPS in 2021 was about 11%. In 2022, the Company's strategy is to achieve full production and sales of EPS, and continue to develop the sales ratio of general-level products with higher profits to improve operating performance. As for EPS in mainland China, there are only three major EPS manufacturers due to relatively balanced supply and demand of styrene resources in South China. In November 2020, LW opened a new 300,000 ton production capacity in Zhuhai, increasing the production capacity in South China to about 1.2 million tons. Zhongshan Plant takes advantage of the quality of ordinary materials and fast materials, and continues to improve the quality of extra-light materials to strengthen our competition in the main market of electric appliance packaging and plate market; in addition, it improves the production granularity concentration, increases the output ratio of products with effective specifications, reduces the production of slack materials, strengthens the production efficiency; in addition, in order to set up a new plant of 200,000 tons in Zhangzhou, we also actively promote the pre-sales project, and expect to raise the pre-sales target to 40,000 tons in 2022. In terms of glass wool products, the domestic market grew by 20% in 2021, and the import volume accounted for about 6% of the overall market. South Korea and India were the main import countries, accounting for 18% and 81% of the



import volume, respectively. It is estimated that the domestic market in 2022 will decline by 6-7% compared with that in 2021. The export market in Southeast Asia is highly competitive and the unit price is low. The sales focus is on New Zealand, Australia, South Africa and other markets with high unit price. At present, the sales in New Zealand and Australia are stable, and other market opportunities are continuously developed to actively improve the breadth and depth of the export market. The ratios of domestic sales and export sales are estimated to be 56% and 44% in 2022.

With respect to iron oxygen iron powder and iron core, in 2021, with the steady recovery of the global economy, the increased penetration rate of 5G smart phones and the booming downstream demand of electric vehicles and industrial controls, the output value continued to climb to a new record, with an annual increase of 21.6%. Emerging technologies such as electric vehicles and 5G applications will stimulate the continuous growth of passive components. The recent escalation of the conflict between Russia and Ukraine has accelerated the pressure of global inflation, which may affect the confidence of terminal consumers. However, with the weakening of COVID-19, ease of port blockage issue, gradual increase of chip supply, coupled with the continuous expansion of applications such as 5G, AI, and automotive electronics, as the specifications of the application side increase, the number of passive components required also continues to increase, which is expected to stimulate the continuous growth of the output value of the passive component industry.

3. Competitive Niches

The Company has always been known for its decent management. Our business philosophy is "Solid Operation, Professional Management, Seeking Excellence and Serving the Society." The Company's current business strategy is to manufacture and sell PE / EVA products with higher added value using limited sources of ethylene, and continuously change its product portfolio in order to generate higher profits. The Company has set up a research and development division in Guishan, which focuses on customer service and the research and development of products. In addition to the research and development of new products, the Company is committed to developing products for new applications and introducing new products in order to assist customers in improving their processing technologies. Such efforts have been well recognized by processing manufacturers. The Company has set up a research and development division in Guishan, which is responsible for development of new products and development of new market application, and is also committed to product optimization and customer technical support, with the effect affirmed by downstream customers.

The Company improves manufacturing processes and equipment to stabilize production and maximize production capacity, purchases competitive raw materials, improves production performance and reduces costs in order to increase the overall profitability of the entire industry chain. In sales, products are made in stable and proper quality, and delivered on time and in accuracy. Full understanding of customers' needs and full support for them is the key to create competitiveness in the domestic sales and export of PVC powder. The Company has built long-term cooperative relationship with business partners situated in Hsinchu Science Park and Central Taiwan Science Park, and the quality of chemical products and services supplied to the aforementioned companies is also highly regarded. Besides, the Company has plants situated in vicinity to Hsinchu Science Park and Central Taiwan Science Park; the geographic advantage enables the Company to make speedy delivery of goods to its business partners. The Company has created good command over the supply of PVC plastic pellets, and an experienced R&D team is engaged to improve product quality and cooperate with customers to develop high value-added new products. With respect to PVC plastic products, due to (1) self-owned brand with established brand awareness; (2) good quality control and after-sales service; (3)

broad existing product lines and downstream sales categories, leading to weaker impact on the overall sales than single industry with obvious low season and peak season; (4) vertical integration of VCM, PVC powder, and downstream processing; (5) complete technical professionals; (6) complete international marketing sites; (7) complete IATF16949 (International Automotive Task Force) and the ISO 9001 quality control system, providing an excellent quality certification system; (8) stricter environmental regulations, such as: Prop #65, REACH, and RoHS the requirements which the Company is able to meet, which is beneficial for the competition in the export market .

The competitive niche of ABS/PS and glass wool products is (1) to maintain full production and sales, and continuously optimize customer and product portfolio to ensure operational performance. At the same time, on the premise of full production and sales, effectively control the reasonable inventory of raw materials and finished products to avoid the impact of large fluctuations in market prices on the Company's operating performance; (2) to continue to strengthen the development capacity and increase the proportion of sales in the niche market; (3) to continuously develop customized products; (4) establish rapid and timely customer service and regular customer visit plan, strengthen after-sales service and enhance the added value of products.

The Company has invested in Kunshan City, Jiangsu Province, and Zengcheng City, Guangdong Province to engage in molding, sintering and grinding of magnetic cores in Mainland China and provide services to customers in the nearby regions of South China. In order to meet customers' need for promptness, the Company has shortened the delivery time, and provided products with stable quality, so as to establish a brand image with competitive advantage. The technical experience and product scale of Japan, Europe, and the US are in a dominant position. The magnetic powder formula of the ferrite magnet cores greatly affect the magnet process and the final quality as the content of the formula is closely related to the magnetic permeability, density, energy conversion efficiency of the manganese-zinc ferrite, as well as the time and yield required for future sintering. Since establishment, the Company has continuously accelerated talent cultivation and the development of technology research to establish the self-development ability for materials. The Company has also caught up with the pioneer of material development. In addition, the products need to be aligned with the applications of downstream manufacturers for different purposes. Therefore, the Company participates in the planning at the beginning of the downstream clients' product design, and then supplies it to the downstream system terminal product manufacturers to make finished products. Once the downstream clients adopts this model, it is not easy for them to change suppliers in normal conditions, and the product loyalty is high.

4. Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures

Favorable factors affecting the Company's development prospects:

- (1) In view of PE/EVA, the Company has established an excellent supply chain relationship with CPC Corporation, and has implemented flexible measures to obtain a stable supply of ethylene from various sources for the purpose of maintaining the stability of raw material supply.
- (2) With regards to PE / EVA, the Company has established long-term cooperation with downstream customers and developed such cooperation into cooperative partnerships. Apart from meeting each other's supply and sales in a stable manner, the Company has also engaged in technical cooperation and exchanges to jointly develop new products and their applications.
- (3) In view of EVA used in membrane-encapsulated solar cells, the Company has a leading edge in terms of quality and technology. In addition, the Company's



customers play a vital role in the industry. Over the years, these customers have collaborated and grown with the Company, and thus deep and solid partnerships have been established.

- (4) In regards to PE / EVA, the Company's efforts to actively expand its related business in a number of emerging markets have shown excellent results. The Company will continue to target different regions and products in order to meet the product needs of these market segments, thereby expanding into the market of emerging economies.
- (5) The new EVA production line has entered mass production in 2016 and the sales of PV photovoltaic-grade materials and high-end forming materials are expanded which has increased revenue.
- (6) The Gulei Petrochemical investment project has put into production in succession and will enhance the Company's competitiveness in the future.
- (7) Vertical integration for VCM and PVC powder.
- (8) Fully seizing sources of the main raw material EDC and ethylene
- (9) Fully utilizing the Company's VCM production capacity to effectively reduce production cost.
- (10) The downward adjustments of upstream products such as ethylene and EDC help improve profitability in the PVC industry.
- (11) The production of PVC at the Company's Toufen Plant and Linyuan Plant complement each other, thereby diversifying product features and ensuring faster delivery of goods with a higher degree of flexibility.
- (12) Vertical integration for VCM and PVC powder and the secondary processed products.
- (13) The Company's relationship with PVC powder customers and the depth of its services.
- (14) The Company continues to break bottlenecks in PVC powder production and sales, thereby effectively reducing production costs.
- (15) The Company has long been reputed for good quality of its chemical products.
- (16) For chemical products, the Company has a good customer portfolio as market demand for these products is experiencing stable growth.
- (17) Vertical integration of PVC plastic product processing.
- (18) The Company has a proprietary brand for the PVC plastic products, which are also under good quality control and good after-sales services.
- (19) The Company has readily available professionals in the area of PVC plastic product technology.
- (20) The automotive leather for PVC plastic products has been certified by IATF16,949.
- (21) In view of PVC plastic products, the Company is engaging in the research and development of new products including high value-added and eco-friendly materials.
- (22) For PVC plastic products, the Company continues to improve related equipment, manufacturing processes and product quality.
- (23) The Company has established sales offices and distribution channels overseas which can facilitate market expansion.
- (24) For PVC plastic products, the Company has printed its identification labels on plastic leather and plastic sheets sold domestically and abroad in order to increase brand awareness, thereby effectively increasing customers' willingness to purchase.
- (25) Continuous research and development of environmentally friendly materials for PVC plastic products helps enhance product segmentation and market promotion. In 2021, the Company will plan consecutive new product launches focusing on the US

markets for furniture and the interior of ships. It is expected for the Company to experience an increase in profit and performance in the American markets.

- (26) The surface treatment technology applied to PVC plastic product is expanded its use to plastic leather and plastic sheet; it is expected to increase sales volumes in the US market for the inner lining products for machinery and equipment.
- (27) Stable quality of ABS / PS products, active research and development capabilities, enhanced customer service and implementation of management systems can help increase customers' confidence in our products.
- (28) The NOVA manufacturing process technology applied to GPS features good heat resistance and low residue monomer.
- (29) The development of new EPS product has catapulted the Company to a leading position in the domestic market. The Company is the first to develop fire-rate anti-static products, which has gained it considerable reputation in the international market.
- (30) There is still space for domestic demand in the South China market to grow. Since the demand for EPS is still growing, this is conducive to the operation of the Company's Zhongshan Plant.
- (31) The new capacity of main raw material SM in mainland China continues to increase, which is beneficial to the Company's bargaining power for raw material SM.
- (32) The Company is a leading brand in the glass wool market, and the product quality is well recognized.
- (33) The Company offers high level of services associated with the glass wool products so as to effectively eliminate product competition among other foreign goods.
- (34) The Company has stable marketing channels for glass wool products, which is an advantage for market development and competition.
- (35) Glass wool is used as filler in the calcium silicate board partition system. This application has been gradually accepted in the market.
- (36) With annual increases in sales for the gypsum board partition system, the use of glass wool is expected to increase as well.
- (37) The conversion of the non-combustibility test of CNS6532 to CNS14705 can facilitate the fiberglass ceilings panel products to pass the test.
- (38) In addition to the successful renewal of BRANZ certification in New Zealand and Australia, the Company has also helped its New Zealand customers successfully obtain the Environmental Choice New Zealand (ECNZ) eco-friendly label, thereby facilitating bids for government projects.
- (39) The Company will continue to develop market for the product of fire-retardant glass wool used in roof and outer walls. Sales for the product in 2021 have seen an increase of 39% over the figure in 2020.
- (40) Regulations related to floor impact sound will be implemented in January 2021. Newly developed product, i.e. the glass wool sound insulation system for Porter panels and wood floors has passed the test, thus facilitating new market development.
- (41) The newly developed six-sided-covered design can add value to the Company's products.
- (42) The electromagnetic radiation interference discovered between electronic products has growingly attracted public attention nowadays. Europe and the U.S. were the first to pay attention to the issue of electromagnetic radiation, and have established strict electromagnetic test standards. In the future, products to be released in the market must pass these tests, which will help increase the demand for ferrite cores and inductors.



- (43) With the thriving development in the global automotive, information, network communication, and consumer electronics industries, the global market scale continues to expand, thereby increasing the demand for magnetic cores and inductors. Moreover, due to a wide range of applications for downstream products, the Company will be less affected by the condition of a single industry.
- (44) The Company has gained extensive experience in managing the product development trends, manufacturing and sales operations in the industry, and has established a strong and tacit team. In addition, the Company's management fully understands that quality is the essence of good sales and promotion. Therefore, since its establishment, the Company has put emphasis on total quality improvement, and comprehensively promoted quality control all across the Company to ensure that requirements of product quality and environmental protection are met.
- (45) Only with a large production scale and excellent production efficiency, can the Company increase its own operation competitiveness. The Company has put emphasis on the improvement and enhancement of production processes over the years in order to streamline the management of production lines. In response to industry development trends, the Company has shifted its production abroad, where the Company can effectively use local resources to achieve the economy of scale arising from mass production. In addition to providing products with cost advantage, the overseas operations also enable the Company to provide customers with products and services that come from nearby.

Unfavorable factors and corresponding countermeasures:

PE/EVA:

- (1) The Company relies on purchasing from third parties to complement the shortage of ethylene supply. The price of ethylene is fluctuated in line with the international market, thus are difficult to manage.
- (2) Low-level production capacity can lead to high product unit cost.
- (3) Low import tariffs for LDPE/EVA products in Taiwan have resulted in competition from low-priced imported materials from new production capacities in foreign countries. Not only has the market been divided, the sales price of LDPE / EVA products will also be indirectly affected and cannot be increased.
- (4) As Taiwan did not join the ASEAN Free Trade Area, and many countries are keen to sign double tax treaties such as RECP among themselves, the Company's LDPE/EVA export market is full of trade barriers and unfair competition; this has also caused significant impact on the Company's LDPE/EVA sales volume and product prices.

Countermeasures:

Apart from continuously seeking sources of low-priced ethylene, making investment in the Gulei petrochemical projects, improving and enhancing the stability and operating rate of production equipment, increasing production capacity and product quality to reduce production cost to win over the market, the Company is even more committed to offering reasonable product prices and providing services to customers. Besides, the Company also develops high value-added products in response to market trends, and expands export sales into emerging markets, such as mainland China, to establish stable customer base for the long term and therefore increase operating profits.

VCM:

- (1) With domestic environmental protection policies getting more and more stringent and proposals for energy saving and carbon reduction being accelerated in implementation, coupled with the revision of the Labor Standards Act, the auxiliary measures and grace periods for businesses in the related issues turned out to be not as good as expected, and this will impose limitation on the

Company's business transformation and development.

(2)The treacherous and unpredictable international situation affects the transportation of raw materials, prices, and Russia and Ukraine war may cause related costs to rise.

(3)Domestic supply of ethylene is unstable, while the cost of ethylene is fluctuated.

Countermeasures:

(1)Accelerate the enhancement of energy-saving, water-saving, power-saving, carbon-reduction improvements and investments in production facilities, while improving operational efficiency and maintaining high productivity.

(2)Continue to communicate with the relevant government agencies on plans related to corporate social responsibility and environmental responsibility to reach a consensus between both parties

(3)Continue to obtain sources of competitive raw materials, and respond to ever-changing market changes using flexible production and sales strategies

(4)VCM is mostly for self-use, and the inventory will be carefully adjusted to enhance the advantages of vertical integration and increase overall profitability.

PVC powder:

(1)The epidemic has impacted the economic recovery schedule of major producing areas in Europe and the United States. Oversupply and inventory pressure will begin to affect the balance of supply and demand in the global PVC market in the second half of the year.

(2)The demand for PVC resin in the international market grew, which accelerated the recovery of idle capacity among China's calcium carbide powder manufacturers. They take the chance to take orders to disrupt the market by waging a price war.

(3)Taiwan has yet to sign FTA with major PVC consuming countries, and thus export opportunities have gradually flown to Japan, South Korea and countries in Southeast Asia.

Countermeasures:

(1)Actively secure stable cooperative relationships with downstream manufacturers in mainland China, India, Bangladesh, and South America, to meet their requirements for raw materials.

(2)Actively establish strong customer base in both India and Bangladesh through agents and traders as demand for PVC in both countries is rapidly increasing, with the purpose of expanding sources of sales orders.

(3)Seek long-term support from key customers in every region

(4)Enhance product quality and develop products with unique specifications and market differentiation

(5)Streamline organization, improve operational efficiency and enhance customer service

Chemical products:

(1) Expansion of domestic potassium sulfate plants has led to an increase in the production of secondary hydrochloric acid, thereby impacting the hydrochloric acid market.

(2) Domestic sales of alkali face competition from those imported from mainland China, thus restricting profit margins for this product.

Countermeasures:



- (1) Segment sales markets to establish stable sales and distribution channels
- (2) Continuously increase production quality and efficiency, and optimize production and sales planning

PVC plastic products:

- (1) Development of high value-added and differentiated products is not yet completed.
- (2) The cost of green eco-friendly materials is high.
- (3) Due to stringent quality requirements on OEM automotive leather products in export sales, the testing and development schedule is prolonged which delays the time needed for acquiring related certificate qualifications.
- (4) Environmental regulations in Europe and the U.S. are becoming more and more stringent. Flame retardants are prohibited from being added to the furniture leather in North America, and the Company has adjusted the product formula and sales area.
- (5) Low-cost competition with the Company's foreign peers and tariff barriers have led to obstacles in its export expansion plans.
- (6) Some markets have replaced PVC with other materials.
- (7) Pressure from exchange rate continues to weaken the Companies competitiveness in export.
- (8) The impact of COVID-19 epidemic cancels large-scale exhibitions and losses product marketing opportunities.

Countermeasures:

- (1) Securing the right to supply building materials for civil engineering projects and private construction projects.
- (2) Continuously engage in the research and development of eco-friendly materials and high value-added products.
- (3) Engage in product and market segmentation to acquire markets for high value-added products.
- (4) Continuously reduce production costs and improve production technologies.
- (5) Develop business opportunities in emerging markets and launch new products to capture market share
- (6) Use North America's successful high-end product portfolio and promote them in shipping or furniture markets abroad, where the main target regions are Europe, Australia and Asia
- (7) Cooperate with professional companies specializing in channels related to U.S. OEM automotive leather, and utilize collaborations with such professional companies to accelerate the Company's entry into the supply chain of the automobile industry.
- (8) Establish strategic alliances with domestic and overseas brands, as well as develop new materials
- (9) Engage in horizontal promotion of unique products in each individual region to each major market through exchange of product information

ABS/PS products:

- (1) EPS manufacturers in Asia are also facing overcapacity, and price competition in this area is also intense.
- (2) EPS manufacturers in mainland China are also facing overcapacity, and market bidding also remains extremely intense.

- (3) The volatile and unstable SM market has led to difficulties in production and sales control.

Countermeasures:

- (1) Enhance product quality and product added value, segment markets, and avoid market price competition.
- (2) Maximize capacity, reduce cost, as well as select and sell products with relatively good profit margin.
- (3) Analyze and keep abreast of market trends to make early entry into the emerging markets.
- (4) Effectively bring the integrated supply chain management into full play and lower the inventory level of raw material and finished goods so as to reduce risk.

Glass wool products:

- (1) India's import cost is low and its products have passed the one-hour calcium silicate board fire test causing a major impact on the domestic market.
- (2) Substitute products are everywhere in the market.
- (3) Products from mainland China are entering the Taiwanese market through project import.

Countermeasures:

- (1) Consolidate the Company's distribution networks through promoting products similar to the specifications of imported goods, as well as monitor market projects closely to enable direct sales.
- (2) Enhance project visits and control to prevent changes in glass wool materials.
- (3) Actively participate in related trade associations, maintain contact with the Industrial Development Bureau, and keep an eye on product trends in mainland China at all times.

In regards to ferrite magnetic powder and iron cores:

- (1) Costs of domestic and foreign workers are gradually increasing every year, thereby increasing production and operating costs.
- (2) There are many competing manufacturers in this industry, leading to intense price competition.

Countermeasures:

- (1) Improve quality, lean production, and automated production through the purchase of advanced machines and equipment and improvement of manufacturing processes, as well as enhance employees' on-the-job training in order to improve efficiency and productivity.
- (2) Add value to products, refine and improve manufacture processes to reduce cost and enhance overall product quality, so as to facilitate effective market segmentation and establish competitive advantage in the market. In addition, establish all-around support service capabilities in line with customers' product development needs, shape the Company's competitive advantage over other competitors, as well as jointly develop future products according to development trends in order to quickly grasp market dynamics and enhance competitiveness.

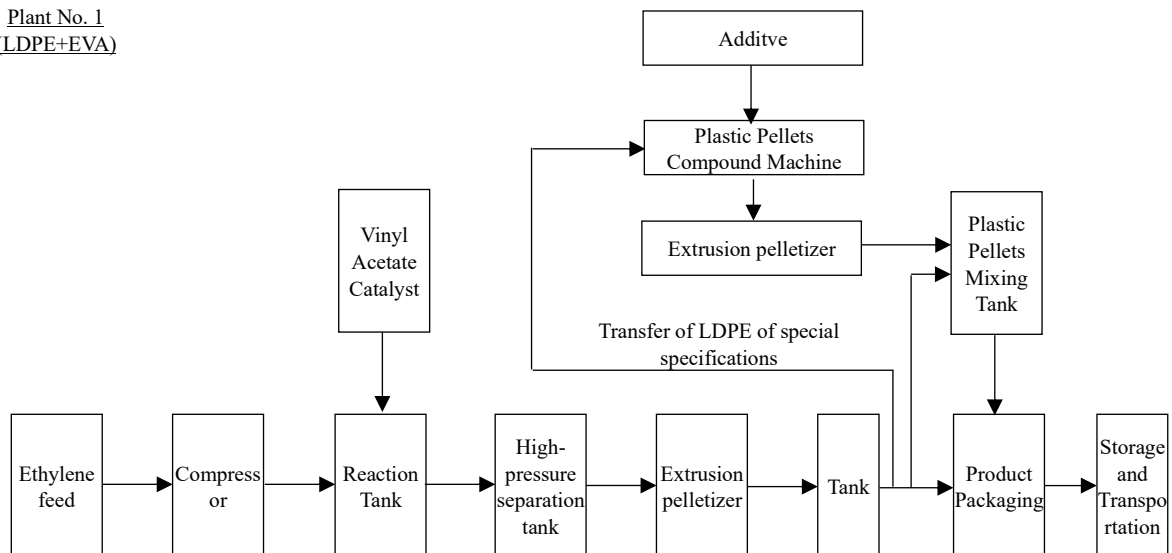
(II.) Important uses and production processes of major products

The Company's polyethylene plastic pellets are supplied to domestic and overseas processing plants. These pellets are processed into a wide range of plastic products for daily use, such as plastic bags, handbags, food bags, plastic films, bubble cloth, woven bags,



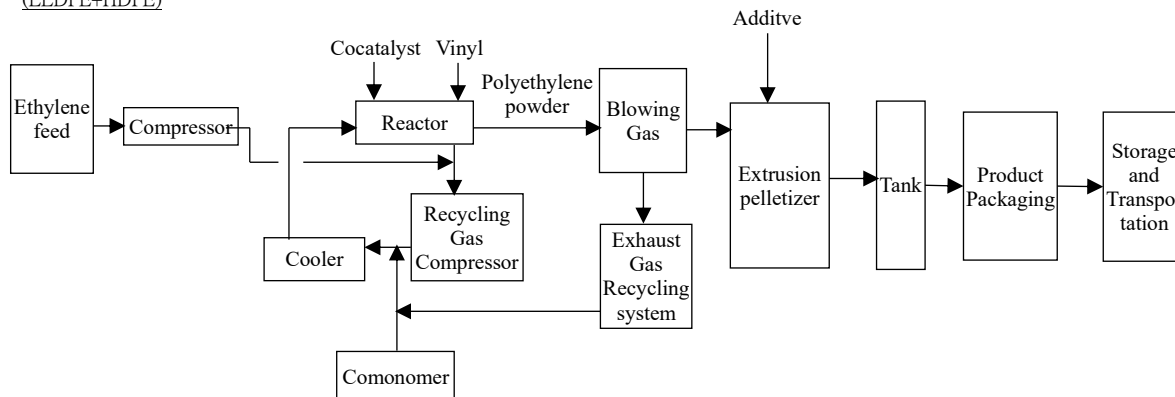
woven canvas, window nets, fishing nets, ropes, plastic tubes, plastic flowers (trees), plastic turf, plastic lunch boxes, plastic containers, bottles, baskets, boxes, beer boxes, bottle caps, non-woven fabrics, carpet adhesives, and even hot-melt adhesives for sticky cartons, just to name a few. As PE is non-toxic and easy to process, the number of new products made from PE is still increasing. Another product, ethylene vinyl acetate copolymer resin (EVA), is mainly used in the production of foam shoes, sports equipment, various types of films, solar cell packaging films, hot-melt adhesives, protective films, wire and cable insulation shields, and low-smoke halogen-free materials due to its high toughness and flexibility. The process of producing low-density polyethylene (LDPE) and ethylene vinyl acetate (EVA) includes the following steps : The raw material, ethylene (LDPE is the finished product) or ethylene vinyl acetate (EVA is the finished product) is pressurized multiple times and fed into a high-pressure reactor. Next, polymerization is carried out by using organic peroxide as catalyst. Finally, the semi-finished polymer products are then packaged into pellets after pelletizing, and unreacted gases are repeatedly recycled.

Plant No. 1
(LDPE+EVA)



The process of producing high-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE) includes the following steps: First, the raw material, ethylene (HDPE is the finished product) or ethylene and butane (LLDPE is the finished product) is pressurized multiple times and fed into a high-pressure reactor. Next, transition-metal catalysts are added as catalyst to carry out polymerization. The granular semi-finished products are then packaged into commercially available products after granulation, and unreacted gases are recycled after separation.

Plant No. 2
(LLDPE+HDPE)



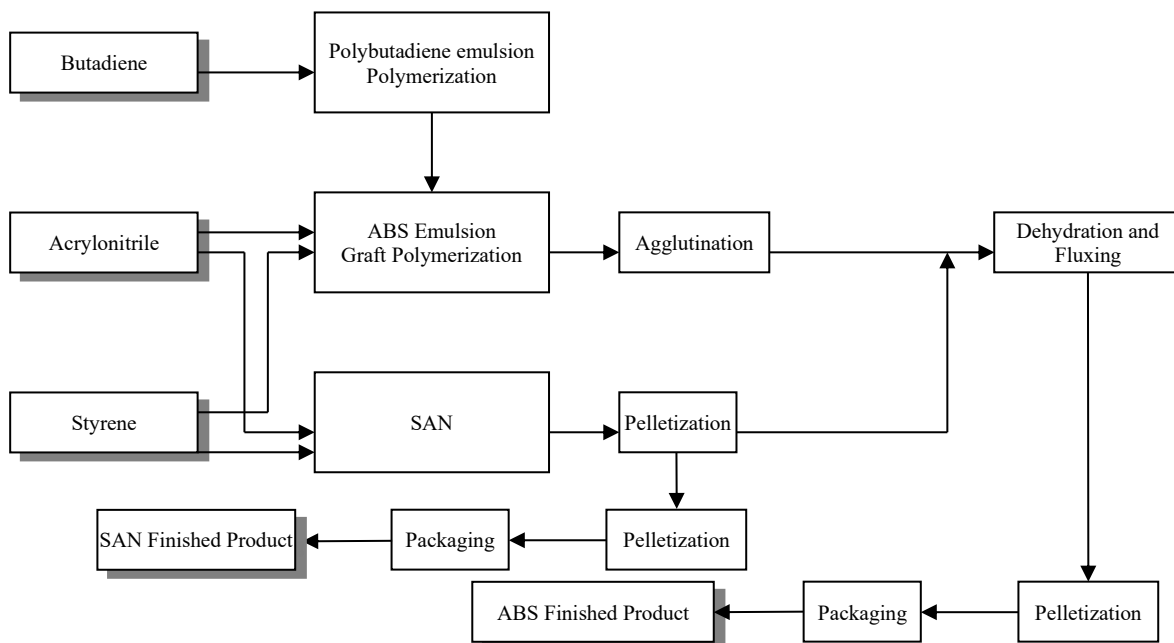
VCM is mainly used in the production of PVC powder, where EDC is used as a raw material. After cracking, VCM and hydrochloric acid gas are produced. Through oxychlorination reactions on ethylene, oxygen and hydrochloric acid gas, EDC is then produced (back to cracking process). PVC powder is mainly used for producing products such as soft plastic sheets, plastic sheets, rigid plastic sheets, rigid tube and building materials for shaped extrusion. The production of PVC uses VCM, starter and dispersant as raw materials, and the product is made through a few processes including polymerization and drying. Chemicals are mainly used in water treatment and the production of food MSG, synthetic fibers, detergents, dyes, pulp, steel, etc. and the materials consist of industrial salt, other indirect materials, and water which are refined into pure brine and then electrolyzed into liquid caustic soda, hydrogen, and chlorine using ion-exchange membranes. Chlorine gas is then reacted with hydrogen and liquid caustic soda to synthesize hydrochloric acid and bleaching liquid. PVC building materials and products (PVC pipes, foamed PVC pipes, glass-reinforced plastics door panels, foamed door panels, and anti-corrosion lining) mainly for buildings (water pipes, rain/household sewage drainage pipes, electrical protection sleeves, glass-reinforced plastics door panels and partitions) and public construction projects (water supply and drainage works, electrical protection sleeves, and wastewater sewage). The materials include PVC powder and stabilizing agents which undergo procedures including mixing, gelatinization, extrusion, cooling, and cutting. Soft plastic sheets can be used to produce tape cloth, semi-rigid cloth, stationery cloth, transparent cloth, waterproof film, swimming pool cloth, mesh cloth, cloth for gas blowing, bonding cloth, furniture cloth, advertising cloth, screen cloth, raincoat cloth, table towel cloth, shower curtain cloth, and curtain cloth. Soft plastic sheet is made of PVC powder, plasticizer, and other auxiliary materials through the process of cold and hot mixing, gelation, filtration, calendaring, cooling, and coiling. These sheets/cloth can also be printed and laminated to increase their added value. Hard plastic sheets can be used for the production of vacuum forming cloth, drug packaging cloth, cooling tower dripping cloth, collar lining cloth, flitch cloth, protective cloth, printing cloth, stationery cloth, and ceiling cloth. They are produced from PVC powder and other auxiliary materials which are mixed before undergoing procedures including gelatinization, extrusion, deferred pressure, cooling, and coiling extraction. They can also be processed or embossed to increase added value. Plastic leather is used in the production of foaming soft leather and non-foaming leather after surface treatment and air-pinning. Soft leather and non-foaming leather are mainly used to produce sofa skin for cars, motorcycles, bicycles and marine vehicles, SPA cover, shoe leather, baseball gloves, sports equipment, and medical chairs, etc. Plastic leather is made of (1) PVC powder, plasticizers and other auxiliary materials, and (2) non-PVC environmentally friendly materials through various processes, including mixing, gelatinizing, filtering, and being stretched by tape machine, laminating to base fabric, and finally being foamed and embossed in the foaming furnace



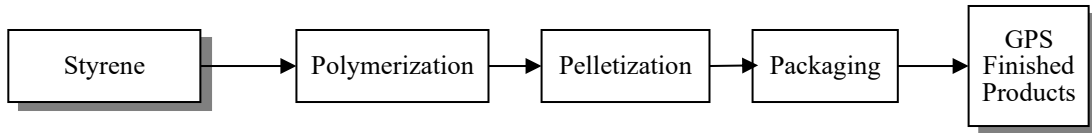
or embossing machine. Moreover, special treatments such as printing, stain-resistant or water-based scratch-resistant treatment can be performed to increase added value. Plastic pellets are used for the production of electrical wires, car foot pads, and shrink wraps. They are made from PVC powder, plasticizers, and other auxiliary materials which undergo procedures including mixing, gelatinization, extrusion, and cooling.

ABS resins are mainly used for producing information equipment, OA equipment, home appliances and electronic parts and appliances, electronic accessories, bathroom ware, toys, automotive and scooter components, heels, suitcases, daily necessity items, telephones, stationery, sports equipment, batteries, and safety helmets, tool machines. SAN resins are mainly used to produce juice blender casing, powder boxes, coffee machine water tank, transparent decorations, air-conditioning fan, blades, stationary, and tableware. Important applications of the general-purpose polystyrene include lighting, stationery, household appliance, daily accessories, diffusion boards, insulation boards, disposable tableware, food and pharmaceutical packaging materials. Expanded polystyrene is applied to building material insulation boards, packaging materials, antistatic packaging materials, vegetable and vegetable boxes, fishing boxes, insulation materials, boards, construction walls, and helmet cushion. Impact-resistant polystyrene is mainly applied to digital equipment, home appliances, toys, everyday accessories, stationery, electronic components and disposable cups. Glass wool is mainly applied to cooling materials for air-conditioning ducts, metal roofs, heat-insulating materials for walls, dry partitions filled with sound-absorbing insulation materials, ceilings for interior decoration, wall panels, heat-insulating materials used in machinery and equipment installed in the petrochemical industry, heat-insulating and sound-absorbing materials for home appliances, vehicles, heat- and sound-insulating materials for ships and heat-insulating materials for curtain walls. Cubic printing is used mainly in special printing techniques for plastics, metals, wood, plaster, glass and ceramics. The production processes for major products are as follows:

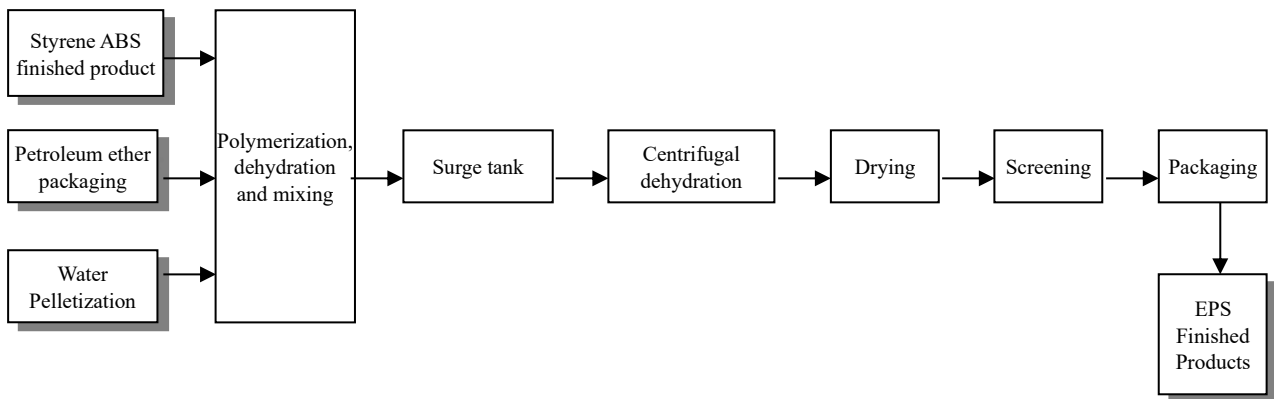
(1) Production process for styrene acrylonitrile-butadiene-styrene (ABS) and acrylonitrile-styrene copolymer resin (SAN)



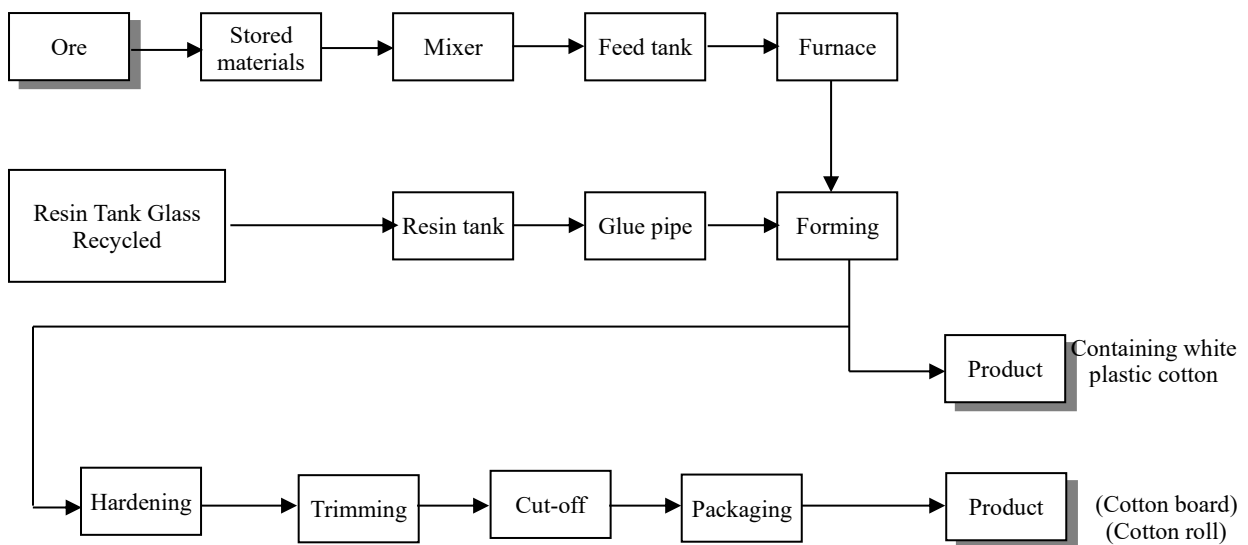
(2) Production process of general purpose polystyrene (GPS)



(3) Production process for ex

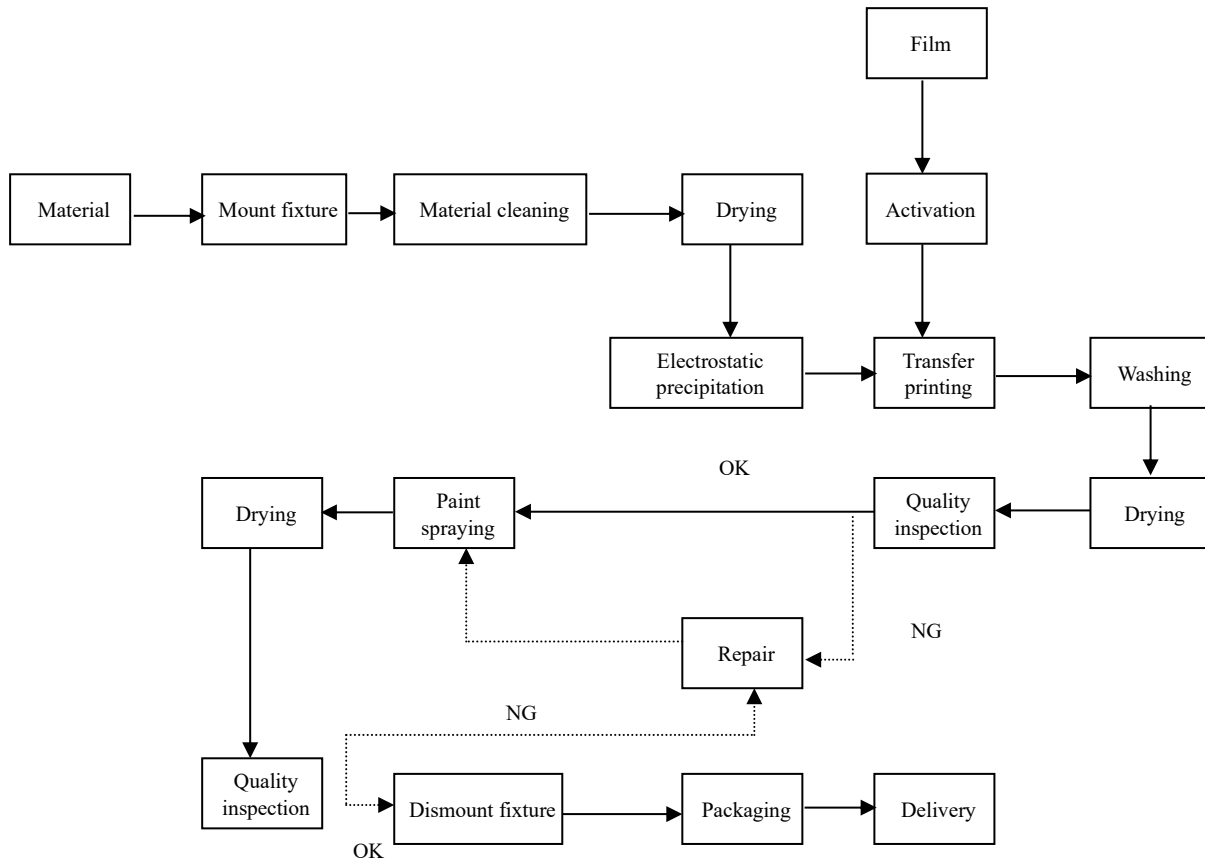


(4) Production process for glass wool products





(5) Production process for cubic printing



The production process for ferrite powder and cores is divided into four stages: milling, forming, sintering, and abrasive machining. The main uses for these products are as follows:

Product Category	Downstream Products	Use
Traditional magnetic core	Filters, adapters, and light tube stabilizers	Power supplies, modems, scanners, (wireless) chargers, LED TVs, laptops, smartphones, tablets, game consoles, routers, central office switches and telecommunication network equipment, automotive electronics, and medical equipment
Magnetic core for inverters	Inverters	
Magnetic core for communications	Communication transformers and splitters	
Polished magnetic core for filtering	Electromagnetic interference filters	
Ring-type magnetic core	Electromagnetic interference filters and light tube stabilizers	
Magnetic core for power inductors	Power inductors	
Nickel-zinc series magnetic core	Communication transformers and power inductors	
Soft ferrite powder	Raw materials used in iron cores	

III. Supply of major raw materials

The basic raw material for the Company's polyethylene plastic products is ethylene,

which is mainly provided by CPC Corporation. The Company partly relies on imported ethylene to supplement the shortage of supply from CPC Corporation. Some of the raw materials of EVA, namely vinyl acetate monomers (VAM), are supplied by Dairen Chemical Corporation or are supplemented by imported VAM. Other fillers are mostly imported from abroad as they are either used in small quantities or produced outside Taiwan.

The main raw materials of VCM are EDC and ethylene. Long-term contracts have been signed with suppliers to ensure stable supply of these raw materials. The main raw material of PVC powder is vinyl chloride monomer (VCM), which is produced by the Company for self-use. The main raw material of alkali-chlorine is industrial salt. Long-term contracts have been signed with suppliers to ensure stable supply of these raw materials. The main raw materials to produce plastic sheets and leather are PVC powder and plasticizers, and the supply condition is described as follows: (1) PVC powder: Most of the PVC powder is produced by the Company for self use in production, and only a small quantity is purchased from external sources; (2) Plasticizers: Plasticizers are mainly supplied by Nan Ya Plastics Corporation, while special plasticizers are imported from abroad. The main raw material of building materials is PVC powder, which is mainly self-produced and supplied, and thus the source of this raw material is stable.

The supply and demand of styrene monomer (SM) is currently in balance. The Company has routinely purchased SM from Taiwan Styrene Monomer Corporation, Formosa Chemicals and Fibre Corporation, China Petrochemical Development Corporation, CNOOC and Shell Petrochemicals Company Limited, whereas supplemental supply is also secured from direct import of goods from a few foreign suppliers such as SHELL and SABIC, in order to balance price risk and overcome the shortage of supply. The Company has established supply contract with CPDC for the supply of acrylonitrile (AN). Domestic procurement is also regularly made with Formosa Plastics Corporation. The Company also imports the material from abroad from time to time dependent on the status of supply and demand in order to increase flexibility in inventory support and ensure stable source of material supply. In view of butadiene (BD), material supply agreements have been signed with CPC Corporation and Formosa Petrochemical Corporation. The Company imports the spot material from time to time depending on the status of supply and demand to provide full support in private use. Pentane is mainly available in ready stock abroad. The usage of this material is stable, and there is no issue regarding shortage of supply of this material. Glass-quality sand is the main raw material of glass wool products. Because its unit price is relatively low, it is constantly supplied domestically. As its quantity and price experience minimal changes, it can be fully controlled.

The main raw materials and suppliers of ferrite powder and cores are as follows and the supply of such materials are stable:

Main Raw Materials	Name of Main Supplier
Iron oxide	High-tech magnetic technology
Manganese oxide	PRINCE MINERALS SRL
Zinc oxide	ZINSA
Nickel oxide	Prior Company, Ltd.

(IV.) Name of customers who account for more than ten (10) percent of the total purchases (or sales) of goods and their dollar amount and proportion of purchase (or sales) of goods in any one of the most recent two fiscal years, and an explanation of the reason for changes in these figures.

1. Name of customers who account for more than ten (10) percent of the total purchases of goods and their amount and proportion of purchase (or sales) of goods

Unit: NT\$ 1,000

ITEM	2021 (audited and verified)				2020 (verified and audited)				2022 up to the previous quarter (reviewed) (Note 2)			
	Name	Amount	Percentage of Net Purchase for the Current Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Current Year (%)	Relationship with the Issuer	Name	Amount	Proportion of the net sales of goods from the current fiscal year up to the previous quarter (%)	Relationship with the Issuer
1	CPC Corporation	8,697,577	18	None	CPC Corporation	6,013,467	22	None	CPC Corporation	1,757,292	18	None
2	Others	42,024,205	82	Note 4	Others	20,876,956	78	Note 3	Others	10,875,227	85	Note 4
	Net purchases of goods	50,721,782	100		Net purchases of goods	26,890,423	100		Net purchases of goods	12,632,519	100	

Note 1: List the name of suppliers who account for more than 10% of the total purchases of goods and their amount and proportion of purchase of goods in the most recent two years. However, if the name of suppliers or counterparties who are individuals or non-related parties cannot be revealed due to contractual agreements, their code shall be indicated.

Note 2: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

Note 3: No suppliers account for more than ten (10) percent of the total purchases of goods.

Note 4: In 2021, the Company purchased goods from its affiliate Fujian Gulei Petrochemical Company Limited at NT\$267,768,000, which accounted for 0.52% of its purchases. In the first quarter of 2022, its purchases amounted to NT\$361,436,000, which occupied 2.86% of its purchases.; Fujian Gulei Petrochemical is a joint venture recognized by equity method.

Reasons for changes in purchase amount: the increase in purchase amount is mainly due to the increase in raw material acquisition cost driven by the increase in oil price and sea freight.

2. Name of customers who account for more than ten (10) percent of the total sales of goods and their dollar amount and proportion of purchase (or sales) of goods: None.

(V.) Production volume and value in the most recent two fiscal years

Unit: metric tons / thousand yards / grids / NT\$ thousands

Production Volume and Value Year Main Product	2021			2020		
	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
LDPE/EVA (MT)	300,000	268,909	12,208,200	300,000	253,958	8,532,948
HDPE/LLDPE (MT)	130,000	116,621	3,944,295	130,000	119,876	3,092,983
Plastic Powder, Chemical Products (tons)	511,375	504,228	15,741,563	511,375	457,020	9,942,701
Plastic Products (metric tons)	99,360	50,537	2,844,999	99,360	52,612	2,335,619
Plastic Leather (thousand yards)	8,600	8,493	826,533	8,600	6,632	553,928
Vinyl Chloride Monomer (metric tons)	485,000	476,165	12,134,168	485,000	391,457	6,528,342
ABS Resins (metric tons)	100,000	123,143	5,736,633	100,000	122,461	3,981,790
Polystyrene (metric tons)	480,000	314,563	11,738,870	480,000	317,461	9,115,484
Cubic Printing (grids of jig)	200,000	48,128	41,954	200,000	64,050	50,320
Glass wool products (MT)	8,600	8,724	277,944	8,600	8,711	266,478
Ferrite Powder and Cores (metric tons)	12,500	10,229	2,476,410	11,500	7,263	1,694,581
Packaging Films (metric tons)	49,363	49,363	2,762,274	51,198	48,732	2,444,179
Others			762,055			698,519
Total			71,495,898			49,237,872



(VI.) Sales volume and value in the most recent two fiscal years

Unit: metric tons / thousand yards / grids / NT\$ thousands

Year Sales volume and value Main Product	2021				2020			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
LDPE/EVA (MT)	45,713	3,047,188	214,453	16,247,409	52,239	2,273,283	205,254	8,756,995
HDPE/LLDPE (MT)	85,929	3,143,452	28,348	1,080,578	93,722	2,802,237	33,792	1,059,189
Plastic Powder, Chemical Products (tons)	107,952	2,559,733	316,211	12,655,678	109,675	1,916,898	306,788	8,238,647
Plastic Products (metric tons)	35,319	1,972,573	13,549	935,282	37,933	1,697,566	12,712	681,635
Plastic Leather (thousand yards)	2,700	281,510	5,157	809,352	2,908	269,081	4,070	624,839
Vinyl Chloride Monomer (metric tons)	25,492	1,007,396	-	-	12,361	304,482	-	-
ABS Resins (metric tons)	8,334	578,327	112,856	6,857,098	9,310	439,590	113,921	4,736,715
Polystyrene (metric tons)	174,835	2,124,281	136,521	10,675,818	185,813	5,824,346	131,985	4,005,987
Cubic printing (JIG)	49,760	41,119	-	-	63,127	53,503	-	-
Glass wool products (MT)	9,524	381,077	3,542	113,445	8,415	306,148	4,062	132,092
Ferrite Powder and Cores (metric tons)	50	23,720	10,631	2,994,690	37	16,184	7,523	2,125,696
Packaging Films (metric tons)	10,037	671,174	41,694	2,703,996	9,079	542,216	42,001	2,595,220
Others (square meters)	-	169,543	-	681,103	-	140,834	-	657,890
Total		16,001,093		55,754,449		16,586,368		33,614,905

III. Average Years of Service, Average Age and Distribution of Academic Qualifications of Employees in the Most Recent Two Fiscal Years up to the Publication Date of this Annual Report

Year		Year 2021	Year 2020	Current fiscal year up to April 6, 2022
Number of employees	Indirect Labor	1,820	1,754	1,814
	Operator	3,326	3,096	3,368
	Total	5,146	4,850	5,182
Average Age		40.58	40.58	40.34
Average Years of Services		10.84	10.84	10.63
Education Distribution	Doctor	0.49%	0.49%	0.48%
	Master	8.92%	9.44%	9.09%
	University/College	34.98%	35.15%	34.77%
	Senior High School	28.29%	29.09%	27.61%
	Below high school	27.32%	25.83%	28.05%

IV. Information Regarding Environmental Protection Expenditure:

(I.) In the most recent years as of the publication date of this annual report, the losses incurred due to the environment pollution (including compensation and environmental protection audit results that violated environmental protection laws and regulations, the date of disciplinary action, disciplinary official letter number, the provision of laws violated, the content of laws violated, and the content of disciplinary action), current and future estimated amounts that may occur, and responding measures:

Unit: NTD

Date of disciplinary action/Disciplinary official letter No.	Laws violated	Penalty Amount (NT\$ thousand)	Facts of Violation	Improvement Action
Aril 7, 2021 / 20-110-040004 (TTC)	Article 32 of the Air Pollution Control Act	330	On January 24, 2021, Linyuan Plant suffered a power trip due to power equipment failure (3.3 KV capacitor wiring insulation deterioration and overcurrent), and the over-temperature and over-pressure of the reaction tank in Area 21 needed to be discharged urgently, resulting in black smoke.	<ol style="list-style-type: none"> The original SC2 cable was routed through the underground hidden pipe to the outdoor equipment of the substation, and replaced by the open pipe (erected cable trunking). The overall partial discharge detection of substation cables was measured in order of A/B/C level according to the priority order. Comprehensive contact terminal and cable thermal image (temperature) measurement was carried out for 69KV/3.3KV/460V and other high and low voltage



Date of disciplinary action/Disciplinary official letter No.	Laws violated	Penalty Amount (NT\$ thousand)	Facts of Violation	Improvement Action
				panels of the whole Plant. 4. The Group's ring office provided guidance on ultrasonic (arc discharge) measurements.
March 23, 2021 / 110001616100138 (TTC)	Article 6(1) of the <i>Occupational Safety and Health Act</i>	70	<ol style="list-style-type: none"> Boiler licenses were not posted in the boiler area of Area 25. (Failed to comply with Article 18, paragraph 4 of the Boiler and Pressure Vessel Safety Code. A copy of the boiler inspection certificate and the boiler operator qualification certificate shall be posted in a visible place.) Generators and electric welding machines were placed next to the oxygen and acetylene cylinder area in the mechanical course. (Failed to comply with Article 108, paragraph 9 of the Facility Regulations of the Occupational Safety and Health Act, no other items may be arbitrarily placed near the storage place of high-pressure gas). 	<ol style="list-style-type: none"> Immediately post a photocopy of the boiler use permit in the boiler area of Area 25, and inspect other boiler areas. Immediately move the generator and electric welding machine placed next to the area for storing oxygen and acetylene cylinders to other areas for storage
September 15, 2021 / 20-110-090002 (TTC)	Article 24(2) of the Air Pollution Control Act	100	The Environmental Protection Bureau followed the fixed pollution source glass fiber manufacturing procedure (M01) to perform discharge pipe (P008) odor pollutant sampling in Toufen Plant, and found that pollution sources hardening furnace E005, edge trimmer E006, and packaging machine E022 were all in operation, but the pollution prevention device - bag dust collector (A011) pressure drop monitoring instrument failed and did not monitor the value, violating the approved scope of operation.	<ol style="list-style-type: none"> Install butterfly valve additionally in the air inlet pipe to allow fresh air to enter and supplement the external air to form a pressure difference. When this special hose product was produced on December 9, 2020, the newly added facility was tested and found in line with the requirement of pressure difference above 10mmAq. The Plant has marked the proper pressure differential range on the differential pressure gauges of all dust collection equipment, and education and training were conducted for the relevant operators, which was listed as the focus of daily inspections.
July 27, 2021 / 20-110-070013 (CGPC Corporation)	Article 23(1) of the Air Pollution Control Act	225	On March 10, 2021, the Southern District Inspection Brigade of the Environmental Protection Agency dispatched personnel to the Company's Linyuan Plant to perform a process to detect the VOC leakage concentration of process testing equipment components. The result was that the detected concentration value was 16,391.8 ppm in one place. After the Plant stated its opinion that the equipment components in this place were not legally defined, the Environmental Protection Bureau changed it to impose penalty according to the VOC Air Pollution Control and Emission Standards, Article 13(1): Failed to collect and treat in a sealed manner.	Strengthen the tracking and management of leak points and the frequency of self-testing.
August 15, 2021 / 34-110-080001 (CGPC Corporation)	Article 41(1) of the Toxic and Concerned Chemical Substances Control Act	1,000	On June 2, 110, the Japanese Plant's vinyl chloride monomer manufacturing process (M01) buffer tank (V6203) manhole flange leaked at 07:35, and the Plant reported it as late as 08:33, which violated Article 41(1) of the Toxic and Concerned Chemical Substances Control Act providing that the poisoning accident should be notified within 30 minutes.	Strengthen publicity, education and training, and revise the procedure book.
April 29, 2021 / (Z.J.) Y.J.F. [2021] No. 3 (TTC)	Article 45(4) of the Measures for Administrative Punishment for Violations of Work Safety	RMB 20	On April 6, 2021, the law enforcement officers of Zhongshan Emergency Management Bureau and Torch Development Zone in mainland China found in inspection that our company produced 165,675.19 tons of polystyrene beads [expandable] in 2020, which exceeded the scope of 150 thousand	<ol style="list-style-type: none"> It is planned to apply for an increase in production capacity of the scope of the safe production license when the safety production license is extended and renewed in 2021. The application for increasing production capacity was completed

Date of disciplinary action/Disciplinary official letter No.	Laws violated	Penalty Amount (NT\$ thousand)	Facts of Violation	Improvement Action
			tons / year as specified in the safe production license. Subject to punishment according to Article 45(4) of the Measures for Administrative Punishment for Violations of Work Safety.	on October 29, 2021, and a safe production license was obtained. The scope of license: polystyrene beads [expandable] 200,000 tons/year.
January 8, 2021 / 20-110-010007	Article 20(1) of the Air Pollution Control Act	675	On November 10, 2020, the net leakage value of two equipment components in the M03 process of the third production line exceeded the control standard.	1. Change drivers to double-shift system to avoid operation errors. 2. Comprehensively strengthen the start/stop education and training of the operators.
January 8, 2021 / 20-110-010008	Article 23(1) of the Air Pollution Control Act	225	On November 10, 2020, the waste gas was not effectively collected to the regenerative incinerator of the control equipment in the M01 process separation tower pipeline of the first production line.	3. After receiving the response condition card, adopt "color management" and double-shift personnel identification and double-signature record confirmation mechanism.
March 5, 2021 / 20-110-030001	Article 32(1) of the Air Pollution Control Act	1,530	When the first production line (M01) was started up, the temperature of the reactor R-1101 was abnormal during the heating process, which caused the pressure of the reactor to rise suddenly, the rupture disk of the safety device was activated, and the obvious granular pollutants were scattered in the air.	4. Response chain DCS protection layer temperature setting foolproof mechanism, implement double-signature record confirmation mechanism. (APC)
May 3, 2021 / 30-110-040022	In violation of Article 10(1) of the Water Pollution Control Act	18	Kaohsiung City Environmental Protection Bureau sent a letter on April 21, 2021, stating that when the personnel of the Bureau inspected the construction site of Renwu Factory on April 16, 2021, they found that the project's construction site runoff wastewater pollution reduction plan had not been approved by the Bureau before construction. It violated Article 10(1) of the Water Pollution Control Act and was punished.	On April 21, 2021, the Environmental Protection Bureau approved the construction site runoff wastewater pollution reduction plan.
January 03, 2022 / 20-111-010001	Article 23(2) of the Air Pollution Control Act	225	Kaohsiung City Environmental Protection Bureau sent a letter on December 1, 2021, stating that Renwu Factory used waste gas combustion towers for several days between January and September in 2021 (the date of flow was more than 1,000 cubic meters on 1/14, 28, 3/5, 7, 8, 21-24, 26-31, 4/1-2, 5/1, 6/19, 21-22, 7/9-10, 13-15, 17, 19-20, 22), which was not in line with the approved content of the waste gas combustion tower use plan (emergency: abnormal power outage in the process area, RTO failure, start and stop, (M01, M02, M08) annual repair), which violated Article 23(2) of the Air Pollution Control Act.	1. Replace with GE flowmeter which is more accurate and stable than other brands, and the flowmeters have been replaced. 2. Improve the process waste gas and lead it to the TO furnace for treatment to reduce the Flare emission, which is expected to be completed by the end of March.

(II.) Current and future potential estimated amount and response measures:

1. Comply with regulations relevant to environmental protection and occupational health and safety, and relevant requirements derived from such regulations.
2. Sustainable energy saving, regeneration and industrial waste reduction.
3. Prevent pollution, reduce potential risks in operations.
4. Continuously provide education and training for employees to implement environmental safety work.
5. Actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in matters related to environmental protection and occupational safety and health.
6. Thoroughly implement the environmental management system to enhance environmental performance and reduce environmental risks in the community.



The material environmental protection expenses of the Company in the most recent fiscal year up to the publication date of this annual report are as follows:

Unit: NT\$ 1,000

	Pollution Prevention Equipment Installed or Expenditure Content	Amount
1.	Replacement project of B-LINE E-215/E-216 Recycle Cooler at Renwu Plant No.1	2,760
2.	Renewal of high voltage switch operation in K-21 substation at Renwu Plant	4,130
3.	MRT AREA energy conservation improvement project at Renwu Plant	1,465
4.	Replacement of E+F Line 69-KV transformer insulating oil at Renwu Plant No.1	2,530
5.	Coil maintenance of C-201b synchronous motor at Renwu Plant	1,250
6.	Modification of I-230 C/D/E/F inlet and outlet pipelines at Renwu Plant No.1	520
7.	Replacement of old C/D/E/F-Line E-215/E-216 Recycle Cooler at Renwu Plant No.1	6,228
8.	Renewal of C/D/E/F-Line Recycle Cooler cooling water pipeline at Renwu Plant	1,546
9.	E-406EF replacement project at Renwu Plant No.1	482
10.	E-223 replacement project of EPT reboiler at Renwu Plant No.1	1
11.	Renovation project of W-517 ladder platform at Renwu Plant No.1	310
12.	Renewal of QC air conditioners and air ducts in Renwu Plant No.1	318
13.	Renewal of steam pipeline at Renwu Plant No.1	179
14.	Application for purchase of Y-type high pressure valve spare parts at Renwu Plant No.1	1,250
15.	Adding modifier injection pump to EF-Line and D-Line at Renwu Plant No.1	3
16.	Waterproof construction of D-Line processing room and Shop office in Renwu Plant No.1	1,480
17.	B/C/EF-Line start-stop discharge line at Renwu Plant No.1	470
18.	J-290C equipment renewal and improvement at Renwu Plant	60
19.	Renovation of cement base of equipment at Renwu Plant and Kaohsiung Plant	1,420
20.	Replacement of Ground Flare environmental protection monitoring system at Renwu Plant No.2	7,820
21.	Renewal of underground steam pipeline in the south of processing room 1F at Renwu Plant No.2	640
22.	Modification of hydrogen pressure regulating valve at Renwu Plant	630
23.	Improvement project of fire water pipe in warehouse at Renwu Plant No.2	985
24.	Renewal of steam pipeline at Renwu Plant No.1	256
25.	Purchase of spare parts for reactor motors in first, second and third lines in Linyuan Plant	6,838
26.	Renewal of seriously corrosive ethylene pipeline from Line 1 V-1147 to V-1105 in Linyuan Plant	1
27.	Replacement of old monitoring computer system for waste gas combustion tower in Linyuan Plant	759
28.	Intelligent pigging inspection project of underground pipeline in 2021 at Linyuan Plant	515
29.	Heat and coolness reservation construction project and 110 CUI inspection in Linyuan Plant	5,399
30.	Underground pipeline risk assessment, new model introduction and data integration service in 2021 at Linyuan Plant	2
31.	Non-destructive inspection of key pipelines in 2021 at Linyuan Plant	1,472
32.	Addition of PVA-Gel aeration biological tank on line A of zone 82 at Linyuan Plant	4,750
33.	Establishment of waste storage yard project at Linyuan Plant	1,900
34.	Addition of an air pollution prevention (regenerative thermal oxidizer) in zone 26 at Linyuan Plant	22,884
35.	Addition of sludge drying equipment to Line B in sewage treatment plant in zone 82 at Linyuan Plant	9,360
36.	Renewal of plant-wide lighting to explosion-proof LED at Linyuan Plant	1,157
37.	Establishment of a water fire hydrant turret at the northwest of the trough area in zone 27 at Linyuan Plant	498
38.	Addition of ABSL agglutinate frame filter press equipment in zone 22 at Linyuan Plant	2,300
39.	Project of bag filter renewal and changing filter bags to ceramic filter tubes at Linyuan Plant	8,220
40.	Renewal of TAPI/II/C AN feed control valve to non-leakage type in zone 22 at Linyuan Plant	609
41.	Maintenance and renewal project of incinerator equipment at Linyuan Plant (renewal of air	1,520

Pollution Prevention Equipment Installed or Expenditure Content		Amount
	duct & chimney)	
42.	Addition of pipeline to D2587 (single tank water seal) exhaust port of Area 25 (SUKA SAN Process Area) of Linyuan Plant for access to RTO	1,954
43.	Renewal of TAP-C RBD control valve to non-leakage type in Area 21 (PBDL Process Area) at Linyuan Plant	795
44.	Purchase of two Foxboro TVA2020 equipment component detectors at Linyuan Plant	880
45.	Access of tail gas of acrylonitrile tank (S1111-1/2)5 in Area 11/11B of Linyuan Plant to RTO treatment	367
46.	Access of vacuum exhaust of Area 32 of Linyuan Plant to RTO for treatment	3,176
47.	Collection of exhaust gas from agglutinating tank/neutralizing tank/centrifuge and screening machine in Lines B and C of Area 26 of Linyuan Plant and sending to the long-foot condenser before being led to RTO	2,767
48.	Addition of hood and J2756 vacuum system exhaust gas as well as S2717 and D2719 storage tanks to the DMF concentrated discharge ports of Areas 25 and 27 of Linyuan Plant to be pumped to RTO water sealing tank by BLOWER	2,550
49.	Change of the quick connector type of styrene tanker unloading pipe in Area 11 (single storage tank area) of Linyuan Plant to dry connector	168
50.	Maintenance of double-tank regenerative incinerator in Linyuan Plant	1,745
51.	Addition of a heat exchanger to the outlet pipeline of the aeration windmill of the second-line biological aeration tank of the sewage treatment plant of Linyuan Plant	1,205
52.	Addition of a new high-efficiency cooling water tower (E6208E-3) to the public area of Linyuan Plant	7,900
53.	Renewal of TAP-I/II/C SM feed control valve to non-leakage type in Area 22 at Linyuan Plant	610
54.	Addition of electricity meter, anemometer and anemometer were to the air extraction system of the die head in Area 27 at Linyuan Plant	240
55.	Renewal of cooling water tower (E6208-1) at Linyuan Plant	3,076
56.	Replacement of shaft-free sealing pump for P2772 (heat medium main circulation pump) in Area 27 at Linyuan Plant	2,250
57.	Renewal of styrene circulation pump (P1101-2) and styrene discharge pump (P1101-3) in Area 11 (monomer storage tank area) at Linyuan Plant to non-leakage pump	360
58.	Renewal of TAP-I/II reaction tank pressure discharge control valve to non-leakage type in zone 24 at Linyuan Plant	1,660
59.	Renewal of A/B line monomer (AN/SM) input S2513-1/2 feed control valve (FV2512A/B, FV2511A/B) in Area 25 (SUKA SAN process area) of Linyuan Plant to non-leakage type	1,120
60.	Renewal of monomer (AN/SM) feed control valve to non-leakage type in Area 24 at Linyuan Plant	1,640
61.	Renewal of exhaust gas flow meter for the combustion tower of Linyuan Plant	345
62.	Addition of automatic fire sprinkler system to five high-risk equipment in Area 21C (PBDL/ABSL process area) at Linyuan Plant	1,162
63.	Addition of automatic fire sprinkler system to three high-risk equipment in Area 13C (BD refining area) at Linyuan Plant	990
64.	Addition of automatic fire sprinkler system above the reaction tank, degassing tank, preheater, and emergency discharge tank of A/B line in Area 25 (SUKA SAN process area) at Linyuan Plant	690
65.	Renewal of AB line recovery monomer control valve (FV2542A/FV2542B) to non-leakage type in Area 25 (SUKA SAN process area) of Linyuan Plant	580
66.	Renewal of A/B line reaction tank feed control valve (FV2514A/FV2514B) in Area 25 (SUKA SAN process area) to non-leakage type and modification of pipeline in Area 25 of Linyuan Plant	1,050
67.	Replacement of NOVA cooling water tower fan with FRP energy-saving blade at Cianjhen Plant	728
68.	Renewal project of mechanical shaft seal of Nova R1 mixer at Cianjhen Plant	552
69.	Renewal project of EPS centrifuge at Cianjhen Plant	2,614
70.	Purchase of spare parts for mechanical shaft seal of EPS reaction tank at Cianjhen Plant	270
71.	Addition of dust collector in zone 26 at Cianjhen Plant.	50



Pollution Prevention Equipment Installed or Expenditure Content		Amount
72.	Renewal of waste gas pipeline at wastewater treatment plant at Cianjhen Plant.	541
73.	Renewal of slurry pump of EPS Section at Cianjhen Plant.	587
74.	Purchase of spare parts for feeding machine in Nova silo area at Cianjhen Plant	506
75.	Purchase request of spare parts for SBR circulating pump in wastewater treatment plant at Cianjhen Plant	266
76.	Renewal of staircase and guardrail of Nova cooling water tower at Cianjhen Plant.	366
77.	Purchase of NOVA R1 mixer Gear Box bearing spare parts for Cianjhen Plant	552
78.	Purchase of low frequency vibration analysis and testing instrument at Cianjhen Plant	1,168
79.	Purchase request of spare parts for Nova vacuum pump CB625B at Cianjhen Plant	978
80.	Addition of AI online spectrum analysis system to NOVA R1 mixer in Cianjhen Plant	998
81.	Renewal of MB2 resin deterioration in pure water system of Cianjhen Plant	301
82.	Replacement of filter bag of the dust collector filter in Toufen Plant	126
83.	Anti-corrosion of phenolic resin storage tank in Toufen Plant	390
84.	Addition of electrostatic precipitator to the discharge pipeline (P005) of Toufen Plant	13,634
85.	Repair of the south wall of glass wool in Toufen Plant (including runoff water outlet)	511
86.	Establishment of spill dyke in diesel tank at Toufen Plant	12
87.	Addition of surveillance system to electrostatic precipitator of Toufen Plant	55
88.	Removal of cooling chimney behind furnace of Toufen Plant	35
89.	Annual wastewater and exhaust gas inspection expenses of Zhongshan Plant	2,427
90.	RTO equipment of Zhongshan Plant	38,856
91.	CCR construction project of Zhongshan Plant	6,946
92.	Upgrade of DCS & SIS systems at Zhongshan Plant	25,398
93.	Renovation of the tea room for employees at Guanyin Plant	123
94.	Plant renovation at Guanyin Plant	4,568
95.	Replacement of water chiller at Guanyin Plant	743
96.	Working environment improvement expenses at Guanyin Plant	4,393
97.	Addition of employee shower facilities at Guanyin Plant	222
98.	Replacement of staff dormitory air-conditioning system at Guanyin Plant	156
99.	Rectification of environmentally friendly air-conditioning duct at Guangzhou Plant	89
100.	Employee canteen air-conditioning system at Guangzhou Plant	231
101.	Iron wardrobes for staff dormitories at Guangzhou Plant	110
102.	Processing grinding area compartments and air conditioners at Guangzhou Plant	352
103.	Separation and renovation of rainwater and sewage pipelines at Kunshan Plant	682
104.	Renovation of workplace equipment at Kunshan Plant	1,658
105.	Grass ground greening at Kunshan Plant	25
106.	Renovation of ground and wall construction equipment at Kunshan Plant	1,460
107.	Employee safety facilities at Malaysia Plant	211
108.	Improvement of air conditioning equipment at Malaysia Plant	695
109.	Addition of staff equipment at Malaysia Plant	18
Total		258,800

:The Company's expected environmental protection expenditures in 2022 are as follows

Unit: NT\$ 1,000

Proposed Pollution Prevention Equipment or Expenditure		Amount
1.	Improvement project of B-LINE E-215/E-216 Recycle Cooler at Renwu Plant No.1	15,000
2.	Renewal of C/EF Rx Middle Catalyst Pump at Renwu Plant	18,000
3.	Improvement of dust escape of 34 Silo to RTO Vent at Renwu Plant	800
4.	Improvement of positive pressure system in the electrical room in the process area of Renwu Plant No. 1	2,000
5.	Transformer Improvement Project in the Process Area at Renwu Plant No. 1	2,000

Proposed Pollution Prevention Equipment or Expenditure		Amount
6.	Renewal of EF-line Xylene chemical cleaning pump at Renwu Plant	1,100
7.	Application for purchase of Recycle Cooler inner tube for Renwu Plant No. 1	2,300
8.	Replacement of aging control valves for the process area at Plant No. 1	3,000
9.	Application for purchase of C-Line LDV BODY for Renwu Plant No.1	2,500
10.	Improvement of Radiation Level Switch in the Processing Room of Renwu Plant No.1	350
11.	Renewal of C-line with Modifier Pump at Renwu Plant No. 1	7,000
12.	Renewal of boiler black smoke identification system at Renwu Plant No. 1	700
13.	Renewal of ethylene unloading pump at Renwu Plant No.1	2,450
14.	Renewal of VA transfer Pump and V-405 tank pressure control at Renwu Plant No. 1	3,300
15.	Renewal of E-217 recycle cooler at Renwu Plant	17,880
16.	Purchase of cooling water tower blisks and blades for Renwu Plant No. 2	700
17.	Second ILI in-pipe testing for existing industrial underground pipelines at Renwu Plant	59,000
18.	L3 wastewater system drainage line blockage re-planning and preparation project at Linyuan Plant	800
19.	P-5204A/B propylene transfer pump VOC improvement project of Linyuan Plant	1,620
20.	RTO DP-12/DP-13 damper replacement project of Linyuan Plant	2,500
21.	RTO-6601 A/B tank heat storage material replacement project of Linyuan Plant	6,000
22.	Heat and coolness reservation construction project and 111 CUI inspection in Linyuan Plant	7,000
23.	Purchase of VOC detectors for Linyuan Plant	600
24.	Addition of combined fuel steam boiler at Linyuan Plant	50,000
25.	Improvement of VOC in the bag blowing machine room in the Laboratory Section of Linyuan Plant	800
26.	Replacement of D2561 heat medium temperature control valve TV2562 in Area 25 at Linyuan Plant	750
27.	Renewal of the material of 13U/21U TAP- I RBD pipeline from carbon steel to stainless steel at Linyuan Plant	1,600
28.	Purchase of spare parts for reaction tank RBD feed valve (FV2103) in Area 21 (PBDL/ABSL process area) of Linyuan Plant	230
29.	Foam tank renewal project for Area 12 at Linyuan Plant	1,980
30.	Renewal of foam storage tank built-in bag and raw liquid for Area 27 at Linyuan Plant	700
31.	Purchase and installation of 2500GPM diesel fire pump at Linyuan Plant	6,000
32.	Maintenance and repair of incinerator in Linyuan Plant	700
33.	Renewal of top outlet pipeline and burner (including mother fire pipeline and control system) of the FLARE STACK at Linyuan Plant	4,900
34.	Addition of new isolation valve to the front air duct of the old RTO explosion-proof box in Area 26 (ABS process area) of Linyuan Plant	250
35.	Addition of emergency generator for the TOYO SAN process area to the substation of Linyuan Plant	33,600
36.	Addition of emergency generator to Cianjhen Plant (in execution)	13,000
37.	Replacement of PDA inspection machine of the whole factory in Cianjhen Plant	280
38.	Upgrade of Plant Scape (server) system of EPS process console at Cianjhen Plant	1,100
39.	Case of motor replacement at Cianjhen Plant	1,180
40.	Replacement of the refrigeration oil circulation pump and valve parts of the NOVA refrigerator at Cianjhen Plant	650
41.	Replacement of mixer shafts in the EPS Section at Cianjhen Plant	400
42.	Replacement of air compressors at Cianjhen Plant	4,880
43.	Application for purchase of spare parts for NOVA ED221 cooler at Cianjhen Plant	460
44.	Application for purchase of finished Silo level display transmitter for NOVA at Cianjhen Plant	160
45.	Spare parts for stirring blade of EPS reaction tank of Cianjhen Plant	400
46.	Purchase of spare parts for mechanical shaft seals and shafts for EPS reaction tank at Cianjhen Plant	1,620
47.	Purchase of NOVA R1 agitator gearbox gear and mechanical shaft seal spare parts at Cianjhen Plant	1,170
48.	Purchase of spare parts for NOVA adsorption tank steam pressure reducing valve at Cianjhen	160



Proposed Pollution Prevention Equipment or Expenditure		Amount
	Plant	
49.	Refurbishment of 3500GPM fire pump engine intake turbine at Cianjhen Plant	260
50.	Improvement of flue gas emission of P001~4 and P006~7 emission pipes of Toufen Plant	10,000
51.	Addition of waste storage facilities at Toufen Plant	5,120
52.	Addition of roof for outdoor raw cullet storage area at Toufen Plant	2,410
53.	Renewal of ammonia gas detector of Toufen Plant	150
54.	Operating expenses of the environmental protection facilities in Zhongshan Plant	8,310
55.	Hazardous waste disposal expenses of Zhongshan Plant	4,051
56.	Annual wastewater and exhaust gas inspection expenses of Zhongshan Plant	1,563
57.	Operating expenses of ISO14001 system at Zhongshan Plant	43
58.	Operating and maintenance expenses for exhaust gas treatment equipment in Toufen Plant	100,000
59.	Operating and maintenance expenses for wastewater treatment equipment in Toufen Plant	50,000
60.	Air pollution prevention expenses of Toufen Plant	28,000
61.	Industrial waste cleanup and treatment expenses of Toufen Plant	3,000
62.	Regular application for the inspection of stationary pollution source in Toufen Plant	1,000
63.	Pressure vessel inspection expenses of Toufen Plant	500
64.	Noise improvement in Toufen Plant	400
65.	Plant renovation at Guanyin Plant	2,500
76.	Renovation of employee dormitory at Guanyin Plant	1,600
67.	Environmental improvement cost of Guanyin Plant	8,000
68.	Improvement of compartment and equipment improvement at Guangzhou Plant	6,660
69.	Maintenance of air conditioning engine, water tower and generator at Guangzhou Plant	504
70.	Replacement of computers at Guangzhou Plant	2,363
71.	Rectification of air-conditioning system at Guangzhou Plant	1,530
72.	Improvement of equipment at Kunshan Plant	8,100
73.	Addition of fire broadcasting system at Kunshan Plant	900
74.	Improvement of dormitory equipment at Kunshan Plant	4,275
75.	Improvement of staff equipment at Malaysia Plant	100
76.	Improvement of air conditioning equipment at Malaysia Plant	56
Total		534,965

(III.) in response to the European Union's Restriction of Hazardous Substances Directive (RoHS):

The Company is RoHS-compliant, and the restriction has no effect in the Company's financial operations.

V. Labor Relations:

(I.) List the Company's employee welfare measures, continuing education, training, retirement system and implementation status, as well as agreements between the employer and employees and measures for protecting employee rights and interests:

1. Employee welfare measures

(1) The Company provides a diversified and competitive salary system, on the premise of external competition, internal fairness and legality, and upholds the concept of sharing profits with employees to draw, retain, cultivate and motivate outstanding talents. The remuneration of the Company's employees consists of monthly salaries, bonuses for production performance, and employee compensation for the distribution of each year's earnings.

(2) The Company made annual salary adjustments based on its profits, market

salaries, price indexes, its remuneration policies, its rivals' annual performances and development potential, in order to maintain its overall salary competitiveness. In 2021, employee salaries approximately increased within the range of 3.0% and 3.6%. The remuneration of employees shall not be less than 1% of the distributable earnings of the year. The proposed employee compensation of NT\$59,332 thousand for 2021 was approved by the Board of Directors on March 10, 2022.

- (3) The Company rewards employees for their contributions and motivates them to continue their efforts through employee compensation, so that the interests of employees and shareholders are directly aligned to create a win-win-win situation for the Company, shareholders and employees. The Company bases the distribution of employee bonuses on the results of the Company's operations while referring to the payout levels in R.O.C. industry. The amount allocated to each employee is based on individual contribution and performance.
- (4) As regards the compensation of employees of overseas subsidiaries, the Company not only sets reasonable and competitive salary levels in accordance with the local labor market conditions, but also makes reference to local laws and regulations, industry practices and the overall operating performance of each subsidiary to encourage its employees to make long-term contributions and grow with the Company.
- (5) The Company regularly arranges health checkups every year. The head office in Taipei is equipped with a gym and shower rooms. The plants are staffed by certified nurses to provide its employees with health care and medical assistance. Female employees are provided with menstrual leave and independent spaces for nursing. We cooperate with childcare services to provide childcare services.
- (6) Employees who have served in the Company for 3 months (or above), are entitled a birth allowance of NT\$ 10,000 for each new born child in the family. The amount is doubled for twins. Employees' application for unpaid parental leave can be submitted before their children reach the age of three and the leave can be extended to up to two years.
- (7) The Company has established the Employee Welfare Committee and sets aside fund for the welfare fund in accordance with the Employee Welfare Fund Act. The Company manages the use of the employee welfare fund for various beneficial activities to promote the physical and mental health of employees. All employees of the Company are entitled to fair access to all benefits provided by the Employee Welfare Committee. The retention and use of the employee welfare fund are processed by the Employee Welfare Committee.

2. Workplace diversity and equality

In 2021, the male-to-female pay ratio, according to the characteristics of the petrochemical industry, although there is a slight difference in the female-to-male pay ratio, it is still close to one to one, showing the achievement of gender equality. (The male-female salary ratio, based on the full salary comparison, for the middle and high-ranking male to female ratio, it is 1.14:1, and for general staffs, the male to female ratio is 0.95:1; based on base salary comparison, for the middle and high-ranking male to female ratio, it is 1.16:1, and for general staffs, the male to female ratio is 0.88:1)

3. Employee education and training



- (1) Every year, the Company shall conduct surveys on requirements of employee training, and complete annual training plans in accordance with the Company's employee training regulations. The Company shall also create budget for the implementation of trainings. Employee functional training, management training, lectures, health talks and various types of conferences are all included in the scope of training. Employees can participate in learning through various learning methods including work instructions given by supervisors, classroom lectures, educational CDs or online learning.
- (2) In order to combine both employee training and promotion, the Company has specifically established general education courses for promotion in order to encourage employees to actively learn and study. Employees must complete the prescribed courses before they can be officially promoted.
- (3) For employees who demonstrate a strong willingness to learn and develop their potential, the Company provides grants for further education in local universities, which are supplemented with career adjustments in their respective positions in order to nurture leaders required by enterprises.
- (4) Employee training is recorded and archived. Every year, employees have to attend at least 8 hours of internal training, which is taken into account during employees' performance appraisal. The survey on employee's opinions and a review report is conducted at the end of each course. The Company conducts satisfaction surveys at year end to summarize employee's opinions and advices on employee's training and the result serve as a reference for improvement.
- (5) The Company's employee training expenditure in the most recent fiscal year: The Company's annual employee training expenditure for 2021 was NNT\$6,551 thousand.

Name of Representative Training	Training Participant	Name of Representative Training	Training Participant
Director and Supervisor Refresher Course: The value of information security in the post-epidemic era and the Sino-US trade war (for Directors and Supervisors)	Chairman's Office	[Ethics Lecture] Trade Secrets Act Introduction and Case Analysis	Advanced Material Division
[Special Lecture] International trend of net zero carbon emission and green transformation of chemical industry	General (deputy) Manager Office (MGT)	[Ethics Lecture] Internet Copyright and How to Use Software Legally	Personnel Department
[Digital Lecture] Transforming DNA: Amazon's Culture of Innovation	Research and Development Division	Continuing Education for Directors and Supervisors: Insider Trading Case Study	Accounting Division
[Ethics Lecture] Insider Trading Practice Cases and Related Legal Liabilities	Sales and Marketing Division	Fire Marshalling and Emergency Response Training	Renwu Plant
Study on Labor Act for HR Personnel	Renwu Plant	Working Principle and Maintenance of Windmill	Renwu Plant
Supervisor's Compulsory Course in Labor Regulations	Renwu Plant	Training for the Protection and Safety of Free Radiation	Renwu Plant
Introduction to the Trade Secrets Act and Case Analysis	Renwu Plant	Gas Pressure Pipeline Design	Renwu Plant
Intergenerational Leadership and Communication Skills	Renwu Plant	Safety Instrument Application Introduction	Renwu Plant
ISO9001:14001:45001 Three-in-One Auditor Training	Renwu Plant	Underground Pipeline Leak Detection Tool Practice Training	Renwu Plant
ISO 14064:14067 Auditor Training	Renwu Plant	2021 Plastic Industry Innovation Forum	Engineers
Internet Copyright and How to Use Software Legally	Renwu Plant	API ICP 570 Process pipelines	Equipment inspectors
Human Resource Management (Not applicable for Head of Human Resource Division and Department)	Supervisors	ISO 18436-2 International Vibration Analyst Training	Equipment inspectors
[EMBA] Marketing Management	Supervisors	ISO 50001 Internal Auditor Education and Training	ISO 50001 internal auditors
[EMBA] Systematic Thinking and Team Leadership	Supervisors	PSM Plan Promotion and Implementation Sharing	Process Engineers
[EMBA] Tactical Management	Supervisors	VCM Moisture Analyzer Training	Quality Inspection Section personnel
[EMBA] Leadership and Talent Development	Supervisors	General Labor Safety and Health On-the-Job Training	General employees
[SEMBA] Strategy Management	Senior Executive	SEW Reducer Motor Maintenance Education and Training	Maintenance personnel
[SEMBA] Leadership and Talent Development	Senior Executive	General Loader Training	General loader operators
[Special Lecture] Problem Analysis and Solving Practice	Personnel of the whole plant	Learn Communication Well in One Lesson	General employees

Name of Representative Training	Training Participant	Name of Representative Training	Training Participant
[Digital Lecture]: Digital Transformation of TCC	Personnel of the whole plant	Class B Boiler Operator Training	Class B Boiler operators
Notes on Profit Enterprise Income Tax Declaration in 2020	Cost Section	Personnel Defense Driving Education & Training	Maintenance Section Personnel
Seminar on Labor Standards Act in 2021	Human Resources	The Voice of the Earth	General employees
Construction Safety and Hygiene and Law Promotion Report for 2021	Engineering Affairs Department / VCM Plant	Training – Driving Large Trucks	Truck drivers
Emergency Response (with Process Overview) for 2021	Personnel of the whole plant	Work Safety Promotion	PVC Sheet Maintenance Section Personnel
Mitalk Environmental Microbiology Workshop	Special Environmental Testing Section	Industrial Acoustic Imaging Instrument Education and Training	Maintenance personnel
PSI Process Safety Information Education and Training	Supervisors / General employees	Introduction of Material Characteristics and Manufacturing Technology of Stainless Steel	Engineering personnel
Explanation of PVC Factory Process / Explanation of VCM Factory Process	Equipment Inspection Section	Safety and Health On-the-Job Training for Hazardous Operations Supervisors	Supervisors of Hazardous Operations
Ethylene Analyzer Calibration Method Teaching	Quality Control Section	Organic Solvent Operations Supervisor Training	Organic Solvent Operations Supervisors
Study on Labor Act for HR Personnel	Human Resources	Primary Visual, Fluid Permeability, Ultrasound (VT, PT, UT) Testing	Equipment inspectors
Human Resource Management Regulation Formulation Skills and Practice Class	Human Resources	Metal Surface Anti-Rust Treatment Technology	Process Engineers
Small Boiler Operator Training	Special Environmental Testing Section	Security Inspector Training	Security inspectors
Training on Microbiological Inspection of Cosmetics	General employees	Quality and Process Control Training	PVC leather quality control personnel
CommonWealth Innovation Academy Course	Supervisors / General employees	On-the-Job Training for Emergency Personnel	First aid personnel
Type C Occupational Safety and Health Manager	General employees	Food-Grade Product Education and Training	Alkali-Chlorine Section personnel
Supervisor's Compulsory Course in Labor Regulations	Supervisors / General employees	Pre-Machine Cleaning Power Off Operation Drill	Personnel of the whole plant
Main Transformer Equipment Description	Electrical Section	Class A Waste Water Personnel	Responsible personnel
Emergency Power Supply System Operation Instructions	Electrical Section	Type A Occupational Safety and Health Manager	Business Manager
Work Instruction, Improvement, Cultivation Planning and Implementation	Supervisors	Hazardous Equipment Notices	Production Management Section personnel
Target Management and Performance Evaluation	Supervisors	Specific Chemical Operation Training for Supervisors	Specific Chemical Operations Supervisor
Somatosensory Training for Disassembly and Assembly of Petrochemical Equipment Parts	Engineering Department / Maintenance Section	On-the-Job Supervisor Training on Dust Operations	Supervisor training on dust operations
Analysis of Common Problems in Corporate Finance and Taxation	Cost Section	Training of Personnel Responsible for Health Risk Assessment	Responsible personnel / relevant employees
Talent Acquisition for Corporations	Supervisors	Temperature Control Instructions and Abnormal Elimination	Production Management Section personnel
Description of Operation Procedures Related to Underground Pipeline Maintenance and Transportation	Equipment Inspection Section	Defect Detector Application and Review	PVC Leather Section 1 personnel
Material damage analysis	Equipment Inspection Section	Polyolefin Technology Series Seminar	Pellet Engineer
Accident Investigation Method Case Exercise / Practical Seminar	Supervisors / General employees	Process Safety Operation and Quality Training	PVC Compound Section personnel
Operation Instructions for Inspection of Key Equipment in the Two Plants	Equipment Inspection Section	Training on Testing, Inspection and Certification Comparison and Practice (1~4)	Inspection personnel
Knowledge Management	Supervisors	Electrical Engineering Training - Ball Valve Introduction	Engineering personnel
Construction Safety Management Practice Seminar	Work Safety Office / Relevant employees	Instrument and Electrical Maintenance and Repair Training	Instrument maintenance personnel
Pump Repair Job Instructions	Maintenance Section	Equipment calibration personnel training	Equipment calibration personnel
Infrared analysis	Equipment Inspection Section	PVC Sheet Quality Inspection Training	PVC sheet quality control personnel
Employee Code of Conduct Quiz	Supervisors / General employees	Raw Materials and Formula of Plastic Sheets	Technical Quality Control Section personnel
Employee Counseling Skills and Emotion Management Workshop	Human Resources	Mechanical Training	Mechanical maintenance personnel



Name of Representative Training	Training Participant	Name of Representative Training	Training Participant
Radiographic inspection	Equipment Inspection Section	Radiation Protection Workshop	Radiation equipment operators
Education and Training on the Use and Operation of Gas Cylinders	Equipment Inspection Section	Production and application of environmental protection materials	PVC Leather Section 1 personnel
High-Speed Lathe Operation Instructions / Fitter	Maintenance Section	Betel nut health hazard propaganda	People who eat betel nut
Leadership in Three Kingdoms	Supervisors	Mechanical and Electrical Equipment Sealing Monitoring and Gas Sensing Calibration Practice	Maintenance personnel
Industrial Park Social Responsibility Promotion	Human Resources	Laboratory operation guidelines and training for improvement of external audit deficiencies	Inspection Section personnel
Operating Instructions for Mobile Power Generation Welders	Maintenance Section	Personnel using hoisting tools to carry out hoisting operations	Personnel using hoisting tools to carry out hoisting operations
USI Linyuan Industrial Zone Fire Extinguishing Training	General employees	API 580 Risk Based Inspection RBI Professional Training	Equipment inspectors
[Special Lecture] International trend of net zero carbon emission and green transformation of chemical industry	Personnel of the whole plant	ISO 13485 Medical Device Quality Management System Internal Auditor Training	Pellet Engineer
[Ethics Lecture] Insider Trading Practice Cases and Related Legal Liabilities	Supervisors	FPG Mailiao Industrial Zone Factory General Inspection Results Presentation Conference	Process Engineers
[Ethics Lecture] Internet Copyright and How to Use Software Legally	Personnel of the whole plant	TAF Certification Test Standards (All), Finished Product Inspection Instrumentation and Testing and Calibration Retraining	Inspection personnel
[Ethics Lecture] Trade Secrets Act Introduction and Case Analysis	Personnel of the whole plant	Internal Auditors' Analysis on Legal Compliance and Fraud Prevention Practice Issues of "Information Security" and "Personal Privacy"	Auditors
[Digital Lecture] "Jason's Day - A Required Course for Digital Freshmen" Online Course	General employees	Safety and Health On-the-Job Training for Management, Command and Supervision Supervisors at All Levels	Supervisors at all levels
[Digital Lecture] Do you want to buy a Tesla? - How digital transformation is disrupting industries: a case study of Tesla	General employees	Training for Operators of Fixed Cranes with Hoisting Capacity of 3 Tons or More	Relevant employees
[Digital Lecture] Transforming DNA: Amazon's Culture of Innovation	Supervisors / General employees	Operators of fixed cranes with hoisting capacity more than 0.5 tons and less than 3 tons	Relevant employees
2021 Annual Practical Workshop on On-site Service for Labor Health Service Personnel	Labor Safety Office	Raw Material/Material Inspection, Test Development and Automotive Leather Inspection and Correction Retraining	Inspection personnel
2021 Equipment Pipeline Corrosion and Deterioration Assessment Mechanism and Testing Practice Training	Equipment Inspection Section	On-the-Job Health and Safety Training for Oxygen-deficient and Confined-space Operations Personnel	Operators/supervisors working in oxygen-deficient and confined spaces
2021 Lecture on Knowledge, Ability and Practice Sharing of Labor Health Service	Labor Safety Office	Safety and Health On-the-Job Training for the Designated Operation Personnel of High-Pressure Gas	High-pressure gas-specific equipment operators/supervisors
PSM Education and Training Course - Preliminary Manufacturing Process, Panel Control Principle and Operation Training	Manufacturing Section	Safety and Health On-the-Job Training for Forklift Operators	Safety of forklift operators
On-the-Job Training of Type I Pressure Vessel Operators	Relevant employees	Latest interpretations of corporate governance policy and audit compliance practices for setting "corporate governance personnel"	Auditors
Communications and Effective Leadership in Organizations	Supervisors	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	Accounting Manager
Creating High-Performance Teams	Supervisors	2021 Self-defense and fire marshalling team personnel	Self-defense and fire marshalling team personnel
Eddy current testing	Equipment Inspection Section	FID, S.S, COD testing equipment operation teaching	Relevant employees
Complaint and Conflict Management	Supervisors	Addition of BYPASS on both sides of HE-1201	Relevant employees
Information Security Awareness Training	Information System Division	ISO 9001 Measuring Instrument Calibration and Management Practice	Relevant employees
Intergenerational Leadership and Communication Skills	Supervisors	Document Processing - Application of CMMS and ERP	Relevant employees
Magnetic particle Inspection	Equipment Inspection Section	Fire Prevention Personnel	Relevant employees
Equipment Maintenance Procedures	Maintenance Section	Security Supervisor Training	Relevant employees
Instructions for Work Safety Permits, Labels on Equipment, and Instructions for Blind Sealing Procedures	Maintenance Section	First Aid Personnel Training Course	Relevant employees
Engineering Construction Specification Writing Skills, Engineering Procurement Contracting and Price Comparison Skills	Engineering Section	Process Operation Training - Getting Familiar with DCS and PID	Relevant employees
Training of Professional Technical Management Personnel for Class A Toxic Chemicals and Chemicals of Concern	Responsible personnel	SOP Education and Training for Plant Area	Relevant employees
Senior Laboratory Personnel Training for Laboratory Development and Testing	Special Environmental Testing Section	Workplace Health Promotion Lecture: Analysis on In-plant Health Checkup/Prevention of Common Cardiovascular Diseases in 2021	Supervisors / General employees

Name of Representative Training	Training Participant	Name of Representative Training	Training Participant
Training of Professional Treatment Personnel for Toxic Chemicals and Chemicals of Concern (Commander Level)	Personnel of the whole plant	Workplace Health Promotion Lecture: Embrace Joyful Life and Healthy Joints	Supervisors / General employees
Kaohsiung City Pipeline Excavation Project Manager Certification Program Refresher Course	Equipment Inspection Section	Item-by-Item Confirmation of On-site Construction Environment Safety, and Instructions for Operation Procedures of Equipment Maintenance Worksheets	Maintenance Section
Portable GC Education and Training	Application Planning Section	The 1st Collaborative Partnership Symposium on Land and Water Sustainability and Climate Adaptation	Environmental protection technology development personnel
Negotiation Skills	Supervisors	The 33rd (2021) Environmental Engineering Annual Conference and various special academic seminars	Application Planning Section
Director and Supervisor Refresher Course: The value of information security in the post-epidemic era and the Sino-US trade war and Insider Transaction Case Study	Senior Executive	Change Management Process, Calculation of Chemical Unit Operating Principles, Introduction to Chemical Machinery/Materials	Technical Section
Training on Sampling Drilling Rig Operation and Remediation Well Setting Practice	Application Planning Section	Please purchase the outsourcing program	Maintenance Section
Instructions for Equipment Disassembly Procedures, Use of Pump Shaft Seal Cooling Water	Maintenance Section	Tanker Filling Operation, Accident Treatment and Safety	Storage Section
Basic Training of Cathode Corrosion Protection System Maintenance and Detection	Equipment Inspection Section	Mechanical and Electrical Equipment Sensing Calibration and Computer Aided Simulation Sealing Practice Training (STC)	Maintenance Section
Managing Cycle Implementation	Supervisors	Instructions for the Operation, Accident Treatment and Safety of Tank System	Storage Section
PSM training for Manufacturing Section from January to August	Manufacturing Section / Public Section	Environmental Analysis Quality Assurance and Quality Overview and Case Analysis	Application Planning Section
Process Hazard Analysis Practice Discussion Training Seminar	Technical Section	Lecture on 7 Major Guidelines for General Affairs and Procurement Personnel Management	Administration Section
On-the-Job Education and Training for Process Safety Assessment Personnel	General employees	Instructions for Use of Bolts	Maintenance Section
Introduction to ISO9001	Supervisors	Pre-Review Training before certification	General employees
Presentation Skills	Supervisors	International trend of net zero carbon emission and green transformation of chemical industry	Employees at the Linyuan Plant
2021 Labor Education and Training	Employees at the Linyuan Plant	Type 1 Pressure Vessel Operation Training	Synthesis Section / Manufacturing Section
2021 Digital Transformation Workshop Pre-departure Briefing Session	Chun-Hung Chen/Wen-Shih Liao	Real Fire technical training for Petrochemical Plant of the Group	Employees at the Linyuan Plant
EMBA team guidance training	Wang-Chuan Hsieh/Chun-Hung Chen	Group promoted digital transformation project training	Wen-Shih Liao
PSM Commencement Meeting Briefing Report	Employees at the Linyuan Plant	On-site practical operation training of fire-fighting equipment for new recruits	Employees at the Linyuan Plant
PSM process safety guidance training	Employees at the Linyuan Plant	[Ethics Lecture] Trade Secrets Act Introduction and Case Analysis	All staff
PSM Guidance - Introduction to Safety Management	Employees at the Linyuan Plant	Intergenerational Leadership and Communication Skills	All staff
PSM Guidance - Introduction to Equipment Integrity (MI)	Employees at the Linyuan Plant	Team Management and Team Decision Making	Chun-Hung Chen/Wang-Chuan Hsieh
SPC Statistical Process Control Class	Manufacturing Methods Section / Experiment Section	Polyolefin Seminar	Chun-Li Wang/Chung-I Lu
Acetylene operator training	Electrical Section / Repair Section	Manufacturing Climate Change Adaptation Promotion Report	Jung-Hsiung Chen
Training on labor law for human resources personnel	Wen-Hsien Chou/Wen-Ching Hsu	Process Safety Assessment Personnel Training	Ting-Hsiang Hsu
Operation training of 3-ton and above fixed crane	I-fan Liu	Process Safety Assessment and Process Modification Practice Reference Manual Amendment Instructions	Hao-Sheng Kuo/Wen-Shih Liao
On-site observation of factory intelligent energy management demonstration and guidance	Chen-Ti Hu/ Yung-ling He	Process safety management collective coaching	Hao-Sheng Kuo/Tzu-wen Chien
Reactor simulation program and teaching of reaction mechanism	Employees at the Linyuan Plant	Digital Lecture: Transforming DNA: Amazon's Culture of Innovation	All staff
Legal knowledge of supervisors and HR personnel	Employees at the Linyuan Plant	Introduction of hot melt adhesive specification EVA	Employees at the Linyuan Plant
FPG Mailiao Industrial Zone Factory General Inspection Results Presentation Conference	Employees at the Linyuan Plant	Mechanical and Electrical Equipment Sensing Calibration and Computer Aided Simulation Sealing Practice Training (STC)	Yuan-Hung Huang
Somatosensory Training for Disassembly and Assembly of Petrochemical Equipment Parts	Electrical Section / Repair Section	Training Name	Training Participant
Training Name	Training Participant	Radiation Protection Training	Electrical Section
Failure to Analyze (FTA) Technique of Petrochemical Plant	Manufacturing Technique Section / Synthesis Section	Performance Management and Talent Development	Chun-Hung Chen/Wang-Chuan Hsieh
Synthesis Emergency Response and Evacuation Drills	Synthesis Section	Boiler Operation Training	Manufacturing Section



Name of Representative Training	Training Participant	Name of Representative Training	Training Participant
Underground Industrial Pipeline Training - Emergency Response	Lin Cheng-Hsiung / Yang Wen-wei	On-the-job training for occupational safety personnel (business supervisor)	Ting-Hsiang Hsu
Training of emergency personnel for underground pipelines	Employees at the Linyuan Plant	Occupational Safety and Health Management Personnel Training	Wen-Shih Liao
Health and Safety Education and Training, Fire Drill	Employees at the Linyuan Plant	Transformational Leadership and Team Development/Team Motivation	Chun-Hung Chen/Wang-Chuan Hsieh
Organic Solvent Operations Supervisors	Synthesis Section/Experiment Section	The value of information security in the post-epidemic era and the Sino-US trade war	Cheng-Shun Chen
Accident investigation seminar	Employees at the Linyuan Plant	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	Cheng-Shun Chen
Re-Training of Air Pollution Prevention Specialists	Tien-Chieh Kuo	Insider Trading Case Study	Cheng-Shun Chen
Training of security supervisors	Ting-Hsiang Hsu	Business contract management and audit services	Chia-Huei Lin
First Aid Personnel Training	Kuo-Tang Liu	Cross-strait tax audit and regulation analysis practice	Chia-Huei Lin
Fire Practice Drill	Employees at the Linyuan Plant	2021 Accounting Manager Continuing Education Courses	Mei-Lan han
Supervisor training on dust operations	Synthesis Section	Supervisor's Compulsory Course in Labor Regulations	All employees in Taipei
Training for Supervisor of Oxygen-Deficient Operations	Wen-Shih Liao	Intergenerational Leadership and Communication Skills	All employees in Taipei
Energy Management Personnel Training Course	Chen-Ti Hu	International trend of net zero carbon emission and green transformation of chemical industry	All employees in Taipei
Training for operators of fixed cranes	Electrical Section / Repair Section	Introduction to the Trade Secrets Act and Case Analysis	All employees in Taipei
Training of high-pressure gas operations supervisors	Synthesis Section	Accident Investigation Practice Seminar	All employees in Taipei
High-pressure gas-specific equipment operation	Synthesis Section	How digital transformation is disrupting industries: a case study of Tesla	All employees in Taipei
Health Lecture "Prevention and Treatment of Liver Diseases"	Employees at the Linyuan Plant	Construction Safety Management Practice Seminar	All employees in Taipei
Forklift Operations Training	Manufacturing Section / Machine Repair Section	A compulsory course for digital freshmen	All employees in Taipei
How Internal Auditors Can Address Common Deficiencies in IFRS Financial Reporting	Chia-Fang Chuang	Problem Analysis and Solving Practice	All employees in Taipei
Digital Transformation of the Three Lines of Defense: On the Development and Digital Trends of Internal Control, Internal Audit and Legal Compliance	Chia-Fang Chuang	Stationary cranes (overhead cranes) - overhead ground operation	Renwu Plant
Labor safety and health management personnel	Business supervisors	Hoisting Operations on Fixed Cranes with Hoisting Capacity below 3 Metric Tons	Renwu Plant
Stacking Machines with a Load above 1 Metric Ton	Renwu Plant	First-Aid Personnel Safety and Health	Renwu Plant
Operation of Fixed Cranes (Overhead Cranes)	Renwu Plant	Organic Solvent Operations Supervisor Training	Operations Supervisor

4. Employee retirement system

ITEM	Labor Pension	
	Old	New
Legal Basis	Labor Standards Act	Labor Pension Act (Effective from July 1, 2005)
Proportion of Salary Contributed to Pension	The Company set up the "Labor Pension Reserve Supervision Committee," and contributes 12% of employees' monthly salaries to the pension reserve fund.	Employer: Employee's monthly salary 6% Employee: 0-6% per month (which can be fully exempted from employees' individual consolidated income tax amount of the current year)
Custodian Institution	Bank of Taiwan	Labor and Insurance Bureau
Eligibility and Application Method	When an employee whose service for a company constitutes the eligibility for pension payment in accordance with Labor Standards Act for the employee, the employer shall make such payment upon the employee's retirement.	At the age of 60, an employee may apply for return to the Labor Insurance Bureau for the accumulated amount in his/her individual pension account.
Degree of Employees' Participation in Pension Plan	100%	100%

Appropriation	Accumulated appropriation of NT\$1,995,515 thousand	NT\$163,437 thousand appropriated in 2021
<p>Note:</p> <ol style="list-style-type: none"> 1. In old pension system, if the balance in the fund, after actuarial evaluation, is insufficient to pay to all employees qualified for retirement in following year, the Company shall make up the difference in one appropriation by the end of March in the following year. The appropriation shall be submitted to the Supervisory Committee of Labor Retirement Reserve for deliberation. 2. The amended Labor Pension Act took effect on July 1, 2005. Employees who were hired prior to the enactment of the amended articles and remain working for the Company thereafter are allowed to choose between the amended or the old system until July 15, 2005. Those who failed to make decision before the aforementioned deadline shall continually apply to the old system. Employees applicable to the amended pension system shall make pension contribution from their salaries starting from July 1, 2005. Employees, who continuously choose to be applicable to the old mechanism may, within five years (before June 30, 2010), choose to be applicable to the amended pension system. Employees who are employed after July 1, 2005 or are re-employed after resignation after the aforementioned date shall be applicable to the amended pension system. 3. Employees who are applicable to the amended pension system in accordance with the Labor Standards Act may not choose to be applicable to the old pension system. 4. Provisions of Labor Pension Act applicable to the Company include the following: Voluntary retirement: A worker may apply for voluntary retirement under any of the following conditions: (the provisions shall apply, mutatis mutandis, to those who are in the amended Labor Pension Act system) <ol style="list-style-type: none"> (1) Where the worker attains the age of fifty-five and has worked for fifteen years. (2) Where the worker has worked for more than twenty-five years. (3) Where the worker attains the age of sixty and has worked for ten years. Mandatory retirement: Unless any one of the following circumstances is met, the Company shall not force an employee to retire: <ol style="list-style-type: none"> (1) Where the worker attains the age of sixty-five (2) Where the worker is totally incompetent at work due to mental disorders or physical disabilities. The Company may request the central competent authority to adjust the age prescribed above if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided. However, that the age shall not be reduced below fifty-five. Pension payment standard: <ol style="list-style-type: none"> (1) Employees who have service seniority accumulated before or after the application of the Labor Standards Act, and choose to be applicable to the Labor Standards Act in accordance with Labor Pension Act or service seniority preserved before the application of the Labor Pension Act, shall have their retirement benefit paid in accordance with Article 55 and Article 84-2 of the Labor Standards Act. (2) Employees who have service seniority calculated according to the preceding pension payment standard and are forced to retire in accordance with Subparagraph 2 of Paragraph 1 of Article 35 of the Labor Standards Act, an additional 20% on top of the amount calculated according to the preceding pension payment standard shall be given to the worker forced to retire due to disability incurred from the execution of their duties, as set forth in Subparagraph 2 of Paragraph 1 of Article 55. (3) For employees who are applicable to the provisions of the Labor Pension Act, 6% of the amount of employee's salary into employees' individual account of labor pension. Pension payment: The Company shall pay the due amount of pension within 30 days after an employee's retirement. 		

5. Agreements between the Company and employees and measures for protecting employees' rights and interests

In order to establish a rule-based channel for agreements between the employer and employees, meetings are regularly held between the employer and employees in



order to effectively solve problems between the employer and employees.

6. Related certifications obtained from the relevant competent authorities by personnel of the Company involved with the transparency of financial information

Department	Name	Related Certification
Accounting Division	Chuan-Hua Kuo	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
	Chien-Chou Kuo	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
	Cheng-Shun Chen	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
		Passed the Accountant Examination in the 2008 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination Certificate No.: (97) Chuan Kao Hui Tzu No. 000012
	Chin-Tsai Lin	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
	Sheng-Chuan Chang	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges offered by the Accounting Research and Development Foundation
		Passed the Accountant Examination in the 2007 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination Certificate No.: (96) Chuan Kao Hui Tzu No. 000147
Wu, Chia-Ling	Passed the Accountant Examination in the 2011 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination Certificate No.: (100) Chuan Kao Hui Tzu No. 000114	
Auditing Division	I-Ting Chiang	International certified internal auditor (CIA)
		How auditors detect financial statement frauds Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1100753
		Information Security Audit and Detection: The Application of Modular Security Management Certificate No.: Tien Hsieh Cheng Tzu No. 1100547
	Ta-Cheng Li	International certified internal auditor (CIA)
		Certificate of Qualification in the Professional Development Course and Test for Internal Auditors Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1100099 Certificate No.: jxbzf No. 1100127 Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1101897 Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1103888
		Internal Audit Association of the Republic of China Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1100844 Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1104718
		Certified Internal Auditor (CIA) Certificate No.: Chi Hsieh Cheng Tzu No. 1060022
	Chia-Huei Lin	Internal Audit Association of the Republic of China Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1092979
		Computer Audit Association Certificate No.: Dian Xie Zheng Zi No. 1090869
Ying-Chun Tu	International certified internal auditor (CIA)	
	Certification of Qualification for Enterprise Internal Control Basic Abilities Test offered by the Securities and Futures Institute	
Kang-Nian Jiang	International certified internal auditor (CIA)	
Shih-To Kuo	Pre-employment Training Workshop for New Enterprise Internal Auditors Certificate No.: Chi Hsieh Pei Cheng Fa Tzu No. 1101052	

7. Employee Code of Conduct or Ethics

In accordance with the Labor Standards Act and relevant laws, employees' work rules and various management systems (described below) have been established in order to maintain workplace discipline and order among employees.

- (1) Every employee is given a Employee Work Rules Handbook which specifies the behavior or work ethic of employees, including employment, dismissal, working hours, vacation, leave, rewards and punishments, performance appraisal, retirement and welfare.
- (2) Pre-employment training for new employees covers basic education on ethics, environmental protection, occupational safety and health management.
- (3) Signing of "Letter of Undertaking" by employees: This document establishes employees' commitment towards maintaining the confidentiality of information regarding the Company's tangible and intangible operating assets and prevents employees from infringing on the interests of the Company.
- (4) The Company's website discloses the following: "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers", "Ethical Corporate Management Best Practice Principles", "Procedures for Handling Material Inside Information" and "Procedures for Ethical Management and Guidelines for Conduct."

Please refer to Corporate Governance section under Investor Relations on the Company's website (<https://www.usife.com>) for the Employee Work Rules.

8. Protection measures for work environment and employees' personal safety

- (1) The Company has passed ISO14001, OHSAS18001 (the ISO 45001 certificate was obtained in May 2020, and the current validity period is from May 9, 2022 to April 16, 2025) management system certification, and actively promotes improvement activities such as energy conservation, disaster prevention, and pollution prevention.
- (2) In order to enhance self-inspection of all aspects of work safety, the Company complies with the "Group Safety and Health Partners Regional Joint Rescue" system recommended and guided by the South Labor Inspection Institute, and actively participates in the events organized by Renda Safety and Health Promotion Association.
- (3) The Company actively attends activities held by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and upholds its spirit, as well as helps contractors build a safe and healthy environmental management system. In addition, the Company also participates in community events and cares for product protection in order to create a better living environment.
- (4) The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company also provides group insurance, annual health checkups, sports and fitness equipment, as well as organizes various outdoor recreational activities and talks on mental, emotional and spiritual health
- (5) With regard to employees' personal safety protection, the Company not only provides employees with personal protective equipment such as goggles, earplugs and earmuffs, as well as vertical fall arresters, but also continuously offers training related to employee safety, with hopes that manufacturing equipment can run safely in plants, thereby achieving production goals in a smooth manner.



9. Fulfilling Social Responsibilities

- (1) The Company makes contributions to our social and economic well-being.
- (2) The Company encourages its employees to participate in various service activities to promote community and social development.
- (3) The Company complies with government regulations and dedicates full effort to reduce negative impact of business activities on the environment to achieve goals in environmental protection policies (e.g. adoption of environmentally friendly coolants and energy-saving lighting equipment for the reduction of carbon emissions and greenhouse gases).
- (4) The Company does its best to take in to account local cultural and social traditions when conducting various business activities.
- (5) The Company has always been committed to the principle of equal opportunities and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, rather than based on their race, gender, age, religion, nationality or political affiliation.

- (II.) In the most recent years as of the publication date of the annual report, the losses suffered due to the labor disputes (including matters with labor inspection results that violate the Labor Standards Act, the punishment date, the punishment font size, the provisions of the statute violated, the content of the statute violated, and the punishment content are listed), and the current and future estimated amounts and responding measures shall be estimated. If it cannot be estimated reasonably, state the fact that it cannot be estimated reasonably:

The Company has always attached importance to labor-management communication and harmony. On the basis of good labor-management relations, in addition to being committed to improving employee benefits, welfare, ability, and work environment, and the Company has maintained smooth communication channels to understand employees' difficulties and needs. Thus, all labor-management issues can receive attention from supervisors at all levels and can be communicated and resolved on the basis of mutual integrity. No loss has resulted from labor dispute in the most recent fiscal year up to the publication date of this annual report.

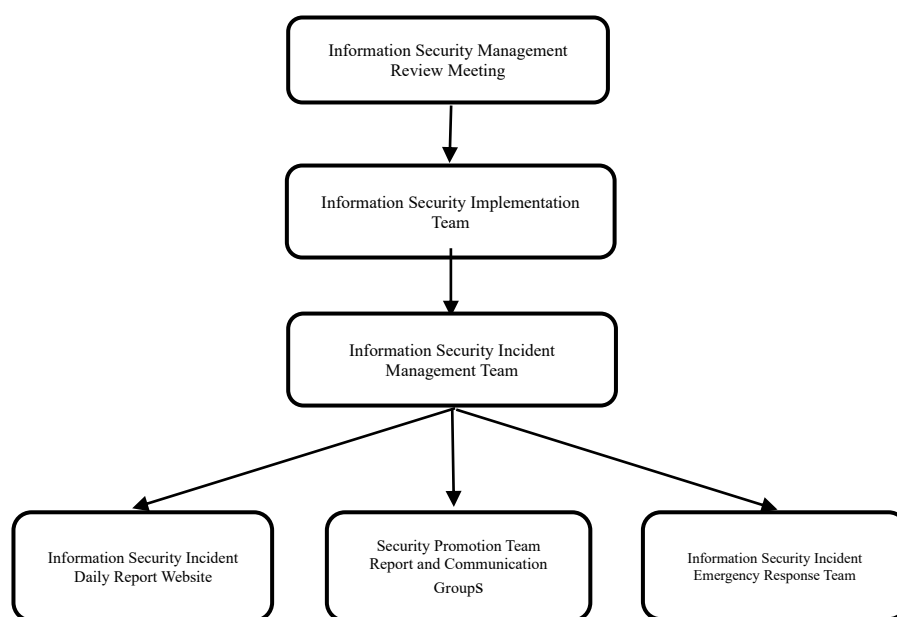
VI. Information security management:

- (I.) Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.

1. Information security risk management framework:

- (1) Corporate information security governance organization:

The Company holds an annual "information security management review meeting" at fixed date, make a judgment on the six input projects (resolution status of past management reviews, changes to internal and external issues related to the information security management system, feedback on information security performance, feedback from related parties, status of risk assessment results and risk management plans, opportunities for continuous improvement) of the information security system management, and make a conclusion on the two output projects of the information security management system (including decisions related to continuous improvement opportunities and any need for changes to the information security management system), to achieve the objectives of the information security management system. The structural diagram of the Information Security Management Audit Committee is as follows:

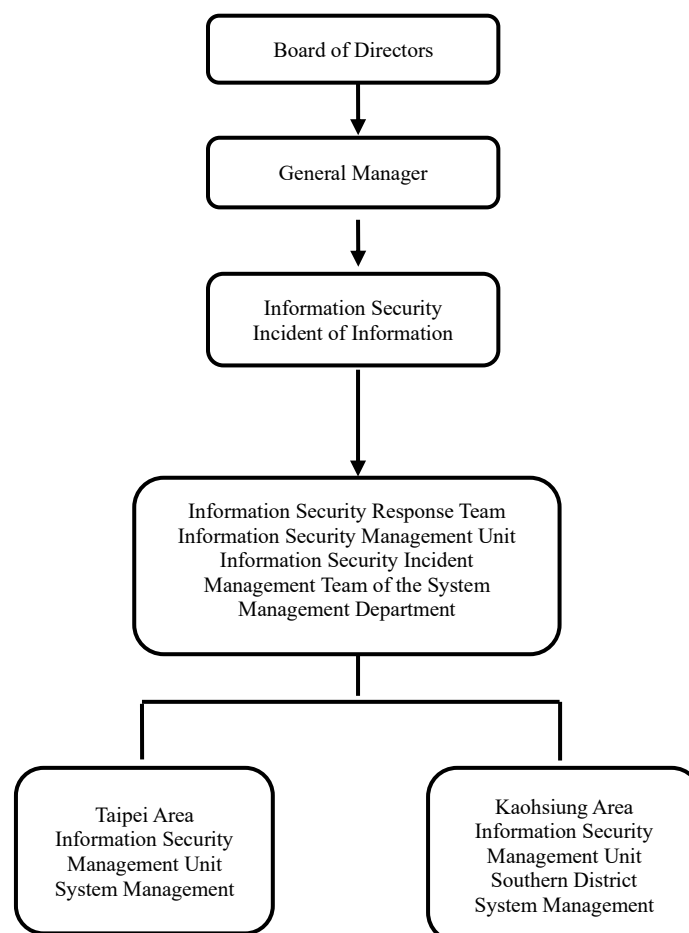


- (2) Structure of corporate information security governance organization:

According to the provisions in the standard operating procedure (SOP) of the



Company "Setting Standards of Information Security Promotion Organization", an "information security promotion team" has been set up to supervise the operation of information security management within the group and define the roles and responsibilities of each promotion organization. The meeting is held once a year. If there is a major information security incident, it can be held immediately. The Director of the Information Technology Department serves as the convener of the Team and takes charge of the meetings of the Information Security Implementation Team as well as decisions and arbitration of opinions in the meetings. The supervisors of units under the jurisdiction of the Information Technology Department are members of the Team. In the event of a material information security incident, the Director of the Information Technology Department shall report to the General Manager or heads of related departments. The structural diagram of the Information Security Implementation Team is as follows:



Responsibilities of Information Security Promotion Team:

- Establish the information security risk management framework and information

security policies

- Conduct information security risk assessments and analyses
 - Information security maintenance and execution
 - Verification of the effectiveness of information security operations
- (3) The setup of the information security chief and the information security department:

The company plans to complete the establishment of the information security chief and the information security department by the end of 2022.

2. Information Security Policy:

(1) Manage corporate information security and structure

- ISO 27001 information security system:

Since 2014, the ISO 27001:2013 information security management system has been established and continued to operate. Every year, an external professional information security verification and certification company, British Standards Institution (BSI) Taiwan Branch (BSI), has been hired for review. The Company has been passing the certification for 7 years in succession (the current certificate is valid from July 4, 2020 to July 3, 2025).

- NIST CSF Information Security Management Framework:

Incorporated into the Cybersecurity Framework (CSF) developed by the National Institute of Standards and Technology (NIST).

(2) Manage corporate information security risks and constantly improve structure

Based on the ISO 27001 information security management system, supplemented by the NIST CSF information security management framework, it strengthens risk management and control, improves information security resilience, and has the ability to withstand, contain and quickly recover from information security incidents, so as to continue to provide key operational services.

(3) Specific management plan:

- Vulnerability scanning and detection: Regularly scan and detect vulnerabilities of server operating systems to find out potential risks, so as to correct systems or bring forth compensatory measures and enhance information security. So far, the Company has executed these measures for six consecutive years.
- Control over information assets: Build platforms for information asset



management for entering and registering assets, their items, use and maintenance records. Perform regular inspection and maintenance.

- Fire walls and operation technologies (OT): Improve filtration efficiency of incoming and outgoing packages, and effectively reduce risk of exposure to system vulnerabilities.
- Critical Server (SEVER): deploy Crowd Strike, use artificial intelligence (AI) and machine learning (ML) modes of non-feature comparison, to analyze attack behaviors in real time, and block known and unknown potential threats.
- Email (Mail): Adopt the Microsoft Office 365 solution, plus Advanced Threat Protection (ATP) to defend against unknown malicious code and viruses. Through the cloud operation through email, gradually reduce the number of AD and DC (Domain Controller) is gradually reduced, thereby reducing the attack scope.
- Office equipment (IT): Use Trend Micro anti-virus software to detect abnormal network behaviors, such as monitoring the behavior of users' computers to log in to AD (Active Directory) hosts, and find abnormalities in real time.
- Personnel information security management: Prevent hacking or data leakage; information personnel receive at least four hours of information security education and training every year.
- Social Engineering Drills: At least twice a year, the Company entrusts an external professional security consulting company to carry out social engineering drills, so as to effectively enhance employees' awareness of security, protect data from external intrusion and tampering.

(4) Resources invested in the security management of Zitong:

- Standard books: formulate 16 standard books.
- Information security standards: Passed ISO27001 certification for 7 consecutive years.
- Number of cloud mail users: 4/28/2021~12/30/2021, the total number of cloud users: 2,195.
- Information security investment: a total of about NT\$8,800.
- Information security notices: 9 notices were issued.
- Social Engineering Drills (Group): A total of 2 drills were held, with a total of

4,200 participants.

(II.) Information security risks and countermeasures

1. Risks on IT security:

Factories' operations management is essential for the manufacturing industry. Their production procedures or processes are mainly managed and controlled using operation technologies (OT), including distributed control system (DCS), and supervisory control and data acquisition (SCADA), which are generally employed for production stability. The operating systems or programs are generally not upgraded over many years. After they become legacy systems, they are not as useful as general information technologies for protecting information security. For example, software and hardware such as ERP, CRM and OA are apparently deficient.

2. Management measures for IT security:

- (1) Internal audit is performed by the Company's audit department and an external professional information security consulting company. Externally, British Standards Institution (BSI), an international famous certification company, is annually engaged to perform audit for ISO 27001 certification. In addition to reviewing the information security risk assessment management framework, we also provide assistance and prevention measures for internal and external issues and conduct information security risk assessments and analyses.
- (2) Use Palo Alto networks 3220 for OT, and improve filtration efficiency of incoming and outgoing packages with new 7-layer firewall system, to effectively reduce risk of exposure to system vulnerabilities.
- (3) Carry out OT management and build [factory OT management platforms]; perform complete asset management of factory OT.
- (4) Annually entrust an external professional information security consulting company for vulnerability scanning with operating systems such as server hosts, to find out potential risks, correct systems or put forward compensatory measures.
- (5) Strengthen personnel and information security management to prevent hacker attacks or information disclosure. Information personnel shall be annually educated and trained regarding information security for four hours at minimum.



(III.) Major Information Security Incident:

List the losses suffered due to major information security incidents in the most recent fiscal year up to the publication date of the annual report, and the possible impact and countermeasures. If the amount cannot be reasonably estimated, facts of which estimation cannot be made shall be explained:

As of the publication date of the annual report, the Company has no losses suffered due to major information security incidents and the possible impact.

Chapter 7 Important Contracts:

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive provisions
Ethylene and Propylene Purchase Contract	CPC Corporation	1/1/2021-12/31/2021	Annual volume and price of ethylene and propylene supplied to USI Corporation's Renwu Plant	None.
Ethylene purchase contract	Mitsubishi Corporation	1/1/2021-12/31/2021	Annual volume and price of vinyl acetate supplied to USI Corporation's Renwu Plant	None.
Ethylene purchase contract	Mitsui	1/1/2021-12/31/2021	Annual volume and price of vinyl acetate supplied to USI Corporation's Renwu Plant	None.
Ethylene purchase contract	BASF	1/1/2021-12/31/2021	Annual volume and price of vinyl acetate supplied to USI Corporation's Renwu Plant	None.
Ethylene purchase contract	Fujian Gulei Petrochemical Co., Ltd.	8/15/2021-12/31/2021	Annual volume and price of vinyl acetate supplied to USI Corporation's Renwu Plant	None.
Vinyl acetate purchase contract	Dairen Chemical Corporation	1/1/2021-12/31/2021	Annual contract volume and price of vinyl acetate supplied to USI's Renwu Plant	None.
Vinyl acetate purchase contract	HELM	1/1/2021-12/31/2021	Annual contract volume and price of vinyl acetate supplied to USI's Renwu Plant	None.
2017-1 Unsecured Ordinary	Trustee: Taipei Fubon Commercial Bank Co., Ltd	10/27/2017-10/27/2021	USI issued corporate bonds worth NT\$2 billion in total; the bonds were fully issued at par value of NT\$1 million; a 5-year term with fixed interest rate of 1.10%.	None.
2019-1 Unsecured Ordinary Corporate Bonds	Trustee: Taipei Fubon Commercial Bank Co., Ltd	04/26/2019-4/26/2024	USI issued corporate bonds worth NT\$2 billion in total; the bonds were fully issued at par value of NT\$1 million; a 5-year term with fixed interest rate of 0.98%.	None.
2021-1 Unsecured Corporate Bonds (Bond A)	The Trustee is Bank SinoPac	6/23/2021-6/23/2026	USI Corporation issued corporate bonds worth NT\$ 1 billion in total; the bonds were fully issued at par value of NT\$ 1 million; a 5-year term with fixed interest rate of 0.63%.	None.
2021-1 Unsecured Corporate Bonds (Bond B)	The Trustee is Bank SinoPac	6/23/2021-6/23/2028	USI Corporation issued corporate bonds worth NT\$ 1 billion in total; the bonds were fully issued at par value of NT\$ 1 million; a 7-year term with fixed interest rate of 0.73%.	None.
2021-2 Unsecured Corporate Bonds (Bond A)	The Trustee is Bank SinoPac	10/26/2021-10/26/2026	USI issued corporate bonds worth NT\$ 700 million in total; the bonds were fully issued at par value of NT\$ 1 million; a 5-year term with fixed interest rate of 0.63%.	None.
2021-2 Unsecured Corporate Bonds (Bond B)	The Trustee is Bank SinoPac	10/26/2021-10/26/2028	USI issued corporate bonds worth NT\$ 1.3 billion in total; the bonds were fully issued at par value of NT\$ 1 million; a 5-year term with fixed interest rate of 0.77%.	None.
Medium-term Lending Limit Contract	First Commercial Bank	4/1/2021 - 4/1/2024	USI and First Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive provisions
Medium-term Lending Limit Contract	Bank SinoPac	5/30/2021 - 6/30/2024	USI Corporation signed with Bank SinoPac to secure a 5-year medium-term lending contract with a revolving credit limit of NT\$ 300 million.	Based on the consolidated semi-annual/annual financial statements of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Entie Commercial Bank	7/28/2021 - 7/28/2024	USI signed with Entie Commercial Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million.	None.
Medium-term Lending Limit Contract	Taipei Fubon Commercial Bank Co., Ltd.	12/17/2019 - 3/12/2023	USI Corporation signed with Taipei Fubon Commercial Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million.	Based on the consolidated semi-annual/annual financial statements of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Taipei Fubon Commercial Bank Co., Ltd.	10/15/2021 - 10/15/2026	USI Corporation signed with Taipei Fubon Commercial Bank to secure a 5-year medium-term lending contract with a credit limit of NT\$ 804.8 million.	Based on the consolidated semi-annual/annual financial statements of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	E. SUN Commercial Bank	11/15/2021 - 10/15/2026	USI Corporation signed with E. SUN Commercial Bank to secure a 5-year medium-term lending contract with a revolving credit limit of NT\$ 400 million.	None.
Medium-term Lending Limit Contract	The Export-Import Bank of the Republic of China	03/11/2022 ~ 03/11/2025	USI Corporation and the Export-Import Bank of the Republic of China signed a 3-year medium-term lending limit contract worth NT\$300 million.	None.
Medium-term Lending Limit Contract	Bank of Tokyo-Mitsubishi UFJ	07/21/2020~ 07/21/2023	USI signed with Bank of Tokyo-Mitsubishi UFJ to secure a 3-year medium-term lending contract with a revolving credit limit of USD\$25 million.	Based on the consolidated semi-annual/annual financial statements of USI Corporation, its current ratio shall not be less than 150%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Mizuho Bank	8/25/2021 - 08/25/2024	USI Corporation signed with Mizuho Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million.	None.
Medium-term Lending Limit Contract	Chang Hwa Bank	09/01/2020 - 08/31/2023	USI Corporation and Chang Hwa Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Bank of China, Taipei Branch	10/28/2020 ~ 10/27/2023	USI and Bank of China, Taipei Branch, signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Credit Limit Contract Secured Fully by Commercial Papers	Far Easter International Bank	2/3/2021~ 2/3/2024	USI signed with Far Easter International Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$500 million; the contract is fully secured by commercial papers.	Based on the consolidated annual financial statements of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.



Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive provisions
Medium-term Lending Limit Contract	Bank SinoPac	5/30/2021 - 6/30/2024	Union Polymer International Investment Co., Ltd. signed with Bank SinoPac to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$300 million.	Based on the consolidated semi-annual/annual financial statements of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Credit Limit Contract Secured Fully by Commercial Papers	Taipei Fubon Commercial Bank Co., Ltd.	12/13/2019~3/12/2023	Union Polymer International Investment Co., Ltd. signed with Taipei Fubon Commercial Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million; the contract is fully secured by commercial papers.	The annual debt ratio (debt/net value) of the annual financial statements of Union Polymer International Investment Co., Ltd. shall not be higher than 150%. Based on the consolidated semi-annual/annual financial statements of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Taishin Commercial Bank	06/23/2020~06/23/2023	Union Polymer International Investment Co., Ltd. signed with Taishin Commercial Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$300 million.	Based on the consolidated semi-annual/annual financial statements of USI Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Credit Limit Contract Secured Fully by Commercial Papers	Chang Hwa Bank	11/05/2020~11/05/2023	Union Polymer International Investment Co., Ltd. signed with Chang Hwa Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million; the contract is fully secured by commercial papers.	None.
Joint Venture Contract	Ho Tung Chemical Corporation, LCY Group, Asia Polymer Corporation, Hsintay Petroleum Co., Ltd., Chenery Global Co., Ltd., Lien Hwa International Corporation, CTCI Corporation, Fubon Financial Capital, HF Investment and other companies	12/18/2019	USI Corporation and other nine companies jointly invested in the Gulei Industrial Park located in Zhangzhou, Fujian Province, China, to produce petrochemical-related products.	Restrictions on the transfer and pledge of shares.
Joint Venture Contract	Ever Victory Global Limited and DOR PO Company	06/05/2019	Jointly invested in Dynamic Ever Investments Limited before jointly investing in Gulei Park, Zhangzhou, Fujian Province, to produce petrochemical-related products.	Restrictions on the transfer and pledge of shares.
Material Purchase Contract	Formosa Plastics Corporation	1/1/2021-12/31/2021	Taiwan VCM Corporation and Formosa Plastics Corporation signed a contract for the purchase of dichloroethane. The price is agreed upon by both parties.	None.
Material Purchase Contract	MITSUI & CO., LTD.	1/1/2021-12/31/2021	Taiwan VCM Corporation and Mitsui & Co., Ltd. signed a contract for the purchase of dichloroethane, with the price of the material agreed by both the buyer and the seller.	None.
Material Purchase Contract	CPC Corporation	1/1/2021-12/31/2021	Taiwan VCM Corporation and CPC Corporation signed a contract for the purchase of ethylene. The price is agreed upon by both parties.	None.
Material Purchase	Dampier Salt Limited	1/1/2021-	China General Plastics Corporation (CGPC	None.

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive provisions
Contract		12/31/2023	Corporation) and Dampier Salt Limited signed a contract for the purchase of industrial salt, with the price of the material agreed by both the buyer and the seller.	
Medium-term Lending and Issuing Commercial Paper Guarantee Comprehensive Limit Contract	Yuanta Bank	07/02/2021-07/02/2024	CGPC Corporation and Yuanta Commercial Bank signed a three-year medium-term lending and issuing commercial paper guarantee comprehensive limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated annual report/semi-annual report of CGPC Corporation, its current ratio shall not be less than 175%, and its debt ratio (debt/net value) shall not be greater than 125%.
Medium-term Lending Limit Contract	Chang Hwa Bank	08/03/2021-08/03/2024	CGPC Corporation and Chang Hwa Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Chang Hwa Bank	02/15/2022-02/15/2027	CGPC Corporation signed with Chang Hwa Bank to secure a 5-year medium-term lending contract with a revolving credit limit of NT\$ 646.4 million.	None.
Medium-term Lending Limit Contract	Hua Nan Bank	08/28/2020-08/28/2023	CGPC and Hua Nan Bank signed a 3-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Taishin International Commercial Bank	05/11/2020-05/11/2023	Taiwan VCM Corporation and Taishin International Bank signed a three-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated annual report or semi-annual report of Taiwan VCM Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Cathay United Bank	10/15/2021-10/15/2026	Taiwan VCM Corporation and Cathay United Bank signed a 5-year medium-term lending limit contract worth NT\$1.071 billion.	None.
Medium-term Lending Limit Contract	Taipei Fubon Commercial Bank Co., Ltd.	10/15/2021-10/15/2026	Taiwan VCM Corporation signed with Taipei Fubon Commercial Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 595.2 million.	Based on the annual financial statements of Taiwan VCM Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	E. Sun Bank	11/15/2021-11/15/2026	Taiwan VCM Corporation and E. Sun Bank signed a 5-year medium-term lending limit contract worth NT\$776 million.	None.
Medium-term Lending Limit Contract	Bank of Taiwan	02/15/2022-2/15/2027	Taiwan VCM Corporation and Bank of Taiwan signed a 5-year medium-term lending limit contract worth NT\$300 million.	None.
Material Purchase Contract	CPC Corporation	01/01/2022-12/31/2022	Annual contract volumes and pricing for the supply of ethylene and propylene from APC	None.
Material Purchase Contract	Mitsubishi Corporation	01/01/2022-12/31/2022	Annual contract volumes and pricing for the supply of ethylene from APC	None.
Material Purchase Contract	Mitsui	01/01/2022-12/31/2022	Annual contract volumes and pricing for the supply of ethylene from APC	None.
Material Purchase Contract	BASF	01/01/2022-12/31/2022	Annual contract volumes and pricing for the supply of ethylene from APC	None.
Vinyl acetate purchase contract	Dairen Chemical Corporation	01/01/2022-12/31/2022	Annual contract volumes and pricing for the supply of vinyl acetate from APC.	None.
Medium-term Lending Limit Contract	Cathay United Bank	10/15/2021-10/15/2026	APC and Cathay United Bank signed a 5-year medium-term lending limit contract worth NT\$1.419 billion.	None.
Medium-term Lending Credit Limit Contract Secured Fully by Commercial Papers	Yuanta Bank	10/01/2021-10/01/2024	APC and Yuanta Bank signed a 3-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	Based on the consolidated annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value)



Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive provisions
				shall not be greater than 150%.
Medium-term Lending Limit Contract	Bank SinoPac	06/30/2021-06/30/2024	Asia Polymer Corporation signed with Bank SinoPac to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Taishin International Bank	07/09/2021-07/09/2024	APC and Taishin International Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Bank of Tokyo-Mitsubishi UFJ	12/20/2021-12/20/2024	APC and Bank of Tokyo-Mitsubishi UFJ signed a 3-year medium-term lending limit contract worth NT\$500 million, in which NT\$300 million is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 150%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Chang Hwa Bank	07/12/2021-07/12/2024	APC and Chang Hwa Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Credit Limit Contract Secured Fully by Commercial Papers	Shin Kong Bank	11/12/2020-11/12/2023	APC and Shin Kong Bank signed a three-year medium-term lending and commercial paper guarantee comprehensive limit contract worth NT\$450 million, which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Mizuho Bank	12/31/2021-12/31/2024	APC signed with Mizuho Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 300 million.	None.
Medium-term Lending Limit Contract	Taipei Fubon Commercial Bank Co., Ltd.	12/19/2019-03/12/2023	APC and Taipei Fubon Commercial Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	First Commercial Bank	10/12/2020-10/12/2023	APC and First Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Credit Limit Contract Secured Fully by Commercial Papers	Far Easter International Bank	02/03/2021-02/03/2024	APC signed with Far Easter International Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 500 million; the contract is fully secured by commercial papers.	Based on the consolidated annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Hua Nan Bank	05/28/2021-05/28/2024	APC and Hua Nan Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Bank of China, Taipei Branch	10/28/2021-10/27/2024	APC and Bank of China, Taipei Branch, signed a three-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive provisions
				its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract	Entie Commercial Bank	07/28/2021-07/28/2024	APC and Entie Commercial Bank signed a three-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Hua Nan Bank	10/15/2021 - 10/15/2026	CGTD Corporation signed with Chang Hwa Bank to secure a 5-year medium-term lending contract with a revolving credit limit of NT\$ 121.2 million.	None.
Medium-term Lending Limit Contract	Chang Hwa Bank	11/15/2021 - 11/15/2026	CGTD Corporation signed with Chang Hwa Bank to secure a 5-year medium-term lending contract with a revolving credit limit of NT\$ 217.2 million.	None.
Purchase of material	Taiwan Styrene Monomer Corporation	1/1/2021-12/31/2021 (Contract renewal every year)	Purchase of styrene from Taiwan Styrene Monomer Corporation to be supplied to Taita Chemical's Cianjhen Plant and Linyuan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties.	None.
Purchase of material	Formosa Chemicals & Fibre Corporation	1/1/2021-12/31/2021 (Contract renewal every year)	Purchase of styrene from Formosa Chemicals & Fibre Corporation to be supplied to Taita Chemical's Cianjhen Plant and Linyuan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties.	None.
Purchase of material	CPC Corporation	1/1/2021-12/31/2021 (Contract renewal every year)	CPC Corporation agreed to sell and supply butadiene to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the price set by CPC Corporation. Payment for the material must be settled on the 15th of the following month after delivery.	None.
Purchase of material	Formosa Petrochemical Corporation	1/1/2021-12/31/2021 (Contract renewal every year)	Formosa Petrochemical Corporation agreed to sell and supply butadiene to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the price set by Formosa Petrochemical Corporation. Payment for the material must be settled on the 14th of the following month after delivery.	None.
Purchase of material	China Petrochemical Development Corporation	1/1/2021-12/31/2022	China Petrochemical Development Corporation agreed to sell and supply acrylonitrile to Taita Chemical's Linyuan Plant every year, where the price of the material is calculated based on the original price agreed by both parties. Payment for the material must be settled on the 15th of the following month after delivery.	None.
Purchase of material	CNOOC and Shell Petrochemical Co., Ltd (CSPC)	1/1/2021-12/31/2021 (Contract renewal every year)	Import of styrene from CHOOC and Shell Petrochemicals Co., Ltd. to be supplied to Taita Chemical's Zhongshan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties, and a domestic letter of credit should be issued before shipment.	None.
Purchase of material	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd.	1/1/2021-12/31/2021 (Contract renewal every year)	SinoPec Chemical Sales (Huanan) Co., Ltd. agreed to sell and supply styrene to Taita Chemical's Zhongshan Plant every year, where the price of the material is calculated based on the mutual agreement between both parties. Payment for the material must be settled before delivery.	None.
Technical Cooperation	TAICA (Japanese Company)	Starting from November 25, 1996, the request will be automatically extended every five years if there is no	This contract involves the transfer of cubic printing technology to Taita Chemical Co., Ltd., where this technology is the first of its kind in the world and enables printing of various patterns on uneven surfaces (such as telephones, automobile parts and components), thereby enhancing the added value of products. This technology has been patented in many countries, including the	None.



Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive provisions
		objection by both parties after the contract expires.	United States, Japan, Canada, Germany, the Netherlands, France and the United Kingdom.	
Provision of Technology	Owens Corning Company (U.S. Company)	04/01/2014-03/31/2024	Provision of expertise to Taita Chemical with regards to the manufacture of glass wool insulation products	None.
Medium-term Lending Credit Limit Contract Secured Fully by Commercial Papers	Far Easter International Bank	05/06/2021-05/06/2024	Taita Chemical and Far Easter International Bank signed a 3-year medium-term lending and commercial paper guarantee comprehensive limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated annual financial statements of Taita Chemical, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 175%.
Medium-term Lending Limit Contract	Chang Hwa Bank	07/12/2021-07/12/2024	Taita Chemical and Chang Hwa Bank signed a 3-year medium-term lending limit contract worth NT\$500 million, which is a revolving loan facility.	None.
Medium-term Lending Limit Contract	Mizuho Bank	08/30/2021 - 08/30/2024	Taita Chemical signed with Mizuho Bank to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$ 300 million.	None.
Medium-term Lending Limit Contract	Taishin International Bank	05/18/2020 - 05/18/2023	Taita Chemical Co., Ltd. and Taishin International Bank signed a three-year medium-term lending limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of Taita Chemical, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 175%.
Medium-term Lending Limit Contract	Hua Nan Commercial Bank	07/03/2020 - 07/03/2023	Taita Chemical Co., Ltd. signed with Bank of South China to secure a 3-year medium-term lending contract with a revolving credit limit of NT\$300 million.	None.
Medium-term Lending Credit Limit Contract Secured Fully by Commercial Papers	Yuanta Bank	02/18/2021 - 02/18/2024	Taita Chemical and Yuanta Commercial Bank signed a three-year medium-term lending and commercial paper guarantee comprehensive limit contract worth NT\$300 million, which is a revolving loan facility.	Based on the consolidated annual financial statements of Taita Chemical, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Secured Lending Limit Contract	Yuanta Commercial Bank	03/15/2022 - 03/15/2027	ACME Electronics Corporation's land and factory premises at its Guanyin Plant were provided as collaterals for a loan, where the limit is NT\$ 870 million.	There are limits on current ratio and debt-to-equity ratio.
Medium-term Secured Lending Limit Contract	Yuanta Commercial Bank	03/15/2022 - 03/15/2025	ACME Electronics Corporation's land and factory premises at its Guanyin Plant were provided as collaterals for a loan, where the limit is NT\$ 130 million.	Limits on net value and current ratio.
Medium-term Lending Limit Contract	Chang Hwa Bank	09/28/2021 - 09/28/2024	The credit line for Acme Electronics is NT\$300 million.	None.
Medium-term commercial note	Taichung Bank	08/10/2021 - 08/10/2023	The credit line for Acme Electronics is NT\$100 million.	None.
Medium-term Unsecured Lending Limit Contract	O-Bank	03/24/2021 - 03/23/2023	The credit line for Acme Electronics is NT\$200 million.	There are limits on current ratio and net value.
Medium-term Lending Limit Contract	Bank of Tokyo-Mitsubishi UFJ	01/14/2022 - 01/14/2025	USI Green Energy Corporation and Bank of Tokyo-Mitsubishi UFJ signed a 3-year medium-term lending limit contract worth NT\$200 million.	None.

Chapter 6 Financial Summary

I. Condensed Balance Sheet, Statement of Comprehensive Income, as well as Name and Audit Opinions of CPAs in the Most Recent Five Years

(I.) Condensed consolidated balance sheet and consolidated comprehensive income statement

1. Condensed consolidated balance sheet - IFRS

Unit: NT\$ 1,000

ITEM	Year	Financial information in the most recent five fiscal years (audited and verified)					Financial information of the current fiscal year up to March 31, 2022 (reviewed)
		2021	2020	2019	2018	2017	
CURRENT ASSETS		35,367,040	28,539,554	28,020,172	30,099,382	30,484,428	34,474,689
Property, plant and equipment		24,471,011	23,169,313	23,228,911	23,825,239	23,758,495	24,719,667
INTANGIBLE ASSETS		314,194	279,833	286,030	302,403	362,375	313,060
Other assets		24,672,968	25,335,816	19,890,673	14,764,014	9,788,553	24,457,183
Total Assets		84,825,213	77,324,516	71,425,786	68,991,038	64,393,851	83,964,599
CURRENT LIABILITIES	Before Distribution	15,549,577	12,703,826	12,634,382	14,651,784	12,863,294	13,056,245
	After distribution (Note 1)	18,164,857	13,892,589	13,228,764	15,008,413	13,212,930	- (Note 2)
NON-CURRENT LIABILITIES		13,630,675	15,897,047	19,614,457	17,884,545	16,722,138	13,398,206
Total Liabilities	Before Distribution	29,180,252	28,600,873	32,248,839	32,536,329	29,585,432	26,454,451
	After distribution (Note 1)	31,795,532	29,789,636	32,843,221	32,892,958	29,935,068	- (Note 2)
Equity attributable to owners of the parent company		25,461,999	20,990,778	18,659,503	18,187,153	18,124,407	26,517,513
Share capital		11,887,635	11,887,635	11,887,635	11,887,635	11,654,544	11,887,635
Capital Surplus		366,185	321,798	271,613	253,738	238,194	366,184
Retained Per Share (EPS)	Before Distribution	13,599,427	9,497,146	7,756,919	6,814,829	6,738,561	14,134,186
	After distribution (Note 1)	10,984,147	8,308,383	7,162,537	6,458,200	6,388,925	- (Note 2)
Other equity		84,358	(240,195)	(781,058)	(293,443)	(31,286)	605,114
Treasury shares		(475,606)	(475,606)	(475,606)	(475,606)	(475,606)	(475,606)
Non-controlling Interests		30,182,962	27,732,865	20,517,444	18,267,556	16,684,012	30,992,635
Total equity	Before Distribution	55,644,961	48,723,643	39,176,947	36,454,709	34,808,419	57,510,148
	After distribution (Note 1)	53,029,681	47,534,880	38,582,565	36,098,080	34,458,783	- (Note 2)

Note 1: The figures after distribution shall be filled in accordance with the resolutions of the Board of Directors in 2021, and for the rest years, in accordance with the resolutions of the shareholders' meeting of the next year. The company's articles of association stipulate that cash dividends must still be submitted to the shareholders' meeting.

Note 2: It is not listed unless the resolution has been passed by the Shareholders' Meeting.



2. Condensed consolidated statement of comprehensive income - IFRS

Unit: NT\$ 1,000

ITEM	Year	Financial information in the most recent five fiscal years (audited and verified)					Financial information of the current fiscal year up to March 31, 2022 (reviewed)
		2021	2020	2019	2018	2017	
Revenue		71,755,542	50,201,273	55,656,741	60,892,513	58,133,943	17,097,921
Gross operating profit		17,753,701	10,479,882	6,732,369	5,794,740	7,126,932	3,129,324
Net profit from operations		12,882,918	6,886,592	2,931,733	1,932,799	3,377,667	1,668,285
Non-operating revenue and expenses		(130,476)	236,403	429,637	589,628	110,603	(680,332)
Net profit before tax		12,752,442	7,122,995	3,361,370	2,522,427	3,488,270	987,953
Net income							
NET PROFIT FOR THE YEAR		—	—	2,541,226	1,868,349	2,712,050	—
Gain (loss) from discontinued operations		—	—	4,175	7,467	(2,197)	—
NET PROFIT FOR THE YEAR		10,079,451	5,682,637	2,545,401	1,875,816	2,709,853	730,376
Other comprehensive income - Net amount after taxes		(187,249)	516,772	(993,485)	(60,577)	(370,554)	1,129,941
Total comprehensive income for the year		9,892,202	6,199,409	1,551,916	1,815,239	2,339,299	1,860,317
Net income attributable to owners of the parent company		5,191,394	2,409,778	1,281,364	539,935	1,111,290	534,759
Net income attributable to non-controlling interests		4,888,057	3,272,859	1,264,037	1,335,881	1,598,563	195,617
Total comprehensive income attributable to owners of the parent company		5,615,597	2,875,537	822,153	366,533	970,032	1,055,515
Total comprehensive income attributable to non-controlling interests		4,276,605	3,323,872	729,763	1,448,706	1,369,267	804,802
EARNINGS PER SHARE	Before Adjustment	4.84	2.25	1.19	0.50	1.06	0.50
	After adjustment (Note 1)	-(Note 2)	2.25	1.19	0.50	1.04	-(Note 2)

Note 1: Stock dividends of affected businesses have been retrospectively adjusted.

Note 2: It is not listed unless the resolution has been passed by the Shareholders' Meeting.

(II.) Condensed balance sheet and statement of comprehensive income

1. Condensed balance sheet - IFRS

Unit: NT\$ 1,000

Year ITEM	Financial information in the most recent five fiscal years (audited and verified)				
	2021	2020	2019	2018	2017
CURRENT ASSETS	8,112,835	5,882,803	6,038,900	6,585,770	7,133,917
Property, plant and equipment	6,511,029	6,473,623	6,609,957	6,682,004	6,536,559
INTANGIBLE ASSETS	40	155	333	470	33,638
Other assets	23,228,538	20,536,054	18,682,731	16,199,526	13,017,931
Total Assets	37,852,442	32,892,635	31,331,921	29,467,770	26,722,045
CURRENT LIABILITIES					
Before Distribution	5,964,947	4,089,828	3,102,159	3,293,739	2,076,844
After distribution (Note 1)	8,580,227	5,278,591	3,696,541	3,650,368	2,426,480
NON-CURRENT LIABILITIES					
Total Liabilities					
Before Distribution	12,390,443	11,901,857	12,672,418	11,280,617	8,597,638
After distribution (Note 1)	15,005,723	13,090,620	13,266,800	11,637,246	8,947,274
Share capital	11,887,635	11,887,635	11,887,635	11,887,635	11,654,544
Capital Surplus	366,185	321,798	271,613	253,738	238,194
Retained Earnings					
Before Distribution	13,599,427	9,497,146	7,756,919	6,814,829	6,738,561
After distribution (Note 1)	10,984,147	8,308,383	7,162,537	6,458,200	6,388,905
Other equity	84,358	(240,195)	(781,058)	(293,443)	(31,286)
Treasury shares	(475,606)	(475,606)	(475,606)	(475,606)	(475,606)
Total equity					
Before Distribution	25,461,999	20,990,778	18,659,503	18,187,153	18,124,407
After distribution (Note 1)	22,846,719	19,802,015	18,065,121	17,830,524	17,774,771

Note 1: The figures after distribution shall be filled in accordance with the resolutions of the Board of Directors in 2021, and for the rest years, in accordance with the resolutions of the shareholders' meeting of the next year. The company's articles of association stipulate that cash dividends must still be submitted to the shareholders' meeting.



2. Parent company-only statement of comprehensive income - IFRS

Unit: NT\$ 1,000

Year ITEM	Financial information in the most recent five fiscal years (audited and verified)					
	2021	2020	2019	2018	2017	
Revenue	16,034,251	10,172,220	10,966,471	11,763,140	11,551,511	
Gross operating profit	4,303,866	1,507,409	1,382,167	807,962	1,200,915	
Net profit from operations	3,521,910	908,440	702,720	112,137	503,786	
Non-operating revenue and expenses	2,348,931	1,651,882	756,267	508,205	703,152	
Net profit before tax	5,870,841	2,560,322	1,458,987	620,342	1,206,938	
NET PROFIT FOR THE YEAR	5,191,394	2,409,778	1,281,364	539,935	1,111,290	
Other comprehensive income - Net amount after taxes	424,203	465,759	(459,211)	(173,402)	(141,258)	
Total comprehensive income for the year	5,615,597	2,875,537	822,153	366,533	970,032	
Net income attributable to owners of the parent company	5,191,394	2,409,778	1,281,364	539,935	1,111,290	
Total comprehensive income attributable to owners of the parent company	5,615,597	2,875,537	822,153	366,533	970,032	
EARNINGS	Before Adjustment	4.84	2.25	1.19	0.50	1.06
PER SHARE	After adjustment (Note 1)	—(註 2)	2.25	1.19	0.50	1.04

Note 1: The earnings distribution has been retroactively adjusted.

Note 2: It is not listed unless the resolution has been passed by the Shareholders' Meeting.

(V) Name of CPAs and their audit opinions in the most recent five fiscal years

Year	Accounting firm	Name of CPAs	Audit opinion
2017	Deloitte & Touche	CPAs Tzu-Jung Kuo and Shih-Tsung Wu	Unqualified opinion
2018	Deloitte & Touche	CPAs Pi-Yu Chuang and Cheng-Hung Kuo	Unqualified opinion
2019	Deloitte & Touche	CPAs Pi-Yu Chuang and Cheng-Hung Kuo	Unqualified opinion
2020	Deloitte & Touche	CPAs Pi-Yu Chuang and Cheng-Hung Kuo	Unqualified opinion
2021	Deloitte & Touche	CPAs Pi-Yu Chuang and Cheng-Hung Kuo	Unqualified opinion

II. Financial Analysis in the Most Recent Five Fiscal Years

(I.) Financial analysis - IFRS

USI and its subsidiaries

Analysis Item (Note 3)		Financial analysis for the most recent 5 years (audit and certification)					Current year up to March 31, 2022 (verified) (Note 2)	
		Year (Note 1)						
		2021	2020	2019	2018	2017		
Financial structure (%)	Debt-to-assets ratio	34.40	36.99	45.15	47.16	45.94	31.51	
	Ratio of long-term capital to property, plant and equipment	283.09	277.85	253.10	228.07	216.89	286.85	
Solvency (%)	Current ratio	227.45	224.65	221.78	205.43	236.99	264.05	
	Quick ratio	172.08	184.80	176.65	154.61	177.67	193.92	
	Interest coverage ratio	7,608	3,272	1,205	1,020	1,475	2,732	
Operation ability	Receivables turnover ratio (times)	8.42	6.82	7.05	7.23	7.58	7.93	
	Average collection days	43	54	52	50	48	46	
	Inventory turnover ratio (times)	9.08	8.62	8.42	8.13	7.54	7.10	
	Payables turnover ratio (times)	15.57	12.89	15.91	14.98	13.52	15.93	
	Average days of sales	40	42	43	45	48	51	
	Property, plant, and equipment turnover ratio (times)	3.01	2.16	2.37	2.56	2.50	2.78	
	Total assets turnover ratio (times)	0.89	0.67	0.79	0.91	0.92	0.81	
Profitability	Return on assets (%)	12.60	7.89	3.96	3.12	4.60	3.60	
	Return on equity (%)	19.32	12.93	6.73	5.26	8.11	5.16	
	Income before tax to paid-in capital ratio (%)	107.27	59.88	28.28	21.22	29.93	33.24	
	Net profit margin (%)	14.05	11.32	4.57	3.08	4.66	4.27	
	Earnings per share (NT\$)	Before Adjustment	4.84	2.25	1.19	0.50	1.06	0.50
		After adjustment	4.84※	2.25	1.19	0.50	1.04	0.50※
Cash Flow	Cash flow ratio (%)	57.45	85.14	48.06	15.15	33.68	25.74	
	Cash flow adequacy ratio (%)	79.81	78.88	62.54	56.13	62.63	528.91	
	Cash reinvestment ratio (%)	7.76	10.86	6.53	2.26	4.78	3.29	
Leverage	Operating leverage	1.18	1.34	1.76	2.06	1.58	1.35	
	Financial leverage	1.01	1.03	1.11	1.14	1.08	1.02	
Reasons for changes in various financial ratios in the most recent two fiscal years. (Analysis is not be required if such changes are within 20%).								
<ol style="list-style-type: none"> This is due to the fact that the increase in the selling price of the product is greater than the cost of purchasing raw materials, the spread of the product increases, and the profit increases, which is used to repay the loan, resulting in the increases of the interest coverage ratio, the turnover rate of receivables, the turnover rate of payables, the turnover rate of property, plant and equipment, the turnover rate of total asset, the return on assets, the return on equity, the ratio of net profit before tax to paid-in capital, the net profit ratio and the earnings per share by 132%, 23%, 21%, 39%, 33%, 60%, 49%, 79%, 24%, and 115%, respectively. The cash flow ratio and cash reinvestment ratio decreased by 33% and 29% respectively, which was due to the decrease in net cash flow from operating activities during the year. 								

※Based on the profit distribution plan which has been approved by the Board of Directors but is yet to be acknowledged at the Shareholders' Meeting



USI

Analysis Item (Note 3)		Year (Note 1)	Financial analysis for the most recent 5 years (audit and certification)				
			2021	2020	2019	2018	2017
Financial structure (%)	Debt-to-assets ratio		32.73	36.18	40.45	38.28	32.17
	Ratio of long-term capital to property, plant and equipment		489.75	444.93	427.08	391.71	377.04
Solvency (%)	Current ratio		136.01	143.84	194.67	199.95	343.50
	Quick ratio		111.59	120.65	155.74	153.14	271.48
	Interest coverage ratio		6,128	2,478	1,285	787	2,007
Operation ability	Receivables turnover ratio (times)		8.63	6.97	7.40	8.16	9.77
	Average collection days		42	52	49	45	37
	Inventory turnover ratio (times)		11.57	9.49	7.93	8.08	8.20
	Payables turnover ratio (times)		10.13	9.53	10.26	9.69	9.29
	Average days of sales		32	38	46	45	45
	Property, plant, and equipment turnover ratio (times)		2.47	1.55	1.65	1.78	1.97
	Total assets turnover ratio (times)		0.45	0.32	0.36	0.42	0.45
Profitability	Return on assets (%)		14.89	7.77	4.50	2.10	4.49
	Return on equity (%)		22.35	12.16	6.96	2.97	6.20
	Income before tax to paid-in capital ratio (%)		49.39	21.54	12.27	5.22	10.36
	Net profit margin (%)		32.38	23.69	11.68	4.59	9.62
	Earnings per share (NT\$)	Before Adjustment		4.84	2.25	1.19	0.50
After adjustment			4.84※	2.24	1.19	0.50	1.04
Cash Flow	Cash flow ratio (%)		46.56	42.41	27.71	10.13	48.66
	Cash flow adequacy ratio (%)		43.74	34.19	17.23	21.87	28.06
	Cash reinvestment ratio (%)		4.27	3.40	1.54	(0.05)	1.54
Leverage	Operating leverage		1.18	1.68	1.74	4.84	1.79
	Financial leverage		1.03	1.13	1.17	2.16	1.10

Reasons for changes in various financial ratios in the most recent two fiscal years. (Analysis is not be required if such changes are within 20%.) This is due to the fact that the increase in the selling price of the product is greater than the cost of purchasing raw materials, the spread of the product increases, and the profit increases, which is used to repay the loan, resulting in the increases of the interest coverage ratio, the turnover rate of receivables, the turnover rate of inventories, the turnover rate of property, plant and equipment, the turnover rate of total asset, the return on assets, the return on equity, the ratio of net profit before tax to paid-in capital, the net profit ratio, the earnings per share, the allowable cash flow ratio, and the cash re-investment ratio by 147%, 24%, 22%, 59%, 43%, 92%, 84%, 129%, 37%, 115%, 28% and 26%, respectively; and the decrease of the operating leverage by 30%.

※Based on the profit distribution plan which has been approved by the Board of Directors but is yet to be acknowledged at the Shareholders' Meeting

(1) Years not audited and certified by CPAs shall be noted.

(2) As of the publication date of the annual report, companies that have been listed or have been traded at TPEx should analyze the financial information of the most recent period audited or reviewed by CPAs.

(3) The table at the end of the annual report shall include the following formulas:

1. Financial structure

(1) Debt-to-asset ratio = total liabilities / total assets.

(2) Proportion of long-term capital in property, plant, and equipment = (Total equities + non-current liabilities) / (Total net value of property, plant, and equipment).

2. Solvency

(1) Current ratio = current assets / current liabilities

(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities

(3) Interest coverage ratio = income before income tax and interest expense / interest expense of the current period

3. Operation ability

(1) Turnover rate of receivables (including accounts receivable and notes payable arising from business) = Net sales / Average accounts receivable in various periods (including bills receivable

resulting from accounts receivable and business operations).

- (2) Average collection days = $365 / \text{receivables turnover}$
 - (3) Turnover rate of inventories = $\text{cost of sales} / \text{average inventories}$
 - (4) Turnover rate of payables (including accounts payable and notes payable due to business operations) = $\text{Cost of goods sold} / \text{Balance of average payables (including accounts payable and notes payable due to business operations)}$.
 - (5) Average inventory turnover days = $365 / \text{Inventory turnover ratio}$.
 - (6) Turnover rate of property, plant and equipment = $\text{Net sales} / \text{Average net property, plant and equipment}$.
 - (7) Total asset turnover = $\text{net sales} / \text{average total assets}$
4. Profitability
- (1) Return on assets = $[\text{Net income} + \text{Interest expenses} \times (1 - \text{Tax rate})] / \text{Average total assets}$.
 - (2) Return on equity = $\text{Net income} / \text{Average total equity}$.
 - (3) Net profit ratio = $\text{Net income} / \text{Net sales}$.
 - (4) Earnings per share = $(\text{net gain or loss attributable to owners of the parent company} - \text{preferred stock dividend}) / \text{weighted average number of shares outstanding}$. (Note 4)
5. Cash Flow
- (1) Cash flow ratio = $\text{Cash flows from operating activities} / \text{Current liabilities}$.
 - (2) Net cash flow adequacy ratio = $\text{Net cash flow for business activities in the 5 most recent years} / (\text{capital expenditure} + \text{inventory increase} + \text{cash dividends}) \text{ for the 5 most recent years}$.
 - (3) Cash flow reinvestment ratio = $(\text{Net cash flow from operating activities} - \text{cash dividend}) / \text{gross fixed assets value} + \text{long-term investment} + \text{other assets} + \text{working capital}$. (Note 5)
6. Leverage:
- (1) Degree of operating leverage (DOL) = $(\text{Net operating revenue} - \text{change in operating costs and operating expenses}) / \text{Operating profit}$ (Note 6).
 - (2) Degree of financial leverage (DFL) = $\text{Operating income} / (\text{Operating income} - \text{Interest expenses})$

Note 4: In calculating earnings per share with the formula mentioned above, special attention should be paid to the following matters:

1. Based on the weighted average number of common shares, not based on the number of issued shares at the end of the year.
2. Capital increase for cash or treasury stock transactions shall be considered when the weighted average number of shares is calculated.
3. Capital increase from surplus earnings or capital reserve shall be retrospectively adjusted by the proportion of capital increase when earnings per share for previous annual and semi-annual periods are calculated. The issue period for capital increase does not have to be considered.
4. For preferred shares that are non-convertible accumulated preferred shares, dividends (regardless of whether they are distributed) shall be deducted from net income after tax or included as net loss after tax. If the preferred shares are non-cumulative in nature, where net income after taxes is available, preferred share dividends should be deducted from it. No adjustment is required if the company generates loss after taxes.

Note 5: In calculating cash flow, special attention should be paid to the following matters:

1. Net cash flow from operating activities is the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure is the annual cash outflow of capital investment.
3. The increase in inventory is counted only when the balance at the end of the period is greater than at the beginning. If the inventory decreases at the end of the year, it is considered as zero.
4. Cash dividends include cash dividends for common shares and preferred shares.
5. Gross property, plant and equipment refers to the property, plant and equipment before depreciation.

Note 6: The issuer shall classify the operating costs and operating expenses as fixed or variable in accordance with their nature. If it involves estimation or subjective judgment, attention should be paid to its rationality and consistency.

Note 7: If the Company's stock is not denominated or the denomination is not NT\$10, the calculation of the paid-in capital ratios shall be based on the equity attributable to owners of the parent company in the balance sheet.



Chapter 3 Audit Committee's Audit Report in the most recent fiscal year:

Audit Report by the Audit Committee of USI Corporation

The Audit Committee has completed the review of the 2021 financial statements (including parent company-only financial statements and consolidated financial statements) and profit distribution plan produced by the Board of Directors and audited by CPAs Chuang, Pi-Yu and Kuo, Cheng-Hung from Deloitte & Touche in accordance with the law, and found no inconsistencies. Please review the Report which has been prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely yours,

2022 Annual Shareholders' Meeting of USI Corporation

Audit Committee of USI Corporation

Independent Director: Chung Chen

Independent Director: Tzu-Chun Tu

Independent Director: Ying-Chun Hai

Handwritten signatures of the three independent directors: Chung Chen, Tzu-Chun Tu, and Ying-Chun Hai.

March 16, 2022

- IV. IV. Financial report for the most recent year: Please refer to Page 234.
- V. Financial report verified and assured by the CPAs for the most recent year: Please refer to Page 389.
- VI. If The Company or its Affiliates Have Experienced Financial Difficulties in The Most Recent Fiscal Year or During The Current Fiscal Year up to The Date of Publication of The Annual Report, The Annual Report Shall Explain How Said Difficulties Will Affect The Company's Financial Situation: None.



Chapter 7 Review and Analysis of Financial Position and Performance and Associated Risks—Consolidated Information

I. Financial Position

Major reasons for material changes in assets, liabilities and shareholders' equity, as well as related effects in the most recent two fiscal years, and response measures in the future if such effects are significant

Unit: NT\$ 1,000

ITEM	Year	End of 2021	End of 2020	Difference	
				Amount	%
Current assets		\$35,367,040	\$28,539,554	6,827,486	24
Long-term investment		22,004,872	22,954,592	(949,720)	(4)
Property, plant and equipment		24,471,011	23,169,313	1,301,698	6
Intangible assets		314,194	279,833	34,361	12
Other assets		2,668,096	2,381,224	286,872	12
Total assets		84,825,213	77,324,516	7,500,697	10
Current liabilities		15,549,577	12,703,826	2,845,751	22
Non-current liabilities		13,630,675	15,897,047	(2,266,372)	(14)
Total liabilities		29,180,252	28,600,873	579,379	2
Share capital		11,887,635	11,887,635	0	0
Retained Earnings		13,599,427	9,497,146	4,102,281	43
Equity attributable to shareholders of the parent company		25,461,999	20,990,778	4,471,221	21
Non-controlling Interests		30,182,962	27,732,865	2,450,097	9
Total equity		55,644,961	48,723,643	6,921,318	14

(I.) Major reasons for material changes

Current assets, current liabilities, retained earnings, owner's equity and total equity increment of the parent company mainly due to the increase in oil prices, which pushed up the selling price of products, and the increase in the cost of procuring raw materials which resulted in an increase in receivables, inventories and payables, and the annual increase in product selling price greater than the cost of procuring raw materials in 2021, which resulted in the widening of product spreads.

(II.) Effects

None.

(III.) Future response plan

N/A.

II. Financial Performance

Major reasons for material changes in revenue, operating income and net profit before taxes in the most recent two fiscal years are estimated sales volume and its basis, as well as possible effects on the Company's financial operations and response measures in the future

Unit: NT\$ 1,000

ITEM \ Year	2021	2020	Increase (decrease)	
			Amount	%
Revenue	\$71,755,542	\$50,201,273	\$21,554,269	43
Operating costs	(54,001,841)	(39,721,391)	14,280,450	36
Gross operating profit	17,753,701	10,479,882	7,273,819	69
Operating expenses	(4,870,783)	(3,593,290)	1,277,493	36
Operating profit	12,882,918	6,886,592	5,996,326	87
Non-operating revenue and expenses	(130,476)	236,403	(366,879)	(155)
Net profit before tax	12,752,442	7,122,995	5,629,447	79
Income tax expenses	(2,672,991)	(1,440,358)	1,232,633	86
Net profit for the year	10,079,451	5,682,637	4,396,814	77
Other comprehensive income (net amount after taxes)	(187,249)	516,772	(704,021)	(136)
Total comprehensive income for the year	9,892,202	6,199,409	3,692,793	60

(I.) Major reasons for material changes

1. The increase in operating revenue, operating cost, gross operating profit, net profit before tax, income tax expenses, net profit for the year and total comprehensive profit and loss in current year are mainly due to the decrease in product selling price greater than the increase in cost of procuring raw materials, which resulted in the increase in product spreads and profits.
2. The increase in operating expenses is mainly due to the increase in shipping costs, which resulted in an increase in sales expenses.
3. The non-operating revenue and expenditure declined, mainly because the Company increased the share in the loss of the joint ventures accounted under the equity approach.
4. The other net profit or loss after tax increased, mainly because of the decrease in the unrealized valuation profit of equity instrument investment measured at fair value through other consolidated profit and loss as well as the increase in the losses from the conversion difference of financial statements of foreign operation entities.

(II.) Expected sales volume and its basis

The Company forecasts the target of PE/EVA sales volume in 2022 to be approximately 382,000 tons; the Vinyl series and its downstream processed products



have a sales target of approximately 550,000 tons; the ABS/PS sales target is about 449,000 tons; the sales target of glass wool products is about 13,000 tons; and the ferrite magnet powder and ferrite core sales target is about 11,000 tons. In principle, the production and sales balance and the niche products are the priority sales goals.

(III.) Possible effects on the Company's financial operations in the future

No material effect.

(IV.) Future response plan

N/A.

III. Cash Flow

Analysis of changes in cash flow and improvement plans for liquidity shortage in the most recent fiscal year, and cash liquidity analysis in the coming fiscal year

(I.) Analysis and explanation of changes in cash flow in the most recent fiscal year

Unit: NT\$ 1,000

Period-beginning cash balance	Annual net cash flow from operating activities	Other cash outflows throughout the year	Cash Balance	Remedies for cash deficit	
				Investment projects	Financing plans
9,637,007	8,933,169	8,204,823	10,365,353	-	-

1. Operating activities:

The net cash inflow of NT\$ 8,933,169,000, a decrease compared to the previous year, is mainly due to the increase in the product selling price and the cost of procuring raw materials, the increase in receivables and inventories, as well as the decrease in disposal of financial assets measured at fair value through profit or loss.

2. Investing activities:

The net cash outflow of NT\$ 3,366,237,000 is mainly due to properties, plants and equipment received as a result of the merger of companies.

3. Financing activities:

The net cash outflow of NT\$4,838,586, an increase compared with the previous year, is mainly due to repayment of the bank loans using the incremental profit of the merged company and payment of the dividend in cash.

(II.) Improvement plans for liquidity shortage

There is no liquidity shortage situation.

(III.) Liquidity Analysis for the Coming Year

Beginning cash balance: NT\$ 10,365,353 thousand

Annual cash inflow: NT\$ 5,490,450 thousand

Annual cash outflow: NT\$ 5,604,980 thousand

Ending cash balance (shortage): NT\$ 10,250,823 thousand

IV. Material Expenditure and Its Impact on the Company's Financial Operations in the Most Recent Fiscal Year:

1. To ensure adequate supply of ethylene raw materials, the Company expects that ethylene storage tanks will be built within 10% of NT\$906 million.
2. In order to ensure adequate supply of ethylene raw materials, APC expected that ethylene storage tanks and ethylene underground pipelines will be built at NT\$1.02 billion.
3. To ensure stable supply of main raw materials, namely ethylene and dichloroethane, as well as the production and sales scheduling of vinyl chloride, Taiwan VCM Corporation expects to build storage tanks for ethylene, vinyl chloride, dichloroethane and underground pipelines for ethylene at NT\$2.92 billion.

These expenses will first be paid using the Company's own funds, while the Company will also assess the cost of raising capital in the capital market and the cost of borrowing from financial institutions.

V. Reinvestment Policy For The Most Recent Fiscal The Main Reasons for The Profits/Losses Generated Thereby, the Plan for Improving Re-Investment Profitability, And Investment Plans for The Coming Year.

(I.) Investments whose amounts exceed five (5) percent of paid-in capital at the end of 2021:

ITEM	Remark	Amount (NT\$ thousands)	Policy	Major reasons for profit or loss	Improvement plan	Other investment plans in the future
CTCI Corporation		1,100,255	Investment diversification	Steady growth in overall performance, and hence continuously profitable	None	—
Fujian Gulei Petrochemical Co., Ltd.		19,335,554	Petrochemical Investments	From December 2021, the Company started operations. It was in the stage of early operations and it was not totally put into production, thus suffering losses.	None	—

(II.) Investments whose estimated amounts exceed five (5) percent of paid-in capital in the coming fiscal year:

The Company and APC will set up a joint venture to sell products manufactured by Gulei Petrochemical in the Mainland Region (Fujian Province) by means of respectively 100% reinvested subsidiary Swanlake Traders Ltd. and APC (BVI) Holding Co., Ltd. and the investment amount will be no higher than USD32.20 million and USD13.80 million, respectively. After obtaining the approval from relevant competent authority, both parties will make the investment annually based on the progress.



VI. Risk Analysis and Evaluation

The Company has enhanced its risk management operations, and designated specific executive and responsible units to assess specific matters or risks. Moreover, the Company has also established a monitoring mechanism, where the organizational structure is as follows:

Major risk evaluation item	Implementation and responsible units	Supervision unit
1. Impact of Interest Rates and Exchange Rate Fluctuations and Inflation on the Company's Profit and Loss, and Future Response Measures	Finance Division	Auditing Division
2. Policies on high risk, highly leveraged investments, loans to other parties, endorsements, guarantees and derivatives trading, main reasons for profits or losses generated, and future response measures to be undertaken		
3. Future research and development plans and estimated expenses	Research and Development Division	
4. Effects of changes in local and overseas policies and laws on the Company's financial operations, and related response measures	Each related unit	
5. Impact of Changes in Technology and Industry (including information security risk) on Corporate Finance and Business, and Response Measures	Sales and Marketing Division/Information System Division	
6. Impacts of changes in corporate image on the Company's risk management, and related response measures	Human Resource Division	
7. Expected benefits and possible risks to engage in mergers and acquisitions and countermeasures	Planning Department/Finance Division	
8. Expected benefits and possible risks to expand the plants and the countermeasures	Plants	
9. Risks resulting from consolidation of purchasing or sales operations and response measures	Procurement and Logistics Division Sales and Marketing Division	
10. Impacts and risks resulted from major equity transfer or replacement of directors, supervisors, or shareholders holding more than ten (10) percent of the Company's shares, and related response measures	Finance Division	
11. Impact and risks arising from any changes in management control over the Company, and response measures	Board of Directors	
12. For any litigious or non-litigious matters, the Company and its directors, supervisors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10 percent of the company's shares, shall be disclosed. If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that has been finalized or has remained pending, the report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case as of the publication date of this annual report	Legal Division	
13. Impact of climate change on the Company's operations, finance, supply chain, policy, investment decisions, etc.	Corporate Governance Team	
14. Response to the risks of environmental, social, and corporate governance issues	Corporate Governance Team	
15. Other significant risks and response measures.	Credit Division	

(I.) Impact of Interest Rates and Exchange Rate Fluctuations and Inflation on the Company's Profit and Loss, and Future Response Measures :

1. Executive and responsible unit: Finance Division.
2. Impact on the Company's profit and loss:

ITEM	2021 (NT\$ 1,000; %)
Net interest income (expense)	(87,496)
Net currency exchange gain (loss)	(93,530)
Ratio of net interest income (expense) to net revenue	(0.12%)
Ratio of net interest income (expense) to net income before taxes	(0.69%)
Ratio of net currency exchange gain (loss) to net revenue	(0.13%)
Ratio of net currency exchange gain (loss) to net amount ratio of income before taxes	(0.73%)

3. Interest rate: The carrying amount of the Company's financial assets and financial liabilities that are exposed to interest rate risk on the balance sheet date are as follows:

	As of December 31, 2017 (NT\$ 1,000)
Fair value interest rate risk	
- Financial assets	7,781,222
- Financial liabilities	12,819,174
Cash flow interest rate risk	
- Financial assets	3,050,945
- Financial liabilities	3,921,281

An increase or decrease of 0.5% in market interest rates is used as a reasonable risk assessment for reporting changes in interest rates to the Company's senior management team. With all other variables remaining unchanged, an increase or decrease of 0.5% in market interest rates will lead to a decrease or increase of NT\$4,352,000 in the Company's net profit before taxes in 2021.

The Company's current strategy: in order to reduce the risk of interest rate fluctuation, idle funds will be invested in fixed deposit of banks, beneficiary certificates of money market funds, buy back transactions of bonds (bills) and REITs. Reserve Sufficient short-term funds for operational needs; For medium and long-term capital demand, when the interest rate rises, choose the appropriate time to issue ordinary corporate bonds, or obtain medium and long-term credit from financial institutions, lock in the capital cost with fixed interest rate, avoid the risk of future interest rate rise, and cope with the long-term capital stability.

4. Exchange Rate: Hedging is based on the net foreign currency position generated by the Company's business. In addition to closely observing the trend of the international foreign exchange market, it also avoids its risks in a timely manner through spot foreign exchange dumping and forward foreign exchange contracts. The use of foreign exchange forward contracts was governed by the Company's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous



basis. The Company did not enter into or traded foreign exchange contracts for speculative purposes. 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 Company's functional currency appreciates/depreciates against USD and RMB by 3%, the Company's next profit before taxes in 2021 will decrease/increase by NT\$172,217,000.

5. Inflation: The main cost of the Company is raw material costs, where both product prices and raw material costs fluctuate in the same direction. Continuously evaluate impacts of assets and liabilities affected by fluctuation risks of interest rate upon the Company

(II.) Policies to engage in high-risk and high-leverage investments, provision of loans to others, making guarantees and endorsements, as well as derivative trading, major reasons for profits and losses, as well as future response measures:

1. Executive and responsible unit: Finance Division.
2. Engaging in high-risk, highly-leveraged investment and lending funds to other parties:

The Company's "Procedures for Acquisition and Disposal of Assets" stipulate that it shall not engage in high-risk and highly leveraged investments. The Company has also established the "Procedures for Loaning of Funds to Others."

3. Endorsement: Ensure to implement the prior evaluation and subsequent follow-up according to the company's endorsements and guarantees procedures.
4. Derivatives transaction: the Company engages in derivative commodity trading for the purpose of avoiding operational management risks. The trading commodities are mainly undertaken as forward foreign exchange and speculative operations are not involved. In addition, the counterparties should choose reputable financial institutions to avoid credit risks.

(III.) Future R&D projects and estimated R&D expenses:

1. Executive and responsible unit: Research and Development Division.

2. The plans are as follows:

Unit: NT\$ 1,000

Research and Development Plan	Current progress	R&D expenditure that requires investment	Estimated time for completion of mass production	Major factors that influence the success of R&D in the future
Development of the application of high-performance shoes made of foaming material	70%	10,000	2022	Equipment, formula and process technology
Application development and performance enhancement of hot-melt adhesives	60%	10,000	2022	Equipment, formula and process technology
Research and development of low crystal point optical grade thin film raw materials	50%	10,000	2023	Equipment, formula and process technology
Production technologies for low crystallization point coating-grade/high-speed laminating film EVA.	95%	13,650	2022 Quarter 4	Cultivation of R&D talents, inheritance of technology, sufficient market intelligence (e.g. quality demand, production use amount, price acceptability level) and addition of necessary equipment
CX grade low VOCs anti-corrosion coating	50%	15,000	2022	Professional skills and formula technologies
CUI Anti-Corrosion Coating	30%	10,000	2023	Professional skills and formula technologies
Color cooling water-based coating	70%	10,000	2022	Professional skills and formula technologies
Low VOC PVC/TPE series rubber sheets	50%	15,000	Before the end of 2022	Equipment, formulas and process conditions
PVC powder whiteness improvement	50%	13,230	Before the end of 2022	Raw material formulas and process conditions
30L PVC synthesis test	75%	2,000	Before the end of 2022	Equipment, formulas and process conditions
PVC resin moisture content AI control	50%	1,760	Mid the end of 2023	Equipment, formulas and process conditions
Solvent-free surface treatment leather for PVC/TPE	75%	1000	Before the mid of 2022	Equipment, formulas and process conditions
PVC transparent tape anti-fouling treatment	0%	500	Before the end of 2022	Raw material formulas and process conditions
PVC inkjet printing advertising cloth	0%	500	Before the end of 2022	Raw material formulas and process conditions
Development of benzene-free/solvent-free TPE paste cloth	25%	500	Before the end of 2022	Raw material formulas and process conditions
TPE seat leather products for cars	25%	500	Before the end of 2022	Raw material formulas and process conditions
De-taped sponge leather for multiple printing	50%	500	Before the end of 2022	Raw material formulas and process conditions
Low-membrane rapidly gelatinized PVC resin	25%	500	Before the end of 2022	Equipment, formulas and process conditions
Recyclable TPE as final product	25%	500	Before the end of 2022	Raw material formulas and process conditions
Electric bus seat and interior leather product	25%	500	Before the end of 2022	Raw material formulas and process conditions



Research and Development Plan	Current progress	R&D expenditure that requires investment	Estimated time for completion of mass production	Major factors that influence the success of R&D in the future
TPE shoe series (R-grade) products	25%	300	Before the mid of 2022	Raw material formulas and process conditions
Development of High Hydrolysis Resistant TPU Materials and Related Products	25%	300	Before the end of 2022	Raw material formulas and process conditions
PVC water-based scratch resistant soft leather development for vehicle	75%	250	Before the mid of 2022	Raw material formulas and process conditions
Non-p floor tile protective layer	0%	200	Before the end of 2022	Raw material formulas and process conditions
PVC low shrinkage masking tape cloth	0%	200	Before the end of 2022	Raw material formulas and process conditions
Development of the third-generation stain-resistant PVC rubber	75%	200	Before the end of 2022	Raw material formulas and process conditions
Development of heat-resistant ABS (acrylonitrile-butadiene-styrene) copolymer.	80%	500	2022	Processing hardware equipment, raw material procurement costs, and business layout based on market demand
Add extra extrusion dehydrator to ABS to improve production capacity and cake VOC volatilization efficiency	30%	400	2023	Process hardware assessment and design
Improve ABS Butadiene Emulsion Polymerization - Reactor Stirring Blades	20%	4,000	2023	Process hardware assessment and design
Improve EPS efficiency (improve particle size concentration/reduce BA additives/improve agglomerates)	50%	700	2022	Raw material procurement costs, recipe design and business layout based on market demand
EPS product preservability improvement	70%	600	2022	Processing hardware equipment, polymer recipe design and business layout based on market demand
CNS test of the sound insulation cotton board material for wood floor, which can be used for market promotion and development next year.	80%	300	2022	Layout based on market demand
Alloy material technology development	Material development	80,000	December, 2022	Electrical vehicle market and PV/wind inverter demand
CIM new forming technology development	Product testing and validation stages	17,000	December, 2022	Growth in sales of motor vehicles
SiC Ceramic Powder and parts	Sample delivery and testing	150,000	December, 2022	Semiconductor equipment demand and verification

(IV.) Effects of changes in local and overseas policies and laws on the Company's financial operations, and related response measures:

1. Executive and responsible unit: Each related unit
2. Impact on financial operations:
 - (1) Please refer to (3) under Information Regarding Environmental Protection Expenditure in Chapter 5. Operations Overview of the Annual Report for response measures to the European Union's Restriction of Hazardous Substances Directive (RoHS).
 - (2) Continuously assess the impact of IFRSs issued by IASB but not yet approved and issued in effect by FSC. For example, "sales and input of assets between the investors and their affiliated enterprises or joint ventures" amended by the IFRS 10 and IAS28 as well as "classification of liabilities into current and non-current" amended by the IFRS 17 "Insurance contract" and IAS 1.
 - (3) Continuously assess the impact of the "Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax" on "Non-Arm's-Length Transfer Pricing and Economic Substance Act in Tax Havens".
 - (4) Pursuant to Article 23-3 of the Statute for Industrial Innovation, the Company shall apply for a reduction in the taxes applicable to undistributed earnings by using undistributed earnings in substantial investments.
 - (5) Pursuant to Article 10-1 of the Statute for Industrial Innovation, investment in brand-new smart machines and investment in related brand-new hardware, software, technology or technical services for introducing 5th-generation mobile networks and information security products or services are applicable to the tax exemption.
 - (6) Continue to assess the impact of changes in water, electricity prices and power cut on the Company.
 - (7) Continue to evaluate the impact of the EU Carbon Border Adjustment Mechanism (CBAM), China's carbon pricing, collection of carbon taxes and carbon fees, and the impact of the draft "Climate Change Response Law".
 - (8) Assess the impact of the for-profit business under the control of foreign company (CFC) on an ongoing basis.
3. Response measures: The Company has established the Legal Division to assess legal risks and formulate countermeasures, review important contracts in advance and provide legal advance to handle legal affairs where necessary. In addition, the accounting department evaluates the impacts of changes in accounting and tax-related laws and regulations on the financial operations of the Company at all times and come up with action plans. It would discuss with CPAs to make prior planning for the relevant changes.

(V.) Impacts of changes in technology (including information security risk) and industry on the Company's financial operations, and related response measures :

1. Executive and responsible unit: Sales and Marketing Division and Information System Division.



2. Information technology security risk :

The core of the manufacturing industry is operation and maintenance and management of factory. The production process of factory is mainly managed and controlled by the industrial control system (Operation Technology, OT), such as Distributed control system (DCS), data collection and monitoring system (Supervisory control and data acquisition, SCADA), etc. The level of information security protection is obviously insufficient compared with general information systems (Information Technology, IT), such as ERP, CRM, OA and other software and hardware because these OT devices' stability and other requirements based on production (usually the operating system or the program itself) haven't upgraded and updated for many years and thus become the so-called legacy system.

3. Information technology security management measures:

- (1) Internally, audits are regularly conducted by the Company's audit division and external professional information security consulting companies; Externally, BSI Taiwan is also engaged to conduct ISO 27001 certification audits to the Company every year. In addition to the audit of information security risk management framework, the Company also carries out the prevention coaching and information security risk assessment analysis for the internal and external issues.
- (2) The industrial control equipment (OT), adopting Palo Alto networks 3220, uses a new 7-layer firewall system to improve the execution efficiency of filtering incoming and outgoing packets, which effectively reduces the risk of system bug exposure.
- (3) Implement the management to OT, build "plant equipment (OT) management platform", and comprehensively carry out asset management operations for the factory's OT equipment.
- (4) We appoint professional external information security consulting companies to conduct vulnerability assessments each year to identify potential risks for system corrections or propose remedial measures.
- (5) To enhance information security management and prevent hacking or information leaks, IT personnel attend at least four hours of information security training each year.

4. Please refer to "(II) Industry Overview," under "I. Business Content" of Chapter 5 "Operations Overview."

- (VI.) Changes to corporate image that impact the company's risk management and response measures:
1. Executive and responsible unit: Human Resource Division.
 2. The Company has always adhered to upright and down-to-earth management, sound financial operations and good product quality, and has garnered positive reviews from the industry. In the event of a crisis, the Company not only will submit report according to its organization system, but can also obtain help from external organizations to help overcome the crisis.
- (VII.) Expected benefits and possible risks to engage in mergers and acquisitions and

countermeasures:

1. Executive and responsible unit: Planning Division / Finance Division.
2. There was no merger and acquisition implemented by the Company in the most recent fiscal year up to the publication date of this annual report.

(VIII.) Expected benefits and possible risks to expand the plants and the countermeasures:

Invest in the construction of tanks for storage of ethylene, vinyl chloride, ethylene dichloride and etc. and ethylene underground pipelines.

Expected benefit: in order to ensure the stable supply of ethylene and dichloroethane which are the main raw materials of the Company, and the production and sales scheduling of vinyl chloride.

Possible risks: Increase in supply, thereby leading to the product's price to drop.

Response measures: Develop products of high quality and niche products to avoid price competition

(IX.) Risks resulting from consolidation of purchasing or sales operations and response measures:

1. Executive and responsible units: Procurement and Logistics Division, Sales and Marketing Division.

2. The Company has decentralized global sources of goods and purchased goods in multiple pricing modes to avoid specific centralized sources.

3. Part of the purchase volume of spot goods will be set aside, and purchases will be made according to the spot market and production needs, whichever is better.

4. The Company focuses on studying information of the petrochemicals and plastics market and strengthening production, sales, and procurement business strategies to maximize profits, to minimize risks associated with over-concentration in purchase or sale.

(X.) Impacts and risks resulted from major equity transfer or replacement of directors, supervisors, or shareholders holding more than ten (10) percent of the Company's shares, and related response measures:

1. Executive and responsible unit: Finance Division.

2. There was no such situation at the Company in the most recent fiscal year up to the publication date of this annual report.

(XI.) Impact and risks arising from any changes in management control over the Company, and response measures:

1. Implementation and Responsible Unit: Board of Directors.

2. There have been no changes in management control at the Company in the most recent fiscal year up to the publication date of this annual report.

(XII.) For any litigious or non-litigious matters, the Company and its directors, supervisors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10 percent of the company's shares, shall be disclosed. If there has been any substantial impact upon shareholders'



equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that has been finalized or has remained pending, the report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case as of the publication date of this annual report:

1. Executive and responsible unit: Legal Division.
2. Significant litigious, non-litigious or administrative disputes that have been decided or are still pending in the most recent fiscal year up to the publication date of this annual report:
 - (1) The Company: None.
 - (2) Directors, supervisors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10 percent of the company's shares: None.

(3) Subsidiaries:

Regarding the Company's associate, China General Terminal & Distribution Corporation (hereafter shortly referred to as "CGTD"), who was commissioned to operate the propylene pipeline of LCY Chemical Corp. (hereafter shortly referred to as "LCY") resulted 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.

CGTD reached an agreement with Kaohsiung City Government on February 12, 2015 and pledged a term deposit NT\$227,540,000 (including interests) to the Government as a guarantee for losses caused by the gas explosions. Kaohsiung City Government has also filed civil lawsuits against LCY, CGTD and CPC Corporation. In addition, Taiwan Power Corporation Company applied to the court to execute provisional attachments on the properties of CGTD on August 27 and November 26, 2015, respectively. CGTD has provided a cash deposit of NT\$99,207,000 to the court to avoid the provisional attachments. Taiwan Water Corporation applied to the court to execute provisional attachments on the properties of CGTD on February 3 and March 2, 2017, respectively. As of April 6, 2022, the property value impounded against CGTD amounted to NT\$13,230,000.

For the deceased, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement on July 17, 2015 agreeing to negotiate the compensation first with the 32 deceased's successors and persons entitled to the claims (hereinafter, "family of the deceased"). Each family was entitled to NT\$12 million and the total compensation was NT\$384 million. 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.

For victims suffering from serious injuries, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement on October 25, 2017 agreeing to negotiate the compensation first with the 65 seriously

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 the publication date of this annual report, the injured, the victim or their family members of the Kaohsiung gas explosion incident filed a civil claim (including a criminal incidental civil litigation) to LCY Chemical Company, CGTD, and CPC Corporation, Taiwan, for compensation; CGTD has settled the claim for the original claimed amount of NT\$46,677,000 based on considerations for reducing litigation costs; the settlement compensation amount was NT\$4,519,000. The compensation amount still in the lawsuit and the settlement amount for the victims and the seriously injured as mentioned in the previous paragraph amounted to \$3,856,447,000. The first-instance judgments of some of the abovementioned civil cases (with a total amount of compensation of approximately \$1,341,128 thousand) have been gradually announced starting from June 22, 2018. The proportion of fault-based liabilities of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most of the case judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants are liable for was approximately \$401,979 thousand, of which the court ruled an exemption for CGTD in the amount of \$6,194,000. For the civil cases in which sentence has been pronounced but not settled, CGTD has filed an appeal and has successively proceeded to the second-instance procedure; the remaining cases are still being heard by the court of first instance (the amount of claim is approximately NT\$2,012,493,000) CGTD had signed a settlement agreement with insurance companies, where based on CGTD's proportion of fault-based liabilities in the first-instance judgment, an amount of \$136,375 thousand, which is the amount of settlement and civil-case compensation for the victims and the seriously injured (including settled cases) after deducting the maximum insurance claims, was estimated and recognized as liability. 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.

- (XIII.) Impact of climate change on the Company's operations, finance, supply chain, policy, investment decisions, etc.:

With the signing of the "Glasgow Climate Pact" at the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP26), Taiwan announced the amend the "Greenhouse Gas Reduction and Management Law" into the "Climate Change Response Law". The Company re-evaluates its own carbon emission structure and carries out the carbon reduction target planning, set a carbon reduction target of 27% in 2030 compared with 2017, actively implements corresponding response strategies and management mechanisms, and require Taiwan-based core production plants to plan and implement relevant action plans, and actively participates in the Group's renewable energy planning. In 2021, nearly 5MW of solar photovoltaic power has been



developed. The Company was adapting to the impact caused by climate change, and adopted the Climate-related Financial Disclosures (TCFD) framework released by the Financial Stability Board (FSB) to identify risks and opportunities and assess possible financial impacts in 2019, while setting the response plan based on the identification results. In November of 2020, the Company became one of the 1,846 companies supported by TCFD worldwide. The Company has also set an ambitious goal of reducing carbon emissions by 1.2% per year, and required to strengthen the promotion of production efficiency and energy-saving programs.

1. The Company's TCFD framework

Governance	Board of Directors	The Board of Directors is the highest regulatory authority for managing climatic changes. It regularly reviews risks and opportunities related to climatic changes every year.
	Committee on sustainable development	A committee on sustainable development is built under the Board of Directors. An independent direct acts as Chairman of the committee, and the General Manager serves as Deputy Chairman of the committee. The committee annually and regularly evaluates proposals for promoting climatic changes and reviewing performances in execution, and reports to the Board of Directors.
	Preventive Maintenance and Environmental Risk Control Division Quarterly Meeting	The highest-level unit in the implementation of energy management in USI, and it reports to the Group's Chairman every quarter on the promotion planning and progress of implementation for decision making.
Strategy	Identify risks and opportunities	Identify risks and opportunities of climatic changes; identify major projects based on occurrence probability and impact.
	Evaluate potential financial impact	Evaluate potential financial impacts in respect of major risks and opportunities.
Risk management	Introduction of TCFD	Use the TCFD framework to identify risks and opportunities, communicate with main responsible units, and confirm with senior executives.
	Identification result report	The major risks and opportunities identified will be reported and response measures illustrated at the meeting of ESG Committee held annually.
Indicator and target	Group energy management targets	The Group sets an average energy conservation rate of 1.2% or more from 2020 to 2025, and conducts reviews every three years.
	Group carbon-reducing target	Evaluate potential financial impacts in respect of major risks and opportunities.
	Climate response strategies	Equipment replacement, installation of renewable energy equipment, optimization of production schedules, air conditioning planning of buildings, energy management systems, and extreme climate emergency response plan are included.
	Disclosure of greenhouse gas emissions	The Company discloses emissions data for Scope 1 and Scope 2 in the Sustainable Development Report, promote scope 3 checks, and regularly reviews the reasons for increases and decreases.

2. Identify climate risks and opportunities

The impact of climate change on the Company's operation is increasing. Facing any possible risks prudently and seizing possible new business opportunities, USI Taiwan, in recent years, has spared no effort in implementing energy conservation and carbon reduction improvement programs, including improvement of production efficiency and replacement of old equipment with highly efficient one. The TCFD method was adopted to identify the transformation and physical risks in the operating process as well as the emerging opportunities brought by climate change, and eight major risk items and 10 major opportunity items were identified. In the future, the Company will review the response actions year by year and establish a resilient climate change culture.

3. Potential financial impact of risks and Response measures

Type	Climate related risks	Time scope	Risk level	Potential financial impact	Response measures	Specific description of the Company
Transformation	Increase in greenhouse gas emissions pricing	Short-medium term	Medium-high	Increase in capital expenditure Increase in operational costs	1. Build an energy management system 2. Invest in green power, energy saving and carbon reduction facilities and increase the carbon fee cost	The major core operation of the Company comes from product manufacturing and operation and power constitutes 7.9% of the manufacturing cost. If the annual objective is to save power by 1%, and energy by 1.2%, the Company will save more than NT\$5 million. If to learn from Singapore standards, calculating the carbon fee at NT\$100 per ton, the annual carbon fee will exceed NT\$15 million.
	Increase in raw material cost	Short-medium term	Medium-high	Increase in operational costs Increase in capital expenditure	The Company will accelerate the schedule for AI introduction, improve the efficiency and reduce the loss from specification change of raw materials.	Ethylene is the major raw material for USI products. To diversify import sources of ethylene, USI has invested NT\$906 million in the ethylene storage tank project of Kaohsiung Intercontinental Dock and the project is expected to finish and start operation in 2022
	Stigmatization of the industry	Short-medium term	Medium-high	Asset value reduction Reduced profits	1. Accelerate transformation 2. Invest in green energy equipment and use green products 3. Plastics recycling and reuse	The Company has earmarked a budget of NT\$110 million for the R&D Building to accelerate research and development
	Greater obligation of emission reporting	Short-medium term	Medium-high	Increase in operational costs	1. ISO 14064 and Promotion Scope 3, ISO 14067 Product Carbon Footprint Inspections 2. Increase website and media disclosure	1. The Company invested about NT\$56,000 to introduce ISO 14064 guidance and inspection (2019~2021); in 2021, about NT\$26,000 was invested to introduce ISO 14067 product carbon footprint standards and inspections 2. The Company has built a website with information and human resources to disclose the information
Physical	Changes in rainfall patterns and extreme changes in climate patterns	Short-medium term	Medium-high	Increase in capital expenditure Increase in operating expenses	1. The Company has built an AI water intelligence system, which can determine production response measures based on rainfall in the reservoir. 2. Promote ISO 46001 Water Resources Efficiency Management System 3. Improve wastewater recovery system and strengthen operation management to increase the amount of recycled water	1. In case of water deficiency, the Company will buy water trucks. If the situation is severe, the Company will reduce production line output or suspend all productions. The water purchasing cost is expected to rise by NT\$100,000 every day. If it is necessary to stop a single production line, the loss will reach some NT\$2.50 million per day, and given a comprehensive business suspension, the loss will exceed NT\$10 million per day 2. About NT\$32,000 was invested to introduce ISO 46001 Water Resources Efficiency Management System in 2021 3. 10,986 metric tons of water was recovered in 2021, and it is expected to increase to 12,000 metric tons in 2022
	Increased severity of extreme weather events, such as typhoons and floods	Short-medium term	Medium-high	Increase in capital expenditure Increase in operating expenses	Increase flood prevention and drainage facilities	To reduce the loss of business suspension due to flooding, the Company has earmarked a budget of NT\$14 million and increased flood prevention and drainage facilities, or the loss given a business suspension will reach some 650 metric tons
	Rising sea levels	Long-Term	Medium-high	Increase in capital expenditure Increase in operating expenses	1. Improve infrastructures 2. Increase flood prevention and drainage facilities	They are intended to adapt to changes in rain patterns, extreme changes in climate models and rising synchronization of extreme climate events like hurricane and flood



Type	Climate related risks	Time scope	Risk level	Potential financial impact	Response measures	Specific description of the Company
	Rising average temperatures	Long-Term	Medium-high	Increase in capital expenditure Increase in operating expenses	1. Improve infrastructures 2. Increase flood prevention and drainage facilities	They are intended to adapt to changes in rain patterns, extreme changes in climate models and rising synchronization of extreme climate events like hurricane and flood

4. Potential financial impact of opportunities and Response measures

Type	Climate-related opportunities	Time scope	Risk/ Opportunity	Potential financial impact	Response measures	Specific description of the Company
Resource efficiency	Reduction of water use and water consumption	Short-medium term	Medium-high	Increase in capital expenditure Lower operating costs	1. Invest in wastewater recovery facilities 2. Process equipment and operational improvements enable steam reduction 3. Continuously develop reduction plans for water consumption	1. In 2020, NT\$1.6 million was invested to improve the process of steam condensate recovery, with an annual recovery amount of 17,500 metric tons. In 2022, the process operation will be improved to reduce steam, and water saving is expected to be 2,880 metric tons per year 2. Continuously develop reduction plans for water consumption in the future
	Recycling and reuse	Short-medium term	Medium-high	Increase in revenue Lower operating costs	1. Wax processing and reuse 2. Raw material recycling and improvement	1. Wax recycling equipment cost NT\$776,574, Wax recycling profit NT\$71,430 2. Raw material recycling 12.3%
Energy source	Participation in carbon trade markets	Medium-long term	Medium-high	Increase in operational costs	Continuously track relevant laws and regulations and seek transaction opportunities	The Company has continuously tracked relevant laws and regulations and seek transaction opportunities and participated in relevant workshops and meetings from time to time.
	Use of low-carbon energies	Short-medium term	Medium-high	Increased asset value	Implementation of renewable energy plan within three years	Continuously assess and find appropriate solutions and aim to implement renewable energy plan within 3 years.
	Use of new technologies	Long-Term	Medium-high	Increase in asset value Lower operating costs	1. Continuously improve carbon utilization in the process 2. High efficiency of investment 3. Purchase green energy labeled equipment	The Company has continuously watched the energy consumption status of various equipment items and formally launched the intelligent plant system in 2021.
	Adoption of incentive policies	Short-medium term	Medium-high	Decreased capital expenditure	Support for the Renewable Energy Development Act	Support for the Renewable Energy Development Act and implementation of responsive action
Products and services	Development of new products and R&D and innovation of services	Medium-long term	Medium-high	Increase in asset value Increase in revenue Increase in capital expenditure	Development of new market and promotion of industrial transformation	The Company has develop new market and promoted industrial transformation. In 2020, the Company invested in a new R&D Center

Type	Climate-related opportunities	Time scope	Risk/ Opportunity	Potential financial impact	Response measures	Specific description of the Company
	Changes in consumer preferences	Long-Term	Low-medium	Increase in revenue	Development of CBC new material	The Company has developed the CBC new material to respond to the epidemic.
Resilience	Participation in renewable energy items and adoption of energy conservation measures	Medium-long term	Medium-high	Increase in asset value Lower operating costs	Continuous participation in related events	Continuous participation in related events, continuous local procurement and implementation of green procurement
	Energy alternation/diversification	Medium-long term	Medium-high	Increase in asset value	Green power investment	Actively find an appropriate site and implement the green power development plan. Investment was made in about 5 MW of solar power generation capacity in 2021

5. The Group's companies continue to invest in innovative materials and products to reduce the impact of climate change

- (1) In recent years, the use of disposable plastic tableware has been actively restricted around the world. The Company's new Cyclic Block Copolymer (CBC) is a kind of medical-grade plastic with high penetration rate of deep ultraviolet light and UVC, which can be used to make reusable food containers and tableware, and, in combination with UV light sterilization, can improve the effectiveness of UV light sterilization and prolong product life so as to reduce the environmental impact and improve the quality of life. And adding a small amount of CBC to PE/PP can increase the stiffness and rigidity of the PE/PP film, and can reduce the amount of overall packaging materials when applied to film thinning.
- (2) According to the statistics of the Food and Agriculture Organization of the United Nations, the proportion of vegetables and fruits that are discarded or worn out is as high as 45%. The Company has developed fresh-keeping technology for vegetables and fruits, which can absorb the aging hormones in plants, prolong the fresh-keeping period of vegetables and fruits, and then reduce the proportion of food waste. It is a reusable PE bag material, which can also reduce waste of resources indirectly. The cut surface of the meat is exposed to oxygen, which increases the oxidation, causing the meat to go bad. Therefore, it becomes very important for the preservation of meat to block oxygen. The Company has developed a food lock bag that is 500 times better than the commercially available oxygen blocking technology, which completely isolates oxygen to delay going-bad and oxidation of meat so as to improve the quality of meat preservation. And the bag can be reused to extend the length of meat preservation.
- (3) The Company is committed to researching energy-saving and carbon-reducing technologies, and cooperates with the peers of the industry to develop multi-color water-based thermal insulation coatings. Painting on chemical storage tanks, it can effectively block thermal energy conduction, and in summer, the watering and cooling time of storage tanks can be reduced by 80%, in addition to achieving water-saving effects, it can also maintain the quality and stability of the chemicals



in the storage tank.

(XIV.) Response to the risks of environmental, social, and corporate governance issues:

To ensure robust operation and sustainable development and lower potential operating risks, the Company actively launches the risk management mechanism with a sound and ethical business philosophy. On December 23, 2020, the Board passed the "Regulations Governing Risk Management Policy and Procedures," which stipulates that the General Manager's Office should supervise the operation of the various risk management units, regularly assess risks annually, define the various risks pertaining to the Company's overall operating directives, and early identify, accurately measure, effectively supervise, and strictly control the risk management, and thereby prevent any possible losses within tolerable risks. The Company always keeps an eye on the evolution of risk management systems at home and abroad to review and improve this Policy, and keeps adjusting and best improving the risk management methods based on changes in internal and external environment, so as to raise the implementation effectiveness of the Company's risk management, thereby protect the interest of the Company, employees, shareholders, and stakeholders.

The Company reports the implementation status of risk management to the Audit Committee and the Board of Directors at least once a year, and discloses such information on the annual report and the Company's website. Currently, the Risk Management Policy or Strategy is as follows:

Risk Categories	Risk Profile	Risk Management Policy or Strategy
Financial risks	Risk of interest rate changes	The Company diversifies and invests its idle funds in bank time deposits, beneficiary certificates of money market funds, bonds (notes) with repurchase transactions and REITs (domestic real estate investment trusts) to reduce the risk arising from interest rate fluctuations. The Company has sufficient short-term capital to meet its operating needs. For medium- and long-term capital needs, the Company obtains medium- and long-term lines of credit from financial institutions during periods of rising interest rates or issues common bonds at appropriate times to lock in capital costs at fixed interest rates to avoid the risk of future interest rate increases and for longer-term capital stability.
	Risk of exchange rate changes	The Company hedges its foreign currency positions based on the net position generated from its operations. In addition to closely observing the trend of the international foreign exchange market, the Company hedges its risk in a timely manner through spot foreign exchange sales and forward foreign exchange contracts.
	Risk of property loss	Based on the size of the Company's business assets and replacement costs, the Company carries various property insurance policies, such as commercial fire insurance, business interruption insurance and cargo transportation insurance, to hedge against the risk of loss of business assets caused by major natural disasters or non-natural calamities.
	Risk of endorsement and guarantee	In accordance with the "Procedures for Endorsements and Guarantees" established by the Company, the Company performs pre-assessment and follow-up of endorsement and guarantee operations.
	Risk of accounts receivable	Regarding domestic customers, the Company evaluates the credit status, the amount of the actual guarantee, the financial ability of the joint and several guarantors, and the company's financial ability. Regarding foreign customers, the Company integrates risk information from various countries and takes out trade credit insurance and letter of credit insurance to ensure the Company's creditors' rights.
Risk of strategy and operation	Risk of strategy and operation	The Company identifies and reviews major issues, sets short-, medium- and long-term goals for each major issue, and regularly reviews performance.
	Industry risk	New investments are subject to feasibility assessment, risk analysis and strategic response analysis. Each investment proposal must be approved by the Board of Directors. The Company, in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies," has established the "Procedures for the Acquisition or Disposal of Assets," which stipulates that the Company does not engage in high-risk, high-leverage investments.
	Investment Risks	The operating units report strategic issues to the directors on a regular basis to reduce strategic risks through the participation, advice and supervision of the directors. The Company also tracks operational performance through regular meetings in order to achieve operational objectives.
Risk of material prices and supply chains	Change in material prices	<ol style="list-style-type: none"> 1. Establish a monitoring mechanism for staple materials. 2. Decentralize the source of staple material procurement. 3. Set up various pricing mechanisms for staple materials. 4. Set up a certain ratio of staple material contracts to spot goods.
	Material inventory and logistics management	<ol style="list-style-type: none"> 1. The Company regularly discusses and executes the staple material stocking plan. 2. Regarding the import of staple materials by ship, after the vessel nomination is issued by the seller, the ship's movements and the seaside storage tank should be monitored regularly. In case of delay or advance, the responsible unit should adjust the stock level accordingly.

Risk Categories	Risk Profile	Risk Management Policy or Strategy
	Production equipment spare parts planning	<ol style="list-style-type: none"> 1. The production unit should set up and regularly review plans for spare parts of the main production equipment. 2. The procurement team is required to follow the plans for spare parts, staying up-to-date on suppliers' delivery schedules for spare parts of the main production equipment and ordering the parts in a timely manner.
Occupational safety risk	Occupational accidents of employees and contractors in the operation process	<ol style="list-style-type: none"> 1. The Group's Chairperson signed and released USI Safety Philosophy, and the Company's top executives signed USI Zero Occupational Accident Pledge. 2. The Group announced its five-zero goal of "Zero Occupational Accident, Zero Accident, Zero Pollution, Zero Emission and Zero Failure" and established the "Group's Guidelines for Safety, Environment Protection, Pre-protection". 3. The Company has promoted (or will promote) the establishment of ISO 45001 Occupational Safety and Health Management System and Process Safety Management System (PSM). 4. The Company implements contractor management. 5. The Group performs safety and environmental inspection to check and improve the compliance with regulations concerning work safety, environmental protection, and fire prevention. 6. The Company holds annual education and training programs on safety, environmental protection and equipment pre-protection to enhance work safety and environmental protection, skills of equipment pre-protection and diagnosis and new knowledge of safety and environmental regulations in each factory. 7. The Company has established safety and health management rules, process hazard analysis guidelines, safety, health, fire and environmental management education and training guidelines, occupational safety and health hazard identification and opportunity assessment and control management guidelines, operating standards for each machine and emergency response plan guidelines, etc. 8. The Company thoroughly implements equipment preventive maintenance and PDA inspection. 9. The Company holds fire and emergency response drills. 10. The Company has established pandemic preparedness procedures and precautions.
Information Security Risk	Security protection of information maintenance and operating systems, production industrial control systems, sensitive data, and customer transactions	<ol style="list-style-type: none"> 1. Continuously update and introduce information security solutions to manage the use of monitoring systems, hosts and networks. 2. Disaster recovery exercises are conducted regularly to restore the Group's critical systems to normal operation rapidly in the event of a disaster and ensure the Group's ability to continue operation. 3. The server hosts are assigned to a professional information security consulting firm to perform vulnerability scanning to identify potential risks for correction and strengthen the ability to block hacker attacks. 4. Firewall equipment is established for industrial control systems in the factory production to separate IT computer equipment from production line equipment hosts. 5. The Company's auditing department conducts regular audits every year and invites internationally renowned certification bodies to perform ISO 27001 certification checks. 6. Regular education and training sessions are held to promote new knowledge of information security and strengthen recognition of information security, and a professional information security consulting firm is commissioned to perform social engineering exercises twice a year to raise employees' awareness of information security to protect data security. 7. Personal data fields in the information system are covered, and access to such data is restricted, to protect personal data. 8. Portable storage devices are controlled to prevent the loss of sensitive data and improper access. 9. Secure trading platforms are constructed to fortify the security of website browsing, and secure encrypted certificates are introduced to prevent fraudulent faces as a result of data interception and tampering during transactions.
	Compliance risk	<ol style="list-style-type: none"> 1. The Company provides legal research, consultation and advice on the Company's operational activities and related matters to ensure that the Company's activities are in compliance with laws and regulations. 2. The Company keeps abreast of relevant domestic and foreign policies and laws, and evaluates and studies relevant proposals in advance to respond to changes in laws and regulations in a timely manner. 3. Competent authorities or external experts are consulted when necessary.
	Transaction risk	<ol style="list-style-type: none"> 1. The responsible unit must fully understand the background facts of a business deal, its own position and the purpose of a contract, prepare and review the contract and legal documents based on legal expertise, and provide appropriate and feasible suggestions to ensure the Company's rights and interests and avoid the risk of default. 2. In accordance with the Company's rules and regulations, the Company's seal shall be managed and used by a dedicated person, and non-compliant documents shall be returned or required for correction.
Legal risk	Dispute resolution	<ol style="list-style-type: none"> 1. The dispute resolution process, the manpower, time and cost required, the finality of the outcome of the dispute, the feasibility of subsequent enforcement, and other factors are overall considered for the evaluation and formulation of appropriate dispute resolution strategies. 2. The facts of a case are fully understood, a sound offensive and defensive or negotiation strategy is developed, and effective and complete exhibits and witnesses are presented. 3. External expert opinions are sought and appropriate professional agents are delegated for effective control over expenditures.
	Awareness and behavior of compliance	The Company cooperates with relevant units to conduct education and training or discuss educational opportunities when providing legal assistance at meetings to raise employees' awareness of legal compliance and legal risks and encourage internalization in their conduct at work, thereby reducing the Company's risks.
Human resources risks	Risk of inadequate supply of human resources - shortage risk	<ol style="list-style-type: none"> 1. The Company's HR website, CSR website, and Facebook social network are utilized to enhance the Company's brand image and visibility in order to increase the source of talent and willingness to apply for jobs. 2. Training maps are created to develop key talents through development plans, courses and job assignments. 3. The annual promotion report system and the talent review committee are established to ensure the right development of outstanding employees. 4. The Company investigates and plans manpower annually to deploy manpower for the coming year in accordance with the development strategy of the Company and its departments. 5. The Company inspects the list of potential successors every year to understand the status of talented candidates and ensure stable development and succession of all levels of leaders and supervisory officers. 6. A corporate union has been established to maintain good communication, interaction and cooperation between the employer and the employees. 7. The bylaws stipulate the annual appropriation of employee compensation for all employees to share the results of the Company's operations. 8. A competitive compensation system has been established to motivate employees and improve overall morale and performance. 9. As regards the compensation of employees of overseas subsidiaries, the Company not only sets reasonable and competitive salary levels in accordance with the local labor market conditions, but also makes reference to local
	Risk of significant increase in labor costs - backlog risk	



Risk Categories	Risk Profile	Risk Management Policy or Strategy
	Risk of workforce stability - turnover risk	laws and regulations, industry practices and the overall operating performance of each subsidiary to encourage its employees to make long-term contributions and grow with the Company.
	Compliance risk	<ol style="list-style-type: none"> The Company complies with laws and regulations to establish and implement various management rules and regulations and hold regular training sessions to solidify the integrity of employees fundamentally and improve their legal compliance and professional skills continuously. The Company hires an external team of lawyers specializing in labor law as its legal advisors to provide timely legal advice, assigns specialists to re-examine whether the personnel rules and regulations are in compliance with the law and whether they are implemented, and updates the relevant personnel rules and regulations of the Company in a timely manner when the law is amended. The Company has planned its internal organizational structure and placed a control mechanism on business activities with higher risk of dishonest conduct in the business scope. The Company's finance and accounting departments adopt division of labor and have a mutual supervision mechanism, and the audit department conducts audits, based on the eight cycles and the two management operations and in accordance with the law, as well as regular audits with external third-party impartial units, for reasonable reduction in the risk of dishonesty. The Company plans a whistleblower system and ensures the effectiveness of its implementation: <ol style="list-style-type: none"> The Company has established the "Procedures for Handling Reports of Illegal and Unethical or Dishonest Conduct" to encourage the reporting of any illegal or unethical conduct or violations of the code of business integrity. Any employee or external party can freely choose to access the Company's website or a dedicated hotline set up at the Audit Office to report cases of illegal, unethical, or dishonest conduct through the following units.
Research and development risk	Product technology risk	<ul style="list-style-type: none"> R&D information may fall into the hands of competitors, and R&D personnel may be poached by competitors, causing leakage of R&D results. Experiment logs and presentation materials should be kept and managed properly. Key technical achievements should be submitted for patent application or included in the control of trade secrets to protect the rights and interests of the Company. R&D personnel should sign confidentiality agreements according to project requirements.
	Market risk	<ul style="list-style-type: none"> Customers adjust their demands or market conditions change, causing product development to fall short of expected goals. The Company keeps abreast of changes in customer demands and market conditions and develop countermeasures at meetings (e.g., production and marketing and production reform). The Company also accelerates research and development and enhances the ability to respond to changes in market conditions to reduce the risk of market changes. In addition, the Company actively promotes industrial applications of high value to create higher profitability and achieve sustainable management.
Environmental and Energy Resource Risks	Environmental impact of carbon emissions from operating processes	<ol style="list-style-type: none"> The Company identifies the potential crisis of climate change and seeks possible opportunities and countermeasures through the TCFD and international research reports. The Group sets energy management goals and holds regular technical exchange meetings to promote energy saving and carbon reduction and improve energy efficiency. The Group has been promoting the establishment of ISO 50001 energy management system. The Group pays constant attention to changes in policies and regulations relating to energy and carbon management and actively participates in public hearings on new (revised) regulations.
	Environmental pollution caused by operating processes	<ol style="list-style-type: none"> The Group announced its five-zero goal of Zero Occupational Accident, Zero Accident, Zero Pollution, Zero Emission and Zero Failure and established the Group's Guidelines for Safety, Environment Protection, Pre-protection. The Group has been promoting the establishment of ISO 14001 environmental management system. The Group performs safety and environmental inspection to check and improve the compliance with regulations concerning work safety, environmental protection, and fire prevention. The Group holds annual education and training programs on safety and environmental protection to enhance the skills of work safety and environmental protection personnel in each plant and teach them new knowledge of safety and environmental regulations. The Group pays constant attention to changes in domestic and international environmental protection laws and regulations and actively participates in public hearings on new (revised) environmental protection laws and regulations through public associations.
Climate change risks	<ul style="list-style-type: none"> Water resources management Carbon neutrality/carbon tax 	<ol style="list-style-type: none"> The Group pays constant attention to changes in domestic and international environmental protection laws and regulations and actively participates in formulating (revising) environmental protection laws and regulations through public associations. The Group has been promoting the establishment of ISO 14001 environmental management system.
Risk of disasters and accidents	<ul style="list-style-type: none"> Risk of not tracking and reviewing the causes of accidents and improvement plans Risk of operation and property/personnel loss Risk of employee job hazard Risk of operation interruption 	<ol style="list-style-type: none"> The Company has established the "Method of Accident Investigation" for accidents and safety. Construct Process Safety Management System (PSM), Occupational Safety and Health Management System (ISO 45001), and Environmental Management System (ISO 14001). Make emergency response plans. Hold regular education and training on environmental protection, safety and health and fire safety. Service equipment and machinery annually. Take out public liability insurance, toxic chemical substance operators liability insurance, transportation insurance, and operation interruption insurance to reduce operational losses.
Technology risk	Risk of information security breaches arising from the adoption of new technologies.	<ol style="list-style-type: none"> Raise employees' awareness of information security in the use of the Internet to prevent losses caused by cyber attacks on the Group and its employees, in view of the widespread use of mobile devices (BYOD, bring your own device). Introduce the National Institute of Standards and Technology (NIST) Cybersecurity Framework to detect, identify, respond to, protect against and recover from cybersecurity threats. Risks are governed for the introduction of digital transformation. The Board of Directors plays a key role in focusing on organizational risks and executing decisions and priorities. The management supervises the risk management of critical infrastructures and creates budgets to implement improvement programs. Fortify the security of critical infrastructures. Constantly pay attention to current and future risk changes to respond to them.

Risk Categories	Risk Profile	Risk Management Policy or Strategy
	Lagging in response to market consumption habits and production technology	<ol style="list-style-type: none"> Promote smart manufacturing: improve product quality and process safety and reduce energy consumption through new technologies and techniques. Accelerate the development of new materials and improve production efficiency. Keep abreast of changes in market, product and consumer demands and respond to them.
Other risks	Environmental protection incidents	<ol style="list-style-type: none"> No material environmental pollution incidents occurred this year. If there is a pollution incident, it will be implemented according to the water pollution contingency plan. This year, the training, drills, education and promotion of poisonous disasters have been completed, including 2 no-warning tests and 1 overall drill. Manage the storage, removal and disposal of waste according to the waste disposal contingency plan, and complete the collection and reporting of records and statistics. On-site inspections were carried out every month this year, and no discrepancies were found. No material environmental pollution incidents occurred this year. If there is a pollution incident, it will be implemented in accordance with the Administrative Measures on Crisis Incident Handling and the Administrative Measures on Emergency Incident Preparation and Response.
	Transportation safety - underground pipelines	<ol style="list-style-type: none"> Complete the audit and review by the Economic Development Bureau and the Industrial Bureau according to the management system structure of the underground pipeline integrity formulated by the Economic Development Bureau of the Kaohsiung Municipal Government, and complete the reply according to the review opinions. Complete the risk reassessment, and establish and complete risk mitigation measures according to the assessed high-risk areas, and the mitigation measures are as follows: <ol style="list-style-type: none"> Each area organizes the relevant plants to jointly build a cloud management system platform for the underground pipeline information, and jointly entrust a professional security company to conduct daily inspections and irregular patrol inspections. Supervise the third-party excavation on site from time to time to maintain the safety of the pipeline. Pipeline maintenance and management, cathodic corrosion protection testing, thickness measurement of exposed pipe sections, and stray current monitoring are carried out quarterly. Gas detector and pressure transmitter calibration and shut-off valve actuation test, etc are conducted regularly. Complete the emergency response plan and notification mechanism, and, in compliance with the requirements of the Economic Development Bureau Pipeline Management Center, complete emergency response and training of patrol personnel and operators.
	Coronavirus disease (COVID-19)	<ol style="list-style-type: none"> The Human Resources Division of the Group has established pandemic prevention measures and procedures, and the Company should adjust these measures to the method that is the most suitable for the local region based on the actual condition of every business premise and relevant provisions of local competent authority, and implement the same. The Human Resources Division of the Group has classified colleagues having the history of contact and travel into control classes A, B, C and D in accordance with the pandemic prevention points published by the Centers for Disease Control under the Ministry of Health and Welfare, and implemented corresponding pandemic prevention measures. The competent functions of the Company and its plants submit the pandemic prevention statuses of these four types of people to the Daily Pandemic Prevention & Disclosure Platform every day. The Human Resources Division updates and announces the aforesaid control levels based on the table on recommended international travel pandemic levels published by the CDC, and posts the content on the COVID-19 area of the service website of the Group. Preparation of pandemic prevention materials. Establish response measures and make the recovery plan. <ol style="list-style-type: none"> Personnel distraction. Education and training courses require all trainees to wear facemasks in the entire process. Meeting specification - The Information Technology Division helps adopt the video form for the conference form. Temperature measurement. Visitor specification. Building management. Food supply and dining management.



(XV.) Other significant risks and response measures:

1. Recovery risk of receivables
 - (1) Executive and responsible unit: Trust Department.
 - (2) Conduct usual transactions through advance receipts or letter of credit (L/C), provide credit to customers based on their credit limits and risks after performing credit assessment, and purchase accounts receivable insurances involving mainland customers whose risks are beyond its control to reduce risks to a manageable level.
2. As of the publication date of this annual report, there has been no other risk issues in the Company.

VII. Other Important Matters:

(I.) Key performance indicators of USI

1. Disaster-free working hours: The production environment at Renwu plant, with a strong emphasis on occupational safety, health and environmental protection, won the Excellence Award in the “Selection of Excellent Units and Employees Promoting Occupational Safety and Health” conducted by the Ministry of Labor. Renwu Plant paid special attention to the production environment as well as workplace safety and environmental protection. As of December 31, 2021, it has accumulated a total of 1,344,071 injury-free working hours.
2. Equipment operating rate: The equipment operating rate in 2021 was 87.2%.

(II.) Key performance indicators of Asia Polymer Corporation (APC)

1. Injury-free working hours: As of December 31, 2021, the high-temperature and high-pressure production environment at Linyuan Plant, with a strong emphasis on occupational safety, health, and environmental protection, has accumulated 457,735 hours in terms of injury-free working hours in total.
2. Equipment operating rate: Apart from production suspension due to equipment maintenance and power outage in coordination with Taiwan Power Company, production at the plant remains normal for the rest of the time. The equipment operating rate in 2020 was 94.14%.

(III.) Key performance indicators of CGPC

1. Production rate: Compared to the annual target, the production rate for raw materials was 102.4%, while the production rate for processed products was 97.3%.
2. Yield rate: Compared to the annual target, the yield rate for raw materials was 99.09%, while the yield rate for processed products was 99.06%.
3. Customer complaints: The ratio of annual losses from customer complaints (excluding quantity discounts) was 0.03% (the losses from customer complaints as a ratio of the revenue) and it was within the Company's control.
4. Employee proposal: 435 proposals were submitted, where these proposals were estimated to bring in a total savings of NT\$ 14.29 million.
5. Workplace accidents: Frequency of injury (number of persons injured and disabled per million hours): 2.86
Injury severity rate (total number of days of losses due to disability and injury per million hours): 43
The incidence of work safety is still within a manageable range for the Company.

(IV.) Key performance indicators for TTC

1. Injury-free working hours: As of December 31, 2021, Cianjhen Plant recorded a total of 2,136,489 injury-free working hours, and this figure was 1,060,803 hours for Linyuan Plant, 876,294 hours for Toufen Plant and 1,744,071 hours for Zhongshan Plant.
2. Equipment operating rate: As to the equipment operating rate by product type in 2021, it is 90% for ABS, 92% for SAN, 93.7% for GPS, 96.2% for EPS, 95.1%



for glass wool, 17% for cubic and 87.7% for Zhongshan Plant.

(V.) Key performance indicators of ACME Electronics Corporation

1. Inventory turnover (times): 3.34 times in 2021
2. Property, plant and equipment turnover rate (times): 2.23 in 2021.

(VI.) Pollution prevention:

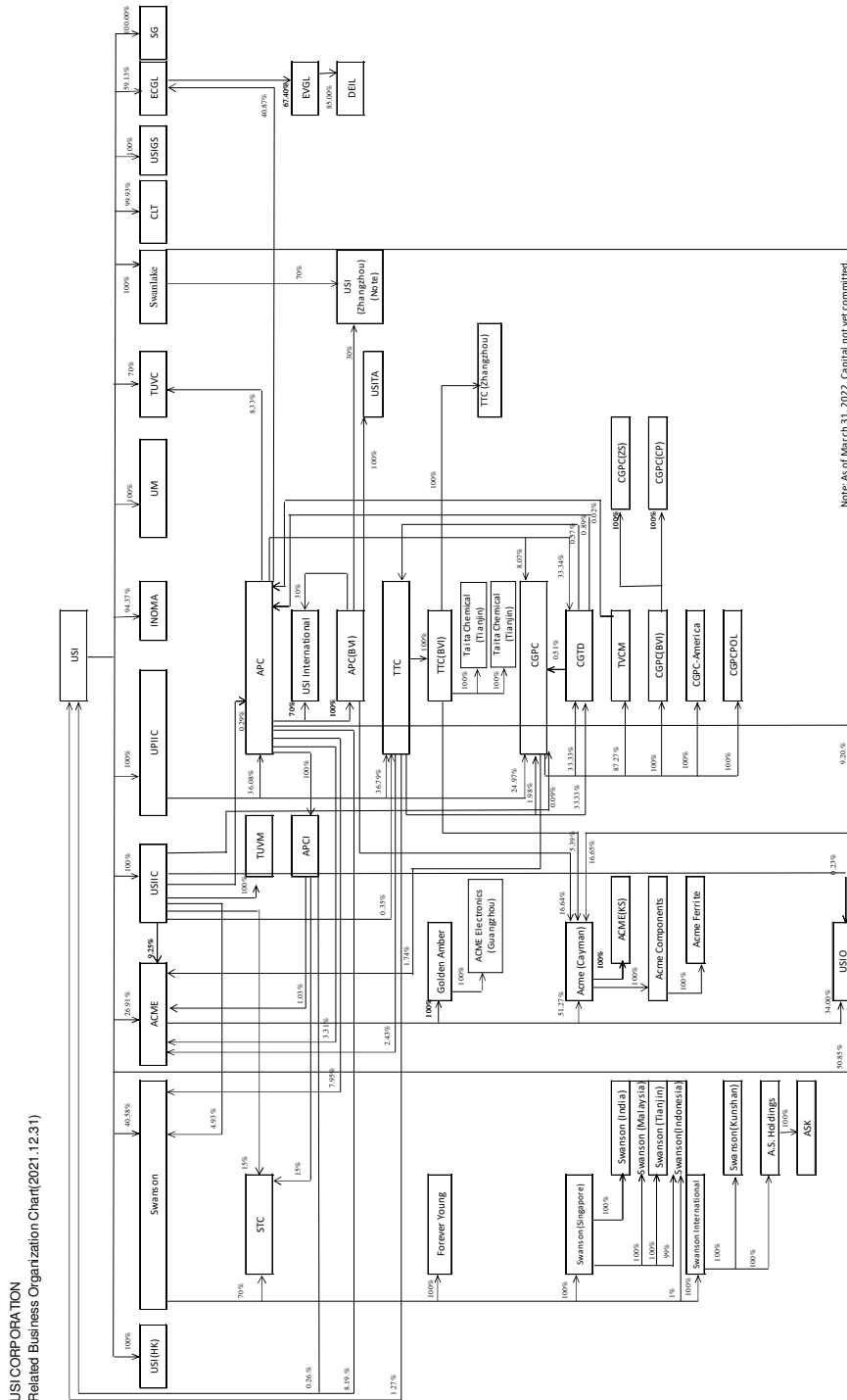
1. The Company's subsidiary, Taiwan VCM Corporation rented part of the land occupied by the China Petrochemical Development Corporation's Cianjhen Plant from January 1, 1970 to December 31, 1989 to set up its plant and manufacture VCM. In October 2006, the area was deemed a groundwater pollution control site. After remediating the area using the "Physics+Chemistry+Biology" engineering method developed by INOMA Corporation, the groundwater pollution concentration level of the site decreased to less than the groundwater pollution control standard. Based on the findings of re-inspections by the Environmental Protection Bureau of the Kaohsiung City Government on January 11 to January 12, 2016, it was announced on April 11, 2016 that the area had its status as a groundwater pollution control site terminated and was removed from the delineation of the groundwater pollution control region.
2. In 2010, part of the land occupied by the Company's Toufen Plant was listed as a groundwater pollution control site and included in the groundwater pollution control region by environment unit. Therefore, the Company introduced and implemented the "Physics+Chemistry+Biology" engineering method developed by Taiwan VCM Corporation to carry out remediation and improvement of the area. After the field samples collected were verified by environmental protection agencies, it was found that various data have complied with the government's control standards. The site was removed as a groundwater pollution control site by the Environmental Protection Administration on February 24, 2017 and the Environmental Protection Bureau of the Miaoli County Government on March 21, 2017.
3. Taiwan VCM Corporation, a subsidiary of the Company, has won the certificate of explanation and analysis of treatment technology for polluted site issued by the Environmental Protection Agency of Executive Yuan. Through promoting the certification and validation of remediation technologies, and collecting information from domestic manufacturers and successful cases of separation, the EPD recently announced the remediation technologies of Environmental Development Department of Taiwan VCM Corporation in the "soil and groundwater pollution remediation network" of EPD.
4. Director Hua-I Chien from Taiwan VCM Corporation, a subsidiary of the Company, won the Outstanding Planning Manager Award for 2020 conferred by Taiwan Association for Soil and Underground Environment Protection.

Chapter 8 Special Notes

I. Information Regarding Affiliated Companies:

(I.) Consolidated Business Report of Affiliated Companies

1. The organizational chart for affiliated companies (as of December 31, 2021) is shown in the following. In addition, the shareholding structure of affiliated companies are also detailed in the following section, whereas the financial statements, including both the consolidated financial statements and related notes, in the most recent four fiscal years, are also included in the consolidated financial statements of its subsidiaries.



2. Basic information on affiliates

December 31, 2021

Unit: Amount in New Taiwan dollar (NT\$ 1,000), unless otherwise stated

Company Name	Date of Founding	Address	Paid-in Capital	Main Business or Production Items
Swanson Plastics Corporation	07.03.1986	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	1,543,119	Production and sale of embossed films, stretch films, heavy bags and industrial multi-layer packaging films
Forever Young Company Limited	03.03.1994	Skelton Building, Main Street, P.O. Box 3136, Road Town, Tortola, British Virgin Islands	1,384 (USD50,000)	Trading and agency businesses
Swanson Plastics (Singapore) Pte. Ltd.	07.23, 1997	16 Pandan Road Singapore 60926	728,220 (USD 26,308,543)	Production and marketing of plastic products
(Acme Electronics Corporation)	09.05.1991	8th Floor, No. 39, Jihu Road, Neihu District, Taipei City	1,829,937	1. Manufacture and sales of soft ferrite powder, cores, and other relevant electromagnetic components and raw materials. 2. Design, manufacture, processing, and sales of production equipment for the products mentioned above. 3. Import and export of the abovementioned products, and other businesses excluding those subject to special approval.
Acme Electronics Corporation - Guanyin Plant	10.07.1993	No. 2, Guojian 2nd Rd., Guanyin Dist., Taoyuan City 328		
Golden Amber Enterprises Ltd.	03.26.1998	Citco Building, Wickhams Cay, PO Box 662, Road Town, Tortola, BVI	669,072 (USD20,800,000)	Corporate investments
USIFE Investment Co., Ltd.	05.22.1989	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	872,508	Investments in production, transportation, warehousing, construction, banking, securities investment companies and trading companies
Taiwan United Venture Management Corporation	01.07.1998	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	8,000	Corporate management consulting
Union Polymer Int'l Investment Corp.	10.09.1996	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	7,467,227	Investments in various production and service businesses
Swanlake Traders Ltd.	09.21.1995	Citco Building Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	671,245 (USD24,250,184.6)	Engage in various trading and investment businesses
Acme Components (Malaysia)	09.06.1990	Plot 15, Jalan Industri 6 Kawasan Perindustrian	270,723	Corporate investments



Company Name	Date of Founding	Address	Paid-in Capital	Main Business or Production Items
Sdn. Bhd.		Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	(RM42,600,000)	
Acme Ferrite Products Sdn. Bhd.	09.21.1990	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	241,261	Manufacturing and marketing of soft ferrite core
Chong Loong Trading Co., Ltd.	06.22.1960	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	53,368	Import and export business (excluding those subject to individual approval), sales agent, and distribution of products from domestic and overseas manufacturers, (excluding derivatives), commodity wholesaling and retail sales, management and investments related to the abovementioned businesses
Taiwan United Venture Capital Corp.	04.10.1995	10F, No. 39, Jihu Road, Neihu District, Taipei City	370,000	Engage in venture capital investments in invested businesses. Planning, consulting, engagement and management services to invested businesses Corporate business, management and consulting services to other venture capital businesses Other related businesses approved by the government.
USI (Hong Kong) Company Ltd	12.08.1999	6/F., Caltex House, 258 Hennessy Road, Hong Kong.	56,784 (HKD16,000,000)	Engage in various trading businesses
Taita Chemical Company, Ltd.	04.06.1960	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	3,786,541	Production and sale of ABS, PS, glass wool insulation products and Cubic printing
Taita Chemical Company, Ltd. - Linyuan Plant	68.08	No.5, Gongye 1st Road, Linyuan Industrial Park, Kaohsiung City, Taiwan		Production and sale of ABS
Taita Chemical Company, Ltd. - Cianjhen Plant	04.06.1960	No. 3, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan		Production and sale of PS
Taita Chemical Company, Ltd. - Toufen Plant	81.03	No.571, Minzu Road, Toufen Township, Miaoli County		Production and sale of glass wool products
Taita (BVI) Holding Co., Ltd.	04.10.1997	CITCO Building, Wickhams CAY.P.O Box 662, Road Town, Tortola, British Virgin Island	2,483,948 (USD89,738,000)	Investment holding company

Company Name	Date of Founding	Address	Paid-in Capital	Main Business or Production Items
Taita Chemical (Zhongshan) Co., Ltd	03.24.1999	Along Jiangdong 2nd Road, Zhongshan Torch Hi-Tech Industrial Development Zone, Zhongshan City, Guangdong Province, China	1,280,200 (USD46,250,000)	Production and sale of expanded polystyrene (EPS) derivatives
Asia Polymer Corporation	01.25.1977	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	5,937,439	Manufacture and sale of medium- and low-density polyethylene and ethylene vinyl acetate copolymer resins
Asia Polymer Corporation - Linyuan Plant	March 1979	No. 3, Gongye 1st Road, Linyuan Industrial Park, Kaohsiung City		
APC (BVI) Holding Co., Ltd.	04.10.1997	Citco Building, Wickham Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	313,963 (USD11,342,594)	Reinvestment business
China General Plastics Corporation	04.29.1964	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	5,810,505	Production and sale of PVC raw materials and processed products
China General Plastics Corporation - Toufen Plant	February 1964	No. 571, Minzu Road, Toufen Township, Miaoli County		
Taiwan VCM Corporation	01.21.1970	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	2,974,425	Manufacturing and marketing of VCM
Taiwan VCM Corporation - Linyuan Plant	11.30.1992	No. 1, Gongye 1st Road, Linyuan Industrial Park, Kaohsiung City		
China General Terminal & Distribution Co.	02.25.1989	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	660,288	Warehousing and transportation of petrochemical raw materials
Swanson Plastics (Malaysia) Sdn. Bhd.	04.10.1989	Plot 505, Tingkat Perusahaan 4A, Kawasan Perusahaan, Zon Perdagangan Bebas, 13600 Prai, Penang Malaysia	127,100 (RM20,000,000)	Manufacture and sale of plastic products
CGPC America Corporation	06.21.1988	11310 Harrel Street Mira Loma CA 91752	554,984 (USD20,050,000)	Marketing of PVC two- or three-time processed products
CGPC (BVI) Holding Co., Ltd.	04.10.1987	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	451,413 (USD16,308,258)	Reinvestment
Continental General Plastics (Zhongshan) Co., Ltd.	12.02.1997	Along Jiangdong 2nd Road, Zhongshan Torch Hi-Tech Industrial Development Zone, Zhongshan City, Guangdong Province, China	553,600 (USD20,000,000)	Manufacture and sale of secondary and tertiary processed PVC products
Acme Electronics (Cayman) Corp.	06.28.2000	Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies	138,318 (USD4,997,052)	Corporate investments



Company Name	Date of Founding	Address	Paid-in Capital	Main Business or Production Items
Acme Electronics (Kunshan) Co., Ltd.	07.27.2000	No. 533, Huangpujiang North Road, Kunshan City, Jiangsu Province, China	850,468 (USD30,725,000)	Production and sale of soft ferrite cores
USI Management Consulting Corp.	03.16.2001	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	6,714	Corporate management consulting
Swanson International Limited	03.29.2001	Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies	402,501 (USD14,541,205)	Trading and agency businesses
Swanson Plastics (Kunshan) Co., Ltd.	10.08.2001	No. 289, Qingyang North Road, Kunshan City, Jiangsu Province, China	367,867 (USD13,290,000)	Production, sale and development of multifunctional membranes and photolysis membranes
USI International Corporation	09.20.2002	TrustNet Chambers, P.O.Box3444, Road Town, Tortola, British Virgin Island.	83,040 (USD3,000,000)	Investment
Taita Chemical (Tianjin) Co., Ltd.	11.27.2003	No. 8, Hengshan Road, Chemical Industry Park, Development Zone, Tianjin City, China	757,048 (USD27,350,000)	Production and sale of expanded polystyrene (EPS) derivatives
Acme Electronics (Guang-Zhou) Co., Ltd.	11.24.2004	No. 1, Fuqian Road, Zengjiang Street, Zengcheng District, Guangzhou City, Guangdong Province, China	531,456 (USD19,200,000)	Manufacturing and marketing of manganese-zinc soft ferrite core
A.S. Holdings (UK) Limited	02.02.2004	7/10 Chandos Street Cavendish Square London W1G 9DQ	117,756 (UK3,156,993)	Investment
USI Trading (Shanghai) Co., Ltd.	03.13.2006	Room 6A, No. 1358, Yan'an West Road, Shanghai City	69,200 (USD2,500,000)	Engage in wholesaling, commission agency, import and export and related supporting businesses for products including petrochemical products and related equipment, rubber products and electronic materials
ASK-Swanson (Kunshan) Co., Ltd	02.17.2004	No. 289, Qingyang North Road, Kunshan City, Jiangsu Province, China	251,888 (USD9,100,000)	Production and sales of PE release film and other release products
CGPC Consumer Products Corporation	02.13.2007	Along Jiangdong 2nd Road, Zhongshan Torch Hi-Tech Industrial Development Zone, Zhongshan City, Guangdong Province, China	41,520 (USD1,500,000)	Engage in the manufacturing and marketing of PVC third-time processed products
APC Investment Corporation	12.20.2007	10F, No. 39, Jihu Road, Neihu District, Taipei City	200,000	Investment
CGPC Polymer Corporation	05.19.2009	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	800,000	Manufacturing and marketing of PVC resins
Swanson Technologies	10.12.2009	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114,	150,001	Production, sale and development of EVA

Company Name	Date of Founding	Address	Paid-in Capital	Main Business or Production Items
Corporation		Taiwan		packaging films and other high value-added plastic products
USI Optronics Corporation	10.07.2010	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	649,017	Manufacture and sale of sapphire ingots and other related crystals
Swanson Plastics (India) Private Limited	03.08.2011	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	399,777 (INR1,073,513,900)	Manufacturing and marketing of plastic products
Swanson Plastics (Tianjin) Co., Ltd.	05.02.2012	Shuangtang High-grade Metal Product Industrial Park. Jinghai County, Tianjin City, China	296,176 (USD10,700,000)	Manufacturing and marketing of plastic products
PT. Swanson Plastics Indonesia	12.27.2013	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	722,477 (USD26,101,043)	Manufacturing and marketing of plastic products
USIG (Shanghai) Co., Ltd.	03.13.2014	Block A, 6th Floor, Yinglong Building, No. 1358, Yan'an West Road, Shanghai, Postcode: 200052	138,400 (USD5,000,000)	Engage in import and distribution of various types of chemical raw materials and products
Ever Conquest Global Limited	05.21.2016	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	11,546,574 (USD417,145,000)	Engage in investment business
INOMA Corporation	03.17.2014	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	97,950	Engage in optical products and fire protection materials businesses
Ever Victory Global Limited	05.21.2013	P.O. Box 957, OffshoreIncorporations Centre, Road Town, Tortola, British Virgin Islands	17,130,737 (USD618,885,000)	Engage in investment business
Dynamic Ever Investments	09.03.2013	FLAT/RM 1902, 19/F ,LEE GARDEN ONE 33 HYSAN AVENUE CAUSEWAY BAY HK	19,175,735 (USD692,765,000)	Engage in investment business
Taita Chemical (Zhangzhou) Co., Ltd	06.04.2021	No. 569, South Shugang Avenue, Gulei Town, Guleigang Economic Development Zone, Zhangzhou City, Fujian Province, China	1,390,590 (USD48,580,000)	Production and sale of expanded polystyrene (EPS) derivatives
Zhangzhou USI Trading Co.,Ltd. (Note)	03.12.2022	No. 569, South Shugang Avenue, Gulei Town, Guleigang Economic Development Zone, Zhangzhou City, Fujian Province, China	0	Sales of chemical products
USI Green Energy Corporation	05.04.2020	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	70,100	Engage in solar power generation business

Note: capital not yet committed as of 03/31/2022.

3. Information of shareholders with corporate governance power while working in the company: None.

4. Businesses engaged by affiliated companies and their relationships:

Industry	Company Name	Business relationship with other affiliated companies
Petrochemical industry	Asia Polymer Corporation	Purchase of goods, sales of goods, ethylene transfer, and dispense
	Taiwan VCM Corporation	Ethylene transfer and dispense
	Taita Chemical Company, Ltd.	Purchase and sale of goods
Manufacture and sale of plastic products	China General Plastics Corporation	Sales
	Swanson Plastics Corporation	Purchase and sale of goods
Trading	Forever Young Co., Ltd.	Sales
	USI (Hong Kong) Company Ltd	Sales
	USI Trading (Shanghai) Co., Ltd.	Sales

5. Information on the Directors, Supervisors, and General Managers of affiliated companies

December 31, 2021
Unit: Shares; %

Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
USI CORPORATION	Chairman	Yi-Gui Wu (assigned by Shing Lee Enterprise (Hong Kong) Limited)	113,122/0.01	173,776,546/14.62
	Directors	Ching-Shou Yu (assigned by Asia polymer Co., Ltd.)	0/0	101,355,673/8.53
	Directors	Che-I Kao (assigned by Asia polymer Co., Ltd.)	0/0	
	Directors	Kuang-Che Huang (Assigned by Taita Chemical Company, Ltd.)	125,000/0.01	15,109,901/1.27
	Directors	Ke-Shun Wang (Assigned by Taita Chemical Company, Ltd.)	125,704/0.01	
	Directors	Hung-Ting Wu (assigned by Shing Lee Enterprise (Hong Kong) Limited)	50,418/0	173,776,546/14.62
	Independent Director	Chung Chen	0/0	—
	Independent Director	Tzu-Chun Tu	0/0	—
	Independent Director	Ying-Chun Hai	0/0	—
General Manager	Ke-Shun Wang	125,704/0.01	—	
Swanson Plastics Corporation	Chairman	Yi-Gui Wu (assigned by USI Corporation)	146,884/0.10	62,616,299/40.58



Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
	Vice Chairman	Tung-Yang Wu (assigned by USI Corporation)	0/0	
	Directors	Pei-Chi Wu(assigned by USI Corporation)	0/0	
	Directors	Han-Tai Liu (assigned by USI Corporation)	0/0	
	Directors	Chao-An Wang (assigned by USI Corporation)	276,265/0.18	
	Directors	Wen-Hao Wu (assigned by USI Corporation)	0/0	
	Directors	Wei-Te Chueh (assigned by USI Corporation)	0/0	
	Supervisor	Ya-I Huang	44,262/0.03	—
	Supervisor	Yung-Chih Chen	0/0	—
	General Manager	Wen-Hao Wu	0/0	—
Forever Young Company Ltd.	Directors	Yi-Gui Wu	0/0	—
	Directors	Tung-Yang Wu	0/0	—
	Directors	Wen-Hao Wu	0/0	—
	Directors	Hai-Hao Tang	0/0	—
	Directors	Wen-Li Yang	0/0	—
Swanson Plastics (Singapore) Pte. Ltd.	Directors	Yi-Gui Wu	0/0	—
	Directors	Tung-Yang Wu	0/0	—
	Directors	Chao-An Wang	0/0	—
	Directors	Hai-Hao Tang	0/0	—
	Directors	Tan Seng Kiat	0/0	—
	General Manager	Hai-Hao Tang	0/0	—
(Acme Electronics Corporation)	Chairman	Yi-Gui Wu (assigned by USI Corporation)	1,256,284/0.69	49,250,733/26.91
	Directors	Shan-Ke Hsu (assigned by USI Corporation)	78,695/0.04	
	Directors	Hui-Ming Cheng (assigned by Asia polymer Co., Ltd.)	0/0	6,056,623/3.31
	Directors	Hsien-Tsung Wu (assigned by Asia polymer Co., Ltd.)	43,462/0.02	
	Directors	Chun-Hui Huang (Assigned by Taita Chemical Company, Ltd.)	0/0	4,445,019/2.43
	Directors	Wen-Hao Wu (Assigned by Taita Chemical Company, Ltd.)	2,000/0	
	Independent Director	Li-Chiu Chang	0/0	—
	Independent Director	Piao-Chun Chen	0/0	—
	Independent Director	Shun-Tien Lin	0/0	—
	General Manager	Wen-Hao Wu	2,000/0	—
Golden Amber Enterprises Ltd.	Directors	Wen-Hao Wu	0/0	—
	Directors	Yi-Gui Wu	0/0	—

Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
	Directors	Ke-Shun Wang	0/0	—
	General Manager	Wen-Hao Wu	0/0	—
USIFE Investment Co., Ltd.	Chairman	Yi-Gui Wu (assigned by USI Corporation)	0/0	87,250,800/100
	Directors	Ke-Shun Wang (assigned by USI Corporation)	0/0	
	Directors	Ya-I Huang (assigned by USI Corporation)	0/0	
	Supervisor	Yung-Chih Chen (assigned by USI Corporation)	0/0	—
	General Manager	Ya-I Huang	0/0	
Taiwan United Venture Management Corporation	Chairman	Yi-Gui Wu (assigned by USIFE Investment Co., Ltd.)	0/0	800,000/100
	Directors	Ya-I Huang (Appointed by USIFE Investment Co., Ltd.)	0/0	
	Directors	Wen-Li Yang (assigned by USIFE Investment Co., Ltd.)	0/0	
	Supervisor	Yung-Chih Chen (Appointed by USIFE Investment Co., Ltd.)	0/0	—
	General Manager	Ya-I Huang	0/0	
Union Polymer Int'l Investment Corp.	Chairman	Yi-Gui Wu (assigned by USI Corporation)	0/0	746,722,725/100
	Directors	Ching-Shou Yu (assigned by USI Corporation)	0/0	
	Directors	Ke-Shun Wang (assigned by USI Corporation)	0/0	
	Directors	Ya-I Huang (assigned by USI Corporation)	0/0	
	Supervisor	Yung-Chih Chen (assigned by USI Corporation)	0/0	
	General Manager	Yi-Gui Wu	0/0	—
Swanlake Traders Ltd.	Directors	Yi-Gui Wu	0/0	—
	Directors	Ke-Shun Wang	0/0	—
	Directors	Wen-Li Yang	0/0	—
Acme Components (Malaysia) Sdn. Bhd.	Chairman	Ho Sew Kong	0/0	42,600,000/100
	Directors	Yi-Gui Wu	0/0	
	Directors	Wen-Hao Wu	0/0	
	General Manager	Wen-Hao Wu	0/0	—
Acme Ferrite Products Sdn. Bhd.	Chairman	Ho Sew Kong	0/0	9,120,000/100
	Directors	Yi-Gui Wu	0/0	
	Directors	Wen-Hao Wu	0/0	
	General Manager	Wen-Hao Wu	0/0	—
Chong Loong Trading Co., Ltd.	Chairman	Yi-Gui Wu (assigned by USI Corporation)	0/0	5,333,059/99.93



Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage	
	Directors	Ke-Shun Wang (assigned by USI Corporation)	0/0		
	Directors	Pei-Chi Wu(assigned by USI Corporation)	0/0		
	Supervisor	Yung-Chih Chen	0/0		—
	General Manager	Ke-Shun Wang	0/0		—
Taiwan United Venture Capital Corp.	Chairman	Yi-Gui Wu (assigned by USI Corporation)	0/0	25,900,000/70.00	
	Directors	Ke-Shun Wang (assigned by USI Corporation)	0/0		
	Directors	Pei-Chi Wu(assigned by USI Corporation)	0/0		
	Directors	Wen-Li Yang (assigned by USI Corporation)	0/0		
	Directors	Ya-I Huang (assigned by USI Corporation)	0/0		
	Supervisor	Yung-Chih Chen(Appointed by Asia polymer Co., Ltd.)	0/0	3,080,866/8.33	
	General Manager	Ya-I Huang	0/0	—	
USI (HK) Co., Ltd.	Directors	Yi-Gui Wu	1/0	—	
	Directors	Ke-Shun Wang	0/0	—	
Taita Chemical Company, Ltd.	Chairman	Yi-Gui Wu (assigned by Union Polymer International Investment Corporation)	0/0	139,298,343/36.79	
	Directors	I-Kung Ma (assigned by USIFE Investment Co., Ltd)	0/0	1,338,240/0.35	
	Directors	Pei-Chi Wu (assigned by Union Polymer International Investment Corporation)	0/0	139,298,343/36.79	
	Directors	Pao-Lo Ying (assigned by Union Polymer International Investment Corporation)	30,563/0.01	1,338,240/0.35	
	Directors	I-Shao Ko (assigned by Taiwan Union International Investment Co., Ltd.)	0/0	8,433,329/2.23	
	Independent Director	Tien-Wen Chen	0/0	—	
	Independent Director	Yung-Tu Wei	0/0	—	
	Independent Director	Kuo-Hsiang Li	0/0	—	
	Independent Director	Chi-Yin Juan	0/0	—	
	General Manager	Pei-Chi Wu	0/0	—	
	Taita (BVI) Holding Co., Ltd	Directors	Yi-Gui Wu	0/0	—
Directors		Ko I-Shao	0/0	—	
Directors		Pei-Chi Wu	0/0	—	
Directors		Wen-Li Yang	0/0	—	

Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
Taita Chemical (Zhongshan) Co., Ltd	Chairman	Pei-Chi Wu (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	Capital Contribution US\$ 46,250,000/2011
	Directors	Chang Te-Wei (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Directors	Wen-Li Yang (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Directors	Kan Lin (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Directors	Tai-Ming Yen (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Supervisors	Ya-I Huang (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Tai-Ming Yen	0/0	—
Asia Polymer Corporation	Chairman	Yi-Gui Wu (assigned by Union Polymer International Investment Corporation)	0/0	214,245,822/36.08
	Directors	Kuo-Hung Li (assigned by Union Polymer International Investment Corporation)	0/0	
	Directors	Pei-Chi Wu (assigned by Union Polymer International Investment Corporation)	0/0	
	Directors	Han-Tai Liu (assigned by Union Polymer International Investment Corporation)	0/0	
	Directors	Hung-Chu Wu (assigned by Union Polymer International Investment Corporation)	0/0	
	Directors	I-Shao Ko (assigned by Taiwan Union International Investment Co., Ltd.)	0/0	11,811,014/1.99
	Independent Director	Ta-Hsiung Chen	0/0	—
	Independent Director	Shen Shang-Hung	0/0	—
	Independent Director	Cheng Tun-Chien	0/0	—
	General Manager	Pei-Chi Wu	0/0	—
APC (BVI) Holding Co., Ltd.	Directors	Yi-Gui Wu	0/0	—
	Directors	Pei-Chi Wu	0/0	—
	Directors	Ko I-Shao	0/0	—
	Directors	Ke-Shun Wang	0/0	—
China General Plastics Corporation	Chairman	Yi-Gui Wu (assigned by Union Polymer International Investment Corporation)	0/0	145,079,236/24.97
	Vice Chairman	Han-Fu Lin (assigned by Union Polymer International Investment Corporation)	0/0	



Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
	Directors	Ke-Shun Wang (assigned by Union Polymer International Investment Corporation)	0/0	
	Directors	Han-Tai Liu (assigned by Union Polymer International Investment Corporation)	0/0	
	Directors	Chen-Tu Liu (assigned by Union Polymer International Investment Corporation)	0/0	
	Directors	Hung-To Wu (assigned by Union Polymer International Investment Corporation)	0/0	
	Independent Director	Tsu-Te Li	0/0	—
	Independent Director	Cheng Ying-Pin	0/0	—
	Independent Director	Liang-Hsien Li	0/0	—
	General Manager	Han-Fu Lin	0/0	—
Taiwan VCM Corporation	Chairman	Han-Fu Lin (Representative of China General Plastics Corporation)	0/0	259,591,005/87.27
	Directors	Yi-Gui Wu (Appointed by China General Plastics Corporation)	0/0	
	Directors	Ping-I Wang(Appointed by China General Plastics Corporation)	0/0	
	Directors	Kuo-Hung Li (Appointed by China General Plastics Corporation)	0/0	
	Directors	Liu, Han-Tai (Appointed by China General Plastics Corporation)	0/0	37,062,395/12.46
	Directors	Chin-Yuan Chen(Appointed by Ocean Plastics Co. Ltd.)	0/0	
	Directors	Chi-Hung Hu (Appointed by China General Plastics Corporation)	0/0	259,591,005/87.27
	Supervisor	Kuang-Che Huang	0/0	—
	Supervisor	Ya-I Huang	0/0	—
	General Manager	Han-Fu Lin	0/0	—
China General Terminal & Distribution Co.	Chairman	Hung-Chiang Chang (assigned by China General Plastics Corporation)	0/0	22,009,594/33.33
	Directors	Han-Fu Lin (Representative of China General Plastics Corporation)	0/0	
	Directors	Kuo-Hung Li (assigned by Asia polymer Co., Ltd.)	0/0	22,009,593/33.33
	Directors	Pei-Chi Wu (Appointed by Asia polymer Co., Ltd.)	0/0	

Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
	Directors	Chi-Hung Hu (Appointed by China General Plastics Corporation)	0/0	22,009,594/33.33
	Directors	Chen-Tu Liu (assigned by Asia polymer Co., Ltd.)	0/0	22,009,593/33.33
	Directors	I-Shao Ko (assigned by Asia polymer Co., Ltd.)	0/0	
	Supervisor	Han-Tai Liu (Assigned by Taita Chemical Company, Ltd.)	0/0	22,009,592/33.33
	Supervisor	Sheng-Chuan Wu (Assigned by Taita Chemical Company, Ltd.)	0/0	
Swanson Plastics (Malaysia) Sdn. Bhd.	Directors	Yi-Gui Wu	0/0	—
	Directors	Ho, Sew Kong	0/0	—
	Directors	Chao-An Wang	0/0	—
	Directors	Tung-Yang Wu	0/0	—
	Directors	Hai-Hao Tang	0/0	—
	General Manager	Hai-Hao Tang	0/0	—
CGPC America Corporation	Directors	Yi-Gui Wu	0/0	—
	Directors	Han-Fu Lin	0/0	—
	Directors	Chi-Hung Hu	0/0	—
	Directors	Sun, Meng-wen	0/0	—
	General Manager	Chi-Hung Hu	0/0	—
CGPC (BVI) Holding Co., Ltd.	Directors	Yi-Gui Wu	0/0	—
	Directors	Han-Fu Lin	0/0	—
	Directors	Chi-Hung Hu	0/0	—
	Directors	Wen-Li Yang	0/0	—
Continental General Plastics (Zhongshan) Co., Ltd.	Chairman	Han-Fu Lin (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	Capital contribution: US\$ 20,000,000/100
	Directors	Liu Han-Tai (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Directors	Wen-Li Yang (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Directors	Chi-Hung Hu (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Directors	Yung-Chih Chen (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Supervisors	Ya-I Huang (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Han-Fu Lin	0/0	—
Acme Electronics (Cayman) Corp.	Chairman	Yi-Gui Wu	0/0	—
	Directors	Wen-Hao Wu	0/0	—
Acme Electronics (Kunshan) Co., Ltd.	Chairman	Wen-Hao Wu(assigned by Acme Electronics (Cayman) Corporation)	0/0	Capital contribution US\$30,725,000/100
	Directors	Yi-Gui Wu (Appointed by Acme Electronics (Cayman) Corporation)	0/0	



Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
	Directors	Ke-Shun Wang (assigned by Acme Electronics (Cayman) Corporation)	0/0	
	Directors	Pei-Chi Wu (Appointed by Acme Electronics (Cayman) Corporation)	0/0	
	Directors	Yung-Chih Chen (Appointed by Acme Electronics (Cayman) Corporation)	0/0	
	Supervisors	Ya-I Huang (Appointed by Acme Electronics (Cayman) Corporation)	0/0	
	General Manager	Wen-Hao Wu	0/0	—
USI Management Consulting Corp.	Chairman	Yi-Gui Wu (assigned by USI Corporation)	0/0	671,400/100
	Directors	Ke-Shun Wang (assigned by USI Corporation)	0/0	
	Directors	Pei-Chi Wu(assigned by USI Corporation)	0/0	
	Supervisor	Ya-I Huang (assigned by USI Corporation)	0/0	
	General Manager	Yi-Gui Wu	0/0	—
Swanson International Limited	Directors	Yi-Gui Wu	0/0	—
	Directors	Wen-Hao Wu	0/0	
	Directors	Hai-Hao Tang	0/0	
Swanson Plastics (Kunshan) Co., Ltd.	Chairman	Chao-An Wang (Appointed by Swanson International Limited)	0/0	Capital contribution USD1,3,290,000/100
	Directors	Yi-Gui Wu (Appointed by Swanson International Limited)	0/0	
	Directors	Hai-Hao Tang (Appointed by Swanson International Limited)	0/0	
	Supervisors	Tung-Yang Wu (Appointed by Swanson International Limited)	0/0	
	General Manager	Hai-Hao Tang	0/0	—
USI International Corporation	Directors	Yi-Gui Wu	0/0	—
	Directors	Pei-Chi Wu	0/0	—
	Directors	Wen-Li Yang	0/0	—
	Directors	Ya-I Huang	0/0	—
Taita Chemical (Tianjin) Co., Ltd.	Chairman	Pei-Chi Wu (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	Capital Contribution US\$27,350,000/100
	Directors	Tai-Ming Yen (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Directors	Kan Lin (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Supervisors	Ya-I Huang (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Tai-Ming Yen	0/0	—

Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
Acme Electronics (Guang-Zhou) Co., Ltd	Chairman	Wen-Hao Wu (assigned by Golden Amber Enterprises Ltd.)	0/0	Capital contribution US\$19,200,000/100
	Directors	Yi-Gui Wu (Appointed by Golden Amber Enterprises Ltd.)	0/0	
	Directors	Yung-Chih Chen (Appointed by Golden Amber Enterprises Ltd.)	0/0	
	Supervisors	Ya-I Huang (Appointed by Golden Amber Enterprises Ltd.)	0/0	
	General Manager	Wen-Hao Wu	0/0	—
A.S. Holdings (UK) Limited	Directors	Yi-Gui Wu	0/0	—
	Directors	Tung-Yang Wu	0/0	—
	Directors	Wen-Hao Wu	0/0	—
USI Trading (Shanghai) Co., Ltd.	Chairman	Pei-Chi Wu (Appointed by APC (BVI) Holding Co., Ltd.)	0/0	Capital contribution US\$2,500,000/100
	Vice Chairman	Chiao-Feng Wu (Appointed by APC (BVI) Holding Co., Ltd.)	0/0	
	Directors	Ke-Shun Wang (Appointed by APC (BVI) Holding Co., Ltd.)	0/0	
	Directors	Ming-Tsung Wu (Appointed by APC (BVI) Holding Co., Ltd.)	0/0	
	Supervisors	Wen-Li Yang (Appointed by APC (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Pei-Chi Wu	0/0	—
ASK-Swanson (Kunshan) Co., Ltd	Chairman	Chao-An Wang (Appointed by SA.S. Holdings (UK) Limited)	0/0	Capital contribution US\$9,100,000/100
	Directors	Quintin Wu (Appointed by A.S. Holdings (UK) Limited)	0/0	
	Directors	Hai-Hao Tang (Appointed by A.S. Holdings (UK) Limited)	0/0	
	Supervisors	Tung-Yang Wu (Appointed by A.S. Holdings (UK) Limited)	0/0	
	General Manager	Hai-Hao Tang	0/0	—
CGPC Consumer Products Corporation	Chairman	Han-Fu Lin (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	Capital Contribution US\$ 1,500,000/2011
	Directors	Wen-Li Yang (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Directors	Chi-Hung Hu (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Directors	Wan-Ta Chen (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Directors	Ya-I Huang (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Supervisors	Yung-Chih Chen (Appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Han-Fu Lin	0/0	—
APC Investment Corporation	Chairman	Yi-Gui Wu (assigned Asia polymer Co., Ltd.)	0/0	20,000,000/100



Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
	Directors	Pei-Chi Wu (Appointed by Asia polymer Co., Ltd.)	0/0	
	Directors	Ya-I Huang (Appointed by Asia polymer Co., Ltd.)	0/0	
	Supervisor	Yung-Chih Chen(Appointed by Asia polymer Co., Ltd.)	0/0	
	General Manager	Ya-I Huang	0/0	—
CGPC Polymer Corporation	Chairman	Yi-Gui Wu (Appointed by China General Plastics Corporation)	0/0	80,000,000/100
	Directors	Han-Fu Lin (Representative of China General Plastics Corporation)	0/0	
	Directors	Chi-Hung Hu (Appointed by China General Plastics Corporation)	0/0	
	Supervisor	Ya-I Huang (Appointed by China General Plastics Corporation)	0/0	
	General Manager	Han-Fu Lin	0/0	—
Swanson Technologies Corporation	Chairman	Yi-Gui Wu (assigned by Swanson Plastics Corp.)	0/0	10,500,070/70.00
	Vice Chairman	Tung-Yang Wu (assigned by Swanson Plastics Corp.)	0/0	
	Directors	Ke-Shun Wang (assigned by USIFE Investment Co., Ltd.)	0/0	2,250,015/15.00
	Directors	Pei-Chi Wu (Appointed by Asia polymer Co., Ltd.)	0/0	2,250,015/15.00
	Directors	Wen-Hao Wu (assigned by Swanson Plastics Corp.)	0/0	10,500,070/70.00
	Supervisor	Ya-I Huang	0/0	—
	General Manager	Wen-Hao Wu	0/0	—
USI Optronics Corporation	Chairman	Yi-Gui Wu (assigned by USI Corporation)	61,745/0.10	33,000,000/50.85
	Vice Chairman	Tung-Yang Wu (assigned by USI Corporation)	0/0	
	Directors	Chun-Hui Huang (assigned by USI Corporation)	480,415/0.74	
	Directors	Hsien-Tsung Wu(assigned by USI Corporation)	8,042/0.01	
	Directors	Wen-Hao Wu (assigned by USI Corporation)	0/0	
	Supervisor	Ya-I Huang (Appointed by USIFE Investment Co., Ltd.)	6,408/0.01	165,279/0.25
	Supervisor	Pei-Chi Wu (Appointed by USIFE Investment Co., Ltd.)	0/0	
	General Manager	Chun-Hui Huang	480,415/0.74	—
Swanson Plastics (India) Private	Directors	Yi-Gui Wu	0/0	—
	Directors	Chao-An Wang	0/0	—

Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
Limited	Directors	Hai-Hao Tang	0/0	—
	Directors	Lee Beng Joo	0/0	—
	General Manager	Hai-Hao Tang	0/0	—
Swanson Plastics (Tianjin) Co., Ltd.	Chairman	Chao-An Wang (Appointed by Swanson Plastics (Singapore) Pte. Ltd.)	0/0	Capital contribution US\$10,700,000/100
	Directors	Yi-Gui Wu (Appointed by Swanson Plastics (Singapore) Pte. Ltd)	0/0	
	Directors	Hai-Hao Tang (Appointed by Swanson Plastics (Singapore) Pte. Ltd.)	0/0	
	Supervisors	Tung-Yang Wu (Appointed by Swanson Plastics (Singapore) Pte. Ltd)	0/0	
	General Manager	Hai-Hao Tang	0/0	—
PT. Swanson Plastics Indonesia	Directors	Yi-Gui Wu	0/0	—
	Directors	Chao-An Wang	0/0	—
	Directors	Hai-Hao Tang	0/0	—
	Supervisor	Wen-Li Yang	0/0	—
USIG (Shanghai) Co., Ltd.	Chairman	Ke-Shun Wang (assigned by USI Corporation)	0/0	Capital Contribution US\$ 1,500,000/2021
	Directors	Yi-Gui Wu (assigned by USI Corporation)	0/0	
	Directors	Pei-Chi Wu(assigned by USI Corporation)	0/0	
	Supervisors	Yung-Chih Chen (assigned by USI Corporation)	0/0	
	Supervisors	Ya-I Huang (assigned by USI Corporation)	0/0	
	General Manager	Ke-Shun Wang	0/0	—
Ever Conquest Global Limited	Directors	Yi-Gui Wu	0/0	—
	Directors	Ke-Shun Wang	0/0	—
	Directors	Pei-Chi Wu	0/0	—
INOMA Corporation	Chairman	Chun-Hsiung Jhou (assigned by USI Corporation)	0/0	9,126,786/93.18
	Directors	Che-I Kao (assigned by USI Corporation)	0/0	
	Directors	Ke-Shun Wang (assigned by USI Corporation)	0/0	
	Directors	Pei-Chi Wu(assigned by USI Corporation)	0/0	
	Directors	Han-Tai Liu (assigned by USI Corporation)	0/0	
	Supervisor	Yung-Chih Chen	0/0	—
	General Manager	Hsing-Tse Liu	0/0	—



Company Name or Responsible Unit	Position	Name/the Designated	Number of Shares Held by Individuals/Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
Ever Victory Global Ltd.	Directors	Yi-Gui Wu	0/0	—
	Directors	Ching-Shou Yu	0/0	—
	Directors	Matthew Miao	0/0	—
	Directors	Chun-Yen Yu	0/0	—
	Directors	Lun-Chia Li	0/0	—
	Directors	I-Fang Wu	0/0	—
	Directors	Ke-Shun Wang	0/0	—
	Directors	Pei-Chi Wu	0/0	—
	Directors	Han-Tai Liu	0/0	—
	Directors	Wen-Tsung Yu	0/0	—
	Directors	Wen-Li Yang	0/0	—
	General Manager	Yi-Gui Wu	0/0	—
Dynamic Ever Investments, Ltd.	Directors	Yi-Gui Wu	0/0	—
	Directors	Ching-Chang Yu	0/0	—
	Directors	Matthew Miao	0/0	—
	Directors	Chun-Yen Yu	0/0	—
	Directors	Lun-Chia Li	0/0	—
	Directors	I-Fang Wu	0/0	—
	Directors	Ke-Shun Wang	0/0	—
	Directors	Pei-Chi Wu	0/0	—
	Directors	Han-Tai Liu	0/0	—
	Directors	Wen-Tsung Yu	0/0	—
	Directors	Wen-Li Yang	0/0	—
	General Manager	Yi-Gui Wu	0/0	—
Taita Chemical (Zhangzhou) Co., Ltd	Chairman	Pei-Chi Wu (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	Capital not yet committed
	Directors	Tai-Ming Yen (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Directors	Wen-Li Yang (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Supervisors	Ya-I Huang (Appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
USI Green Energy Corporation	Chairman	Ke-Shun Wang (assigned by USI Corporation)	0/0	7,010,000/100
	Directors	Yi-Gui Wu (assigned by USI Corporation)	0/0	
	Directors	Han-Tai Liu (assigned by USI Corporation)	0/0	
	Supervisor	Yung-Chih Chen (assigned by USI Corporation)	0/0	

6. Operating status of affiliated enterprises

DECEMBER 31, 2021

Unit: NT\$ 1,000

Company Name	Paid-in capital (NT\$)	Total assets	Total liabilities	Net value	Revenue	Net profit from operations	profit and loss of the period (After tax)	Earnings per share (NT\$) (after tax)
USI CORPORATION	11,887,635	37,852,442	12,390,443	25,461,999	16,034,251	3,521,910	5,191,394	4.84
Swanson Plastics Corporation	1,543,119	4,442,328	1,797,226	2,645,102	1,153,380	9,810	224,921	1.46
Forever Young Company Limited	1,384	233,122	198,287	34,835	26,076	4,552	5,869	117.36
Swanson Plastics (Singapore) Pte Ltd.	728,220	1,801,535	47,180	1,754,355	274,991	118,756	117,613	3.08
Acme Electronics Corp.	1,829,937	2,977,386	1,642,345	1,335,041	1,304,802	(39,793)	59,329	0.32
Golden Amber Enterprises Ltd.	669,072	986,180	670	985,510	0	(770)	90,599	4.36
USIFE Investment Co., Ltd.	872,508	1,107,349	17,778	1,089,571	231,437	91,225	91,531	1.05
Taiwan United Venture Management Corporation	8,000	22,500	7,152	15,348	7,989	619	548	0.69
Union Polymer Int'l Investment Corp.	7,467,227	12,339,233	686,085	11,653,148	0	(2,240)	2,301,117	3.08
Swanlake Traders Ltd.	671,245	1,285,462	1,069	1,284,393	0	(2,305)	11,265	0.17
Acme Components(Malaysia) Sdn. Bhd.	270,723	622,812	103	622,709	5,411	5,314	45,230	1.06
Acme Ferrite Products Sdn. Bhd.	241,261	713,022	8,675	704,347	551,419	45,647	45,765	5.02
Chong Loong Trading Co., Ltd.	53,368	120,047	54,671	65,376	317,296	9,786	9,208	1.73
Taiwan United Venture Capital Corp.	370,000	272,518	230	272,288	4,255	(2,874)	(2,438)	(0.07)
USI (HK) Co., Ltd.	56,784	96,277	32,601	63,676	249,310	(2,152)	(1,566)	(0.28)
Taita Chemical Company, Ltd.	3,786,541	10,592,400	2,930,587	7,661,813	15,726,081	2,025,224	1,849,932	4.89
Taita (BVI) Holding Co., Ltd.	2,483,948	3,145,017	2,396	3,142,621	0	(4,864)	211,285	2.35
Taita Chemical (Zhongshan) Co., Ltd	1,280,200	3,299,054	1,481,475	1,817,579	6,094,087	252,220	218,742	-
Asia Polymer Corporation	5,937,438	18,914,155	3,452,106	15,462,049	9,291,720	3,300,219	3,101,127	5.22
APC (BVI) Holding Co., Ltd.	313,963	545,802	0	545,802	0	(76)	27,305	2.41
China General Plastics Corporation	5,810,505	14,685,790	3,522,813	11,162,977	11,487,847	801,543	2,468,676	4.25
Taiwan VCM Corporation	2,974,425	8,284,664	2,767,627	5,517,037	14,664,946	1,926,936	1,510,951	5.08
China General Terminal & Distribution Co.	660,288	1,577,212	456,019	1,121,193	267,535	45,049	63,389	0.96
Swanson Plastics (Malaysia) Sdn. Bhd.	127,100	694,235	131,662	562,573	925,708	107,768	81,643	4.06
CGPC America Corporation	554,984	485,715	220,154	265,561	781,653	24,872	21,914	219,129.16

Company Name	Paid-in capital (NT\$)	Total assets	Total liabilities	Net value	Revenue	Net profit from operations	profit and loss of the period (After tax)	Earnings per share (NT\$) (after tax)
CGPC (BVI) Holding Co., Ltd	451,413	345,845	0	345,845	0	(71)	(2,505)	(0.15)
Continental General Plastics (Zhongshan) Co., Ltd.	553,600	268,627	6,324	262,303	0	(20,495)	(2,569)	-
Acme Electronics (Cayman) Corp.	138,318	1,463,212	232,226	1,230,986	0	(24,675)	62,808	1.26
Acme Electronics (Kunshan) Co., Ltd.	850,468	1,290,935	464,975	825,960	1,142,199	39,675	45,024	-
USI Management Consulting Corp.	6,714	69,674	70,869	(1,195)	0	(358,201)	(2,302)	(3.43)
Swanson International Ltd.	402,501	1,649,764	41,529	1,608,235	0	0	62,939	4.20
Swanson Plastics (Kunshan) Co., Ltd.	367,867	1,318,158	185,400	1,132,758	1,145,181	38,223	33,986	-
USI International Corporation	83,040	90,564	1,450	89,114	0	(1,784)	1,047	0.35
Taita Chemical (Tianjin) Co., Ltd.	757,048	145,743	259,887	(114,144)	0	(25,208)	(10,135)	-
Acme Electronics (Guang-Zhou) Co., Ltd	531,456	1,224,994	244,570	980,424	1,296,229	91,226	92,050	-
A.S. Holding (UK) Ltd	117,756	160,667	137	160,530	0	0	0	-
USI Trading (Shanghai) Co., Ltd.	69,200	217,217	81,120	136,097	401,205	19,936	16,419	-
ASK-Swanson (Kunshan) Co., Ltd	251,888	833,202	317,096	516,106	337,181	41,344	36,660	-
CGPC Consumer Products Corporation	41,520	13,594	133	13,461	0	(36)	15	-
APC Investment Corporation	200,000	168,211	121	168,090	0	(418)	35,822	1.79
CGPC Polymer Corporation	800,000	3,203,776	1,700,027	1,503,749	7,684,205	741,337	580,981	7.26
Swanson Technologies Corporation	150,001	80,236	51,185	29,051	512	(12,534)	(13,184)	(0.88)
USI Optronics Corporation	649,017	99,058	4,325	94,733	8,955	(52,593)	(41,955)	(0.65)
Swanson Plastics (India) Private Ltd.	399,777	333,677	48,522	285,155	182,606	2,789	2,472	0.02
Swanson Plastics (Tianjin) Co., Ltd.	296,176	248,765	174,740	74,025	0	(17,051)	(23,522)	-
PT Swanson Plastics Indonesia	722,477	834,991	37,002	797,989	428,257	69,964	53,863	2.06
USIG (Shanghai) Co., Ltd.	138,400	131,501	1,232	130,269	0	(6,257)	2,140	0.15
Ever Conquest Global Limited	11,546,574	11,870,695	0	11,870,695	0	0	(443,454)	(0.38)
INOMA Corporation	97,950	18,050	190	17,860	0	(2,832)	(2,703)	(0.28)
Ever Victory Global Limited	17,130,737	17,611,885	277	17,611,608	0	(387)	(635,890)	(0.37)
Dynamic Ever Investments	19,175,735	19,762,554	15,299	19,747,255	0	(62,078)	(749,901)	(0.39)
USI Green Energy Corporation	70,100	198,872	126,001	72,871	6,373	4,027	2,885	0.41

Note: If the affiliate company is a foreign company, all the relevant figures shall be expressed in New Taiwan Dollar (NT\$) based on the exchange rates on the date of this annual report.



(II.) Consolidated financial statements of affiliated companies

Statement of Declaration

For year 2021 (January 1 to December 31, 2021), affiliated businesses of the Company that shall be included in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises were the same as the companies that shall be included into the consolidated financial statement of the parent company and its subsidiaries in accordance with the International Financial Reporting Standards No. 10 (IFRS 10). All information to be disclosed in the consolidated financial statements of affiliated companies have already been disclosed in the consolidated financial statement of the parent company and its subsidiaries. Hence, the consolidated financial statements of affiliated companies were therefore not generated separately.

Hereby declare

Company name: USI Corporation

Person in charge: Yi-Gui Wu



March 10, 2022

II. Private placement of securities of the most recent year up to the publication date of this report: None.

III. Holding or Disposal of the Company's Shares by Subsidiaries in the Most Recent Fiscal Year up to the Publication Date of this Annual Report:

As of April 6, 2022
Unit: NT\$ 1,000; %

Name of Subsidiary (Note 1)	Paid-in Capital	Source of capital	Shareholding percentage of the Company	Date of acquisition or disposal	Number And amount of shares acquired	Number and amount of shares disposed	Gain and loss on investment	Number and amount of shares as of the publication date of this annual report	Pledge status	Amount of endorsements and guarantees provided to subsidiaries by the Company	Loans provided to subsidiaries by the Company
Asia Polymer Corporation	NT\$5,937,438,000	Own funds	Comprehensive shareholding percentage 37.28%	N/A	—	—	—	101,355,673 shares NT\$3,050,806,000	None	None	None
Taita Chemical Company, Ltd.	NT\$3,786,541,000	Own funds	Comprehensive shareholding percentage 37.71%	N/A	—	—	—	15,109,901 shares NT\$454,808,000	None	None	None

Note 1: List each subsidiary separately.

IV. Other Supplementary Information: None.

V. Any Event which has a Material Impact on Shareholders' Rights and Interests or the Company's Securities as Prescribed in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act, that Have Occurred in the Most Recent Fiscal Year up to the Publication Date of this Annual Report Shall be Indicated Individually: None.

USI CORPORATION



Chairman: Yi-Gui Wu



Statement of Consolidated Financial Statements of Affiliated Companies

In 2021 (from January 1 to December 31, 2021), 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 10, 2022

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, 2021 and 2020, 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 2021 and 2020.

The accountant opinions are that the preparations of significant issues of the accompanying financial statements are made in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC) as endorsed and issued into effect by the Financial Supervisory Commission (FSC), which fairly present the consolidated financial conditions of the Group for the years ended December 31, 2021 and 2020, and the consolidated financial performance and consolidated cash flows for the months from January 1 to December 31, 2021 and 2020.

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 Generally Accepted 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.

Emphasis of matter

As stated in Note 12 to the consolidated financial statements, the Group has considered that its discontinued operations was resumed its operating substance. Such discontinued operations have been reclassified to continuing operations since 2021; therefore, when preparing comparative financial statements, it is required to restate the previously stated amounts as well as the financial statements for the comparative periods in accordance with International Financial Reporting Standards No. 5 "Non-current assets held for sale and discontinued operations." The effects of restating the previously stated amounts of the comparative periods are set out in Note 12. As such, we did not modify our audit 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 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Group's consolidated financial statements for the year ended December 31, 2021 is as follows.

Authenticity of specific sales revenue

In 2021, the Group's sales revenue from specific customers 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 27 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, 2021 and 2020 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 generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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, 2021 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 partners on the audit resulting in this independent auditors' report are Pi-Yu Chuang (Financial Supervisory Commission, Approval No. 1070323246) and Cheng-Hung Kuo (Securities and Futures Bureau, Approval No. 0920123784).

Deloitte& Touche
Taipei, Taiwan
Republic of China

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.

March 16, 2022

USI Corporation and Subsidiaries
Consolidated Balance Sheets
For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4, 6 and 32)	\$ 10,365,353	12	\$ 9,637,007	13
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4, 7 and 37)	5,742,266	7	5,511,683	7
1120	Financial assets at fair value through other comprehensive income (FVTOCI) - current (Notes 4 and 8)	145,921	-	164,922	-
1136	Financial assets at amortized cost - current (Notes 4, 9 and 37)	349,137	1	348,450	-
1150	Notes receivable, net (Notes 4 and 10)	875,745	1	671,576	1
1170	Accounts receivable, net (Notes 4, 5 and 10)	8,515,477	10	6,810,340	9
1200	Other receivables (Notes 4, 10 and 36)	511,725	1	293,459	-
1220	Current tax assets (Notes 4 and 29)	8,931	-	29,231	-
130X	Inventories (Notes 4, 5 and 11)	7,599,843	9	4,296,228	6
1410	Prepayments (Note 32)	1,009,420	1	766,824	1
1470	Other current assets (Notes 4 and 15)	243,222	-	9,834	-
11XX	Total current assets	<u>35,367,040</u>	<u>42</u>	<u>28,539,554</u>	<u>37</u>
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	2,286,817	3	2,393,734	3
1535	Financial assets at amortized cost - non-current (Notes 4, 9, 37 and 38)	382,501	-	390,828	1
1550	Investments accounted for using the equity method (Notes 4 and 14)	19,335,554	23	20,170,030	26
1600	Property, plant and equipment (Notes 4, 5, 15, 32 and 37)	24,471,011	29	23,169,313	30
1755	Right-of-use assets (Notes 4, 16 and 37)	727,341	1	704,951	1
1760	Investment properties, net (Notes 4, 17 and 37)	711,345	1	753,220	1
1805	Goodwill (Notes 4, 18 and 32)	270,211	-	269,026	-
1821	Other intangible assets (Notes 4, 18 and 32)	43,983	-	10,807	-
1840	Deferred tax assets (Note 4 and 29)	651,568	1	573,850	1
1990	Other non-current assets (Note 37)	577,842	-	349,203	-
15XX	Total non-current assets	<u>49,458,173</u>	<u>58</u>	<u>48,784,962</u>	<u>63</u>
1XXX	Total Assets	<u>\$ 84,825,213</u>	<u>100</u>	<u>\$ 77,324,516</u>	<u>100</u>
	Liabilities and Equity				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 19 and 37)	\$ 2,498,041	3	\$ 2,726,270	3
2110	Short-term notes payable (Note 19)	279,635	-	656,704	1
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	3,380	-	20,724	-
2170	Trade payables (Note 21)	3,528,998	4	3,406,837	4
2219	Other payables (Notes 22 and 32)	2,894,818	3	2,216,533	3
2230	Current tax liabilities (Notes 4 and 29)	2,618,632	3	1,211,350	2
2280	Lease liabilities - current (Notes 4 and 16)	73,065	-	75,284	-
2320	Current portion of long-term borrowings (Notes 19, 20 and 37)	3,059,116	4	1,999,233	3
2365	Refund liabilities - current (Note 22)	28,630	-	16,390	-
2399	Other current liabilities (Note 27)	565,262	1	374,501	-
21XX	Total current liabilities	<u>15,549,577</u>	<u>18</u>	<u>12,703,826</u>	<u>16</u>
	NON-CURRENT LIABILITIES				
2530	Bonds payable (Note 20)	5,989,773	7	4,995,069	6
2540	Long-term borrowings (Notes 19 and 37)	4,453,323	5	7,590,000	10
2550	Provisions - non-current (Notes 5, 23 and 38)	136,375	-	136,375	-
2570	Deferred tax liabilities (Notes 4 and 29)	1,417,922	2	1,434,806	2
2580	Lease liabilities - non-current (Notes 4 and 16)	387,502	1	384,402	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 24)	1,151,009	1	1,292,053	2
2670	Other non-current liabilities (Note 25)	94,771	-	64,342	-
25XX	Total non-current liabilities	<u>13,630,675</u>	<u>16</u>	<u>15,897,047</u>	<u>21</u>
2XXX	Total Liabilities	<u>29,180,252</u>	<u>34</u>	<u>28,600,873</u>	<u>37</u>
	Equity attributable to owners of the Company (Notes 4, 8, 13, 24, 26 and 29)				
3100	Share capital	11,887,635	14	11,887,635	15
3200	Capital surplus	366,185	-	321,798	1
	Retained earnings				
3310	Legal reserve	3,343,086	4	3,109,625	4
3320	Special reserve	375,127	-	781,059	1
3350	Unappropriated earnings	9,881,214	12	5,606,462	7
3300	Total retained earnings	<u>13,599,427</u>	<u>16</u>	<u>9,497,146</u>	<u>12</u>
3490	Other equity	84,358	-	(240,195)	-
3500	Treasury shares	(475,606)	-	(475,606)	(1)
31XX	Total equity attributable to owners of the Company	<u>25,461,999</u>	<u>30</u>	<u>20,990,778</u>	<u>27</u>
36XX	Non-controlling Interests	<u>30,182,962</u>	<u>36</u>	<u>27,732,865</u>	<u>36</u>
3XXX	Total equity	<u>55,644,961</u>	<u>66</u>	<u>48,723,643</u>	<u>63</u>
	Total Liabilities and Equity	<u>\$ 84,825,213</u>	<u>100</u>	<u>\$ 77,324,516</u>	<u>100</u>

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

(Please refer to Deloitte & Touche auditors' review report dated March 16, 2022)

USI Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2021 and 2020

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

Code		For the Year Ended December 31, 2021		For the Year Ended December 31, 2020	
		Amount	%	Amount	%
4100	OPERATING REVENUE (Notes 4 and 27)	\$ 71,755,542	100	\$ 50,201,273	100
5110	COST OF GOODS SOLD (Notes 4, 11, 15, 16, 18, 24, 28 and 36)	<u>54,001,841</u>	<u>75</u>	<u>39,721,391</u>	<u>79</u>
5900	GROSS PROFIT	<u>17,753,701</u>	<u>25</u>	<u>10,479,882</u>	<u>21</u>
	OPERATING EXPENSES (Notes 4, 10, 12, 15, 16, 18, 24, 25, 28 and 36)				
6100	Selling and marketing expenses	3,163,322	4	2,020,552	4
6200	General and administrative expenses	1,277,631	2	1,209,777	2
6300	Research and development expenses	<u>429,830</u>	<u>1</u>	<u>362,961</u>	<u>1</u>
6000	Total operating expenses	<u>4,870,783</u>	<u>7</u>	<u>3,593,290</u>	<u>7</u>
6900	PROFIT FROM OPERATIONS	<u>12,882,918</u>	<u>18</u>	<u>6,886,592</u>	<u>14</u>
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income (Notes 4, 12 and 28)	79,601	-	102,809	-
7010	Other income (Notes 4, 12, 25, 28 and 36)	627,387	1	403,492	1
7020	Other gains and losses (Notes 4, 12, 17, 28 and 40)	57,628	-	116,953	-
7050	Finance costs (Notes 4, 19, 20 and 28)	(167,097)	-	(221,690)	(1)
7060	Share of loss of joint ventures accounted for using the equity method (Notes 4 and 14)	(<u>727,995</u>)	(<u>1</u>)	(<u>165,161</u>)	<u>-</u>
7000	Total non-operating income and expenses	(<u>130,476</u>)	<u>-</u>	<u>236,403</u>	<u>-</u>
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	12,752,442	18	7,122,995	14
7950	Income tax expense (Notes 4 and 29)	<u>2,672,991</u>	<u>4</u>	<u>1,440,358</u>	<u>3</u>
8200	NET PROFIT FOR THE PERIOD	<u>10,079,451</u>	<u>14</u>	<u>5,682,637</u>	<u>11</u>

(Continued)

(Continued)

Code		For the Year Ended December 31, 2021		For the Year Ended December 31, 2020	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of the defined benefit plan (Notes 4, 24 and 26)	(\$ 9,779)	-	\$ 19,250	-
8316	Profit (loss) of equity instruments at FVTOCI (Notes 4 and 26)	107,187	-	350,419	1
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	(<u>1,691</u>)	-	(<u>6,122</u>)	-
8310		<u>95,717</u>	-	<u>363,547</u>	<u>1</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations (Notes 4 and 26)	(337,228)	-	166,163	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	<u>54,262</u>	-	(<u>12,938</u>)	-
8360		(<u>282,966</u>)	-	<u>153,225</u>	-
8300	Other comprehensive income for the period, net of income tax	(<u>187,249</u>)	-	<u>516,772</u>	<u>1</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 9,892,202</u>	<u>14</u>	<u>\$ 6,199,409</u>	<u>12</u>
	Net income attributable to				
8610	Owners of the Company	\$ 5,191,394	7	\$ 2,409,778	5
8620	Non-controlling Interests	<u>4,888,057</u>	<u>7</u>	<u>3,272,859</u>	<u>6</u>
8600		<u>\$ 10,079,451</u>	<u>14</u>	<u>\$ 5,682,637</u>	<u>11</u>
	Total comprehensive income attributable to				
8710	Owners of the Company	\$ 5,615,597	8	\$ 2,875,537	6
8720	Non-controlling Interests	<u>4,276,605</u>	<u>6</u>	<u>3,323,872</u>	<u>6</u>
8700		<u>\$ 9,892,202</u>	<u>14</u>	<u>\$ 6,199,409</u>	<u>12</u>
	Earnings per share (Note 30)				
	From continuing operations				
9710	Basic earnings per share	<u>\$ 4.84</u>		<u>\$ 2.25</u>	
9810	Diluted earnings per share	<u>\$ 4.83</u>		<u>\$ 2.24</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to Deloitte & Touche auditors' review report dated March 16, 2022)

USI Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company							Other equity					
		Capital surplus				Retained earnings			Exchange differences on translating the financial statements of foreign operations (Notes 4, 26 and 29)	Unrealized Gain (Loss) on Financial Assets at FVTOCI (Notes 4, 8, 26 and 29)	Treasury shares (Note 26)	Total	Non-controlling Interests (Note 8, 13 and 26)	Total equity
Code		Share Capital (Notes 4 and 26)	Treasury Share Transactions (Note 26)	Shares of Changes in Capital Surplus of Associates (Notes 4, 13 and 26)	Others (Note 26)	Legal Reserve (Note 26)	Special Reserve (Note 26)	Unappropriated Earnings (Notes 4, 8, 13, 24 and 26)						
A1	Balance as of January 1, 2020	\$ 11,887,635	\$ 245,482	\$ 7,291	\$ 18,840	\$ 2,979,753	\$ 430,526	\$ 4,346,640	(\$ 602,871)	(\$ 178,187)	(\$ 475,606)	\$ 18,659,503	\$ 20,517,444	\$ 39,176,947
	Distribution of earnings in 2019													
B1	Provision for legal reserve	-	-	-	-	129,872	-	(129,872)	-	-	-	-	-	-
B3	Provision of special reserve	-	-	-	-	-	350,533	(350,533)	-	-	-	-	-	-
B5	Cash dividends distributed to the Company	-	-	-	-	-	-	(594,382)	-	-	-	(594,382)	-	(594,382)
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(519,048)	(519,048)
D1	Net profit for the year 2020	-	-	-	-	-	-	2,409,778	-	-	-	2,409,778	3,272,859	5,682,637
D3	Other comprehensive income for the year 2020, net of income tax	-	-	-	-	-	-	2,974	19,016	443,769	-	465,759	51,013	516,772
D5	Total comprehensive income for the year 2020	-	-	-	-	-	-	2,412,752	19,016	443,769	-	2,875,537	3,323,872	6,199,409
C7	Changes in equity of subsidiaries recognized by equity method	-	-	29,920	-	-	-	(65)	-	-	-	29,855	(28,871)	984
C17	Other changes in capital surplus	-	-	-	1,100	-	-	-	-	-	-	1,100	-	1,100
M1	Dividends distributed to subsidiaries to adjust capital reserve	-	19,165	-	-	-	-	-	-	-	-	19,165	-	19,165
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	(78,078)	-	78,078	-	-	-	-
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	4,439,468	4,439,468
Z1	Balance as of December 31, 2020	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 surplus in 2020													
B1	Provision for legal reserve	-	-	-	-	233,461	-	(233,461)	-	-	-	-	-	-
B17	Reversal of special surplus reserve	-	-	-	-	-	(405,932)	405,932	-	-	-	-	-	-
B5	Cash dividends distributed to the Company	-	-	-	-	-	-	(1,188,763)	-	-	-	(1,188,763)	-	(1,188,763)
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,714,633)	(1,714,633)
D1	Net profit for the year 2021	-	-	-	-	-	-	5,191,394	-	-	-	5,191,394	4,888,057	10,079,451
D3	Other comprehensive income for the year 2021, net of income tax	-	-	-	-	-	-	(804)	(127,118)	552,125	-	424,203	(611,452)	(187,249)
D5	Total comprehensive income for the year 2021	-	-	-	-	-	-	5,190,590	(127,118)	552,125	-	5,615,597	4,276,605	9,892,202
C7	Changes in equity of subsidiaries recognized by equity method	-	-	4,691	-	-	-	-	-	-	-	4,691	2,586	7,277
C17	Changes in capital surplus	-	-	-	1,367	-	-	-	-	-	-	1,367	-	1,367
M1	Dividends distributed to subsidiaries to adjust capital reserve	-	38,329	-	-	-	-	-	-	-	-	38,329	-	38,329
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	100,454	-	(100,454)	-	-	-	-
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(114,461)	(114,461)
Z1	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

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to Deloitte & Touche auditors' review report dated March 16, 2022)

USI Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code		For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net profit before tax for the year	\$ 12,752,442	\$ 7,122,995
A20010	Income (expenses) items		
A20100	Depreciation expenses	2,272,146	2,279,397
A20200	Amortization expense	63,774	73,804
A20300	Expected credit loss reversed on accounts receivable	(1,426)	(2,415)
A20400	Net gain on fair value change of financial assets and liabilities as at FVTPL	(336,404)	(376,857)
A20900	Finance costs	167,097	221,690
A21200	Interest income	(79,601)	(102,809)
A21300	Dividend income	(390,903)	(186,949)
A22300	Share of loss of joint ventures accounted for using the equity method	727,995	165,161
A22500	Loss of disposal and scrapping of property, plant and equipment	64,669	37,249
A23700	Impairment loss recognized on non- financial assets	39	27,901
A23800	Provision for write-downs of inventories and obsolescence losses	32,415	24,765
A29900	Recognition of refund liabilities	19,165	7,576
A29900	Gain on revised lease	(660)	-
A30000	Changes in operating assets and liabilities		
A31115	Decrease in financial assets and liabilities mandatorily classified as at FVTPL	88,477	1,239,787
A31130	Increase in notes receivable	(204,169)	(37,141)
A31150	Increase in accounts receivable	(1,703,446)	(396,848)
A31180	Increase in other receivables	(269,309)	(6,149)
A31200	(Increase) decrease in inventories	(3,334,541)	601,880
A31230	(Increase) decrease in prepayments	(196,431)	15,898
A31240	(Increase) decrease in other current assets	(61,585)	7,316
A32150	Increase in accounts payable	122,161	649,469
A32180	Increase in other payables	525,173	368,359
A32200	Decrease in refund liabilities	(6,925)	(19,407)
A32240	Decrease in net defined benefit liabilities	(140,684)	(179,158)
A32230	Increase in other current liabilities	<u>190,761</u>	<u>111,543</u>
A33000	Cash generated from operations	10,300,230	11,647,057
A33100	Interest received	79,222	92,630

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<u>Code</u>		<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
A33300	Interest paid	(\$ 159,354)	(\$ 234,213)
A33500	Income tax paid	(1,286,929)	(689,753)
AAAA	Net cash generated from operating activities	<u>8,933,169</u>	<u>10,815,721</u>
	Cash flows from investing activities		
B00010	Acquisition of FVTOCI	(4,835)	-
B00020	Disposal of FVTOCI	203,458	76,643
B00030	Return of capital from financial assets at FVTOCI	52,244	83,402
B00040	(Acquisition) disposal of financial assets measured at amortized cost	(71,820)	78,793
B01800	Acquisition of long-term equity investments using the equity method	-	(5,122,441)
B02200	Net cash outflows from acquisition of subsidiaries (Note 32)	(34,056)	-
B02700	Acquisitions of property, plant and equipment	(3,622,312)	(2,330,747)
B02800	Proceeds from disposal of property, plant and equipment	36,325	25,612
B03700	(Increase) decrease in refundable deposit	(6,401)	14,836
B04500	Acquisition of other intangible assets	(733)	(113)
B05350	Acquisition of right-of-use assets	(25,567)	-
B05400	Acquisition of investment properties	(3,298)	(85,673)
B06700	(Increase) decrease in other non-current assets	(280,145)	32,231
B07600	Dividends received	<u>390,903</u>	<u>186,949</u>
BBBB	Net cash used in investing activities	<u>(3,366,237)</u>	<u>(7,040,508)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Decrease in short-term borrowings	(228,229)	(1,532,710)
C00600	Decrease in short-term notes payable	(377,000)	(696,000)
C01200	Issuing of bonds	3,991,268	-
C01300	Repayments of bonds	(2,000,000)	(1,000,000)
C01600	Proceeds from mid- to long-term borrowings	24,225,000	13,380,000
C01700	Repayments of mid- to long-term borrowings	(27,277,000)	(15,283,200)
C03000	Increase (decrease) in guarantee deposits received	6,186	(4,133)
C04020	Repayments of the principal portion of lease liabilities	(70,349)	(68,659)
C04300	Decrease in other non-current liabilities	(1,670)	(778)
C04500	Cash dividends paid	(1,188,763)	(594,382)

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<u>Code</u>		<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
C05800	Change in non-controlling interests	(\$ 114,461)	\$ 4,439,468
C05800	Cash dividends paid on non-controlling interests	(1,714,633)	(519,048)
CCCC	Net cash used in financing activities	(4,749,651)	(1,879,442)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(88,935)	(186,167)
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	728,346	1,709,604
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>9,637,007</u>	<u>7,927,403</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 10,365,353</u>	<u>\$ 9,637,007</u>

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

(Please refer to Deloitte & Touche auditors' review report dated March 16, 2022)

USI CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 For the Years Ended December 31, 2021 and 2020
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 10, 2022.

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 by the FSC and applicable in 2022

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
"Annual Improvements to IFRSs 2018-2020 Cycle"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Amendments to References to the Conceptual Framework in IFRS Standards"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1. The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS

1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2. The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 3. The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4. The amendments are applicable to contracts of which the obligations have not been fulfilled on or after January 1, 2022.

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

- c. IFRSs that have been issued by IASB but not yet endorsed and issued into effect by the 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 by IASB
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, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

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

Note 2. The amendments shall be applied prospectively for the annual reporting periods beginning on or after January 1, 2023.

Note 3. 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 4. 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 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. Criteria classifying current/non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to realize in 12 months after the balance sheet date; and
- 3) Cash and cash equivalents (but excluded those restricted from being exchanged or used for debt repayment after more than 12 months of the balance sheet date).

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities expected to realize in 12 months after the balance sheet date; and
- 3) Liabilities for which the Company is not able to defer the repayment deadline to more than 12 months after the balance sheet date unconditionally.

Other items excluded from above are classified as non-current assets or non-current liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated 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 13, Table 7, and Table 8 for detailed information on subsidiaries (including the 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 acquiree 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 current period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the 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 Group 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 derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including the right-of-use assets as defined for investment properties).

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 rerecognized as investment properties at the carrying amount at the time of termination for owner-occupation.

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

Financial assets and financial liabilities are initially measured at fair value plus the transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL). Transaction costs directly attributable to the acquisition or issuance 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 are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. 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 35 for the way of fair price determination.

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

A financial asset is credit impaired when significant financial difficulty of the issuer or the borrower, breach of contract, it is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization or the disappearance of an active market for that financial asset because of financial difficulties have occurred.

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) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by 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 items. The purchase, sales, issuance or cancellation of the same above is not recognized as the profit or loss.

3) Financial liabilities

1) 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 35 for the way of fair price determination.

2) Derecognition of financial liabilities

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

4) 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 for liabilities

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.

Outsourced processing is not recognized as income as the control of the ownership of the processed products has not been transferred.

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.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. 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 rerecognized 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 in our country and its possible impact on the economic environment into major 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. Impairment evaluation of properties, plant and equipment

During asset impairment evaluation, the Group shall rely on subjective judgment to determine the useful life of independent cash flow asset under specified asset group according to the way of use of asset and industry characteristics; any change of evaluation brought by varied economic condition or company strategy may generate significant impairment in future.

d. 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 38 for a detailed description.

6. CASH AND CASH EQUIVALENTS

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 70,667	\$ 155,049
Checking accounts and demand deposits	3,383,659	3,065,872
Cash equivalents		
Time deposits	6,655,811	6,392,905
Reserve repurchase agreements collateralized by bonds	255,216	23,181
	<u>\$ 10,365,353</u>	<u>\$ 9,637,007</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Time deposits	0.08%~2.50%	0.07%~2.30%
Reserve repurchase agreements collateralized by bonds	0.06%~0.90%	0.15%~1.20%
7. <u>FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS -</u>		

CURRENT

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets mandatorily at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
- Foreign exchange forward contracts	\$ 8,297	\$ 5,328
Non-derivative financial assets		
- Domestic listed (OTC) shares	603,956	506,763
- Fund beneficiary certificates	4,896,869	4,765,536
- Beneficiary securities	232,680	233,670
- Overseas listed shares	464	386
Sub-total	<u>5,733,969</u>	<u>5,506,355</u>
	<u>\$ 5,742,266</u>	<u>\$ 5,511,683</u>

Financial liabilities held for trading

Derivative financial liabilities (not under hedge accounting)		
- Foreign exchange forward contracts	\$ 3,380	\$ 20,724

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, 2021</u>			
Sell	RMB/NTD	2022.01.03- 2022.03.24 2022.04.29-	RMB 375,900 /NTD 1,625,844
Sell	USD/MYR	2022.10.31 2022.01.03-	USD 2,150 /MYR 9,075
Sell	USD/NTD	2022.03.30 2022.01.31-	USD 45,290 /NTD 1,259,790
Sell	EUR/MYR	2022.02.28	EUR 60 /MYR 304
Buy	NTD/USD	2022.03.07 2022.01.18-	NTD 128,458 /USD 4,640
Buy	JPY/USD	2022.02.24	JPY 100,000 /USD 883
<u>December 31, 2020</u>			
Sell	RMB/NTD	2021.01.05- 2021.04.07 2021.3.31-	RMB 254,260 /NTD 1,089,330
Sell	USD/MYR	2021.08.30 2021.01.04-	USD 550 /MYR 2,313
Sell	USD/NTD	2021.03.18 2021.05.28-	USD 35,790 /NTD 1,014,569
Sell	EUR/MYR	2021.07.30 2021.01.13-	EUR 284 /MYR 1,399
Buy	JPY/USD	2021.01.27 2021.01.04-	JPY 40,000 /USD 385
Buy	NTD/USD	2021.03.02	NTD 211,769 /USD 7,471

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 37 for the pledge of investments in equity instruments at FVTPL

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Investments in equity instruments		
Domestic investments		
Listed (OTC) shares	<u>\$ 145,921</u>	<u>\$ 164,922</u>
<u>Non-current</u>		
Investments in equity instruments		
Domestic investments		
Listed (OTC) shares	\$ 1,672,941	\$ 1,529,883
Emerging market shares	21,677	9,626
Unlisted shares	<u>437,569</u>	<u>720,833</u>
	<u>2,132,187</u>	<u>2,260,342</u>
Overseas investments		
Listed (OTC) shares	40,855	30,566
Unlisted shares	<u>113,775</u>	<u>102,826</u>
	<u>154,630</u>	<u>133,392</u>
	<u>\$ 2,286,817</u>	<u>\$ 2,393,734</u>

The Group invested the listed (OTC) shares, emerging market shares and unlisted shares, domestic or abroad, for medium- to long-term strategic purposes, and expects to make a profit via long-term investment. 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.

The Group sold 3,091 thousand shares of Wafer Works Corporation in 2021. 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.

The Group sold 5,745 thousand shares of United Renewable Energy Co., Ltd. and 1,734 thousand shares of Global Biopharma, Inc. respectively in 2020. Related other equity - the unrealized loss of financial assets measured at fair value through other comprehensive income

of NT\$115,837 thousand is transferred to retained surplus of NT\$78,078 thousand and non-controlling equity of NT\$37,759 thousand, respectively.

For the years ended December 31, 2021 and 2020, due to the reduction of capital and refund of shares respectively by the invested company, the Group shall recover NT\$52,244 thousand and 83,402 thousand according to the proportion of shares held, respectively.

The Group recognized dividend income of NT\$190,222 thousand and NT\$117,689 thousand, respectively, for the years ended December 31, 2021 and 2020.

9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Pledged time deposits	<u>\$ 349,137</u>	<u>\$ 348,450</u>
<u>Non-current</u>		
Restricted bank deposits	<u>\$ 382,501</u>	<u>\$ 390,828</u>
Range of Interest Rates		
Pledged time deposits	0.04%~1.85%	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 37 for the information related to financial assets measured at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Notes receivable (a)</u>		
Operating	\$ 875,745	\$ 671,576
Less: allowance for loss	<u>-</u>	<u>-</u>
	<u>\$ 875,745</u>	<u>\$ 671,576</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Accounts receivable (a)</u>		
Financial liabilities measured at amortized cost		
Gross carrying amount	\$ 8,600,861	\$ 6,900,396
Less: allowance for loss	<u>(85,384)</u>	<u>(90,056)</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>\$ 8,515,477</u>	<u>\$ 6,810,340</u>
<u>Other receivables (b)</u>		
Tax refund receivable	\$ 299,915	\$ 208,290
Lent material fees receivable	70,090	27,067
Others	<u>141,720</u>	<u>58,102</u>
	<u>\$ 511,725</u>	<u>\$ 293,459</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 a trade 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, 2021

Based on the number of overdue days

	<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

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
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>

December 31, 2020

Based on the number of overdue days

	Up to 60 Days	61~90 Days	Over 91 Days	Total
Gross carrying amount	\$ 2,826,907	\$ 440	\$ 7,138	\$ 2,834,485
Loss allowance (lifetime ECLs)	(4,651)	-	(4,305)	(8,956)
Amortized cost	<u>\$ 2,822,256</u>	<u>\$ 440</u>	<u>\$ 2,833</u>	<u>\$ 2,825,529</u>

Based on credit quality

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$ 384,617	\$ 1,346,480	\$ 334,029	\$ 2,672,361	\$ 4,737,487
Loss allowance (Lifetime ECLs)	(4,435)	(6,909)	(6,157)	(63,599)	(81,100)
Amortized cost	<u>\$ 380,182</u>	<u>\$ 1,339,571</u>	<u>\$ 327,872</u>	<u>\$ 2,608,762</u>	<u>\$ 4,656,387</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not past due	\$ 4,251,618	\$ 4,220,397
Up to 60 days	251,874	357,902
Over 61 days	<u>76,356</u>	<u>159,188</u>
	<u>\$ 4,579,848</u>	<u>\$ 4,737,487</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, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Balance at January 1	\$ 90,056	\$ 93,648
Less: Impairment losses reversed	(1,426)	(2,415)
Less: Amounts written off during the period as uncollectible	(2,981)	(1,170)
Foreign exchange translation gains and losses	(265)	(7)
Balance at December 31	<u>\$ 85,384</u>	<u>\$ 90,056</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, 2021 and 2020.

11. INVENTORIES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Finished goods	\$ 4,567,525	\$ 2,068,989
Work in progress	476,649	387,559
Raw materials	1,980,596	1,345,791
Supplies	359,533	331,030
Inventory in transit	<u>215,540</u>	<u>162,859</u>
	<u>\$ 7,599,843</u>	<u>\$ 4,296,228</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31 in 2021 and 2020 were NT\$54,001,841 thousand and NT\$39,721,391 thousand, respectively.

The net realizable value of inventory write-downs included in the cost of goods sold for the years ended December 31 in 2021 and 2020 were NT\$32,415 thousand and NT\$24,765 thousand, respectively.

12. DISCONTINUED OPERATIONS

On October 24, 2011, the board of directors of Subsidiary China General Plastics Corporation ("CGPC") approved to dispose of Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)") and CGPC Consumer Products Corporation ("CGPC (CP)") took into account the fact that the discontinued unit has resumed its operations, therefore, the amount of the prior period shall be re-expressed and the consolidated financial statement for the comparison period shall be recompiled in accordance with the provisions of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in the preparation of the comparative consolidated financial statements for the continued unit reversed from discontinued unit from 2021. The consolidated income statement for the years ended December 31, 2020 has the following effects:

Impact on comprehensive income for the year 2020	Amount Before Restatement	Profit or Loss from Discontinued Operations	Amount After Restatement
Administrative expenses	(\$ 1,200,353)	(\$ 9,424)	(\$ 1,209,777)
Interest income	102,548	261	102,809
Other income	374,667	28,825	403,492
Other gains and losses	132,342	(15,389)	116,953
Net income from continuing operations for the year	5,678,364	4,273	5,682,637

13. SUBSIDIARIES

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, 2021	December 31, 2020	
The Company	USI Investment Co., Ltd. (USII)	Investment business	<u>100.0%</u>	<u>100.0%</u>	12.
	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>99.9%</u>	<u>99.9%</u>	
	Union Polymer International Investment Corporation (UPIIC)	Investment business	<u>100.0%</u>	<u>100.0%</u>	
	Cypress Epoch Limited	Investment business	<u>-</u>	<u>100.0%</u>	
	INOMA Corporation (INOMA)	Optical products and fireproof materials	<u>94.4%</u>	<u>94.4%</u>	
	USI Green Energy Corporation (USIGE)	Solar power generation business	<u>100.0%</u>	<u>-</u>	
	The Company	USIG (Shanghai) Co., Ltd.	Import and distribution of various types of chemical raw materials and products	100.0%	
Cypress Epoch Limited			<u>-</u>	<u>100.0%</u>	
			<u>100.0%</u>	<u>100.0%</u>	
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>	16.
The Company	Swanson Plastics Corporation (SPC)	Production and marketing of stretch film, embossed film and industrial use multi-layer wrap	40.6%	40.6%	
Asia Polymer Corporation			8.0%	8.0%	
USIFE Investment Co., Ltd.			<u>6.0%</u>	<u>4.9%</u>	2.
			<u>54.6%</u>	<u>53.5%</u>	
The Company	Acme Electronics Corp. (ACME)	Production and marketing of manganese-zinc soft ferrite powder	26.9%	26.9%	
China General Plastics Corporation			1.7%	1.7%	
USIFE Investment Co., Ltd.			9.3%	9.3%	
Asia Polymer Corporation			3.3%	3.3%	
Taita Chemical Company, Ltd.			2.4%	2.4%	
APC Investment Corporation			<u>1.0%</u>	<u>1.0%</u>	
			<u>44.6%</u>	<u>44.6%</u>	18.
The Company	USI Optronics Corporation ("USIO")	Manufacturing and marketing of sapphire crystal	50.9%	50.9%	
Acme Electronics Corporation			34.0%	34.0%	
Asia Polymer Corporation			9.2%	9.2%	
USIFE Investment Co., Ltd.			<u>0.2%</u>	<u>0.2%</u>	
			<u>94.3%</u>	<u>94.3%</u>	
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Reinvestment business	51.3%	51.3%	
APC (BVI) Holding Co., Ltd.			16.6%	16.6%	
Swanlake Traders Ltd.			16.7%	11.2%	14.
TAITA (BVI) Holding Co., Ltd.			<u>5.4%</u>	<u>5.4%</u>	
			<u>90.0%</u>	<u>84.5%</u>	
Acme Electronics Corporation	Golden Amber Enterprises Limited	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	
ACME Electronics (Cayman) Corp.	Acme Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	<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. ("ACME (GZ)")	Manufacturing and marketing of manganese-zinc soft ferrite core	<u>100.0%</u>	<u>100.0%</u>	
Union Polymer Int'l Investment Corp.	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.			0.9%	0.9%	
USIFE Investment Co., Ltd.			0.3%	0.3%	
Taiwan VCM Corporation			<u>-</u>	<u>-</u>	
			<u>37.3%</u>	<u>37.3%</u>	12.及 18.
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd. ("APC (BVI)")	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	12.
Asia Polymer Corporation	USI International Corporation	Reinvestment business	70.0%	70.0%	
APC (BVI) Holding Co., Ltd.			<u>30.0%</u>	<u>30.0%</u>	
			<u>100.0%</u>	<u>100.0%</u>	
Asia Polymer Corporation	APC Investment Corporation (APCI)	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 Int'l Investment Corp.	Taita Chemical Company, Limited (TTC)	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin,	36.8%	36.8%	

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31, 2021	December 31, 2020	
China General Terminal & Distribution Co. USIFE Investment Co., Ltd.		glass wool insulation products and plastic materials	0.6%	0.6%	
			<u>0.4%</u>	<u>0.4%</u>	
			<u>37.8%</u>	<u>37.8%</u>	18.
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co, Ltd. (TAITA (BVI))	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	8.
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>	7.
Union Polymer Int'l Investment Corp.	China General Plastics Corporation (CGPC)	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	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>	
			<u>35.6%</u>	<u>35.6%</u>	18.
China General Plastics Corporation	Taiwan VCM Corporation (TVCM)	Manufacturing and marketing of vinyl chloride monomer and related petrochemical products	<u>87.3%</u>	<u>87.2%</u>	17.
	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>	
CGPC (BVI) Holding Co., Ltd.	Continental General Plastics (ZhongShan) Co.,Ltd. ("CGPC (ZS)")	Manufacturing and marketing of PVC film and third-time processed products	<u>100.0%</u>	<u>100.0%</u>	6.
	CGPC Consumer Products Corporation ("CGPC (CP)")	Manufacturing and marketing of PVC film and third-time processed products	<u>100.0%</u>	<u>100.0%</u>	6.
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>	
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	Manufacturing and marketing of soft ferrite core	<u>100.0%</u>	<u>100.0%</u>	
Swanson Plastics Corporation	Curtana Company Ltd.	Reinvestment business	-	<u>100.0%</u>	5.
	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 International Ltd.	Import and export trade	<u>100.0%</u>	<u>100.0%</u>	
Swanson Plastics Corporation	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>	
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>	
			<u>100.0%</u>	<u>100.0%</u>	10.
Ever Conquest Global Limited	Ever Victory Global Limited("EVGL")	Investment business	<u>67.4%</u>	<u>67.4%</u>	10, 11 and18.
Ever Victory Global Limited	Dynamic Ever Investments Limited ("DEIL")	Investment business	<u>85.0%</u>	<u>85.0%</u>	10 and 11.

- 1) In June 2020, the Company acquired 1.2% of shares from the external shareholders of INOMA, acquired price being NT\$349 thousand. After the equity purchase, the proportion of INOMA's equity held by the Group increased from 93.2% to 94.4%. As these transactions did not change the Group's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to a decrease in retained earnings of NT\$65 thousand.
- 2) USI Investment Co., Ltd. (USII) acquired 1.1% and 4.5% equity from external shareholders of Swanson Plastics Corporation (SPC) in 2021 and 2020 based on medium and long-term investment strategy, thus acquired a price of NT\$19,691 thousand and NT\$84,399 thousand, respectively.
- 3) TMC has had no actual production or sales activities in recent years. Therefore, on April 12, 2019, the board of directors of TMC had approved the proposal for dissolution and liquidation of the company starting from the dissolution date of May 25, 2019. The Group has acquired NT\$12,214 thousand of the remaining property distribution from liquidation in May 2020, and TMC has completed the dissolution and liquidation procedures on July 22, 2020.
- 4) In June 2020, ACME acquired the remaining assets of NT\$267 thousand returned by its subsidiary ACME Electronics (BVI)Corp., which completed its process of liquidation in June 2020.
- 5) 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.
- 6) 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 the Company 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. Please refer to Note 12 for an explanation.
- 7) The management of TTC decided to suspend the production of 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 15 for relevant explanation.
- 8) The boards of TAITA (BVI) resolved on December 3, 2020 to establish a new company, with an investment of RMB 314,000 thousand. The main business of the new company is expected to be the production and sales of expandable polystyrene (EPS), but yet to complete it till March 16, 2022.

- 9) The management of Forum Pacific Trading Ltd. resolved to make dissolution and liquidation in September 2019. And CLT acquired its remaining assets 6,828 thousand returned in May 2020. The subsidiary has been dissolved and liquidated on December 29, 2020.
- 10) 10. As of December 31, 2021, the Company and APC invested capital amounted to US\$246,670 thousand (around NT\$7,645,981 thousand) and US\$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 11. and Note 39.
- 11) In March and December 2020, ECGL did not participate in the cash capital increase of EVGL according to the original shareholding ratio, and in April and December 2020, ECGL did not invest in DEIL according to the original shareholding ratio through EVGL. After the capital increase, the equity proportion of EVGL held by the combined company decreased from 80.0% to 67.4%, and the equity proportion of DEIL held by EVGL decreased from 89.9% to 85.0%. As these transactions did not change the Group's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to increases in capital surplus of NT\$34,896 thousand.
- 12) In order to sell the products by Gulei, the Company and APC resolved on August 13, 2020 and August 12, 2020, respectively, to establish a joint venture sales company in Fujian Province, China, with a planned capital of RMB 300,000 thousand (approximately US\$46,000 thousand). The funds are expected to be US\$32,200 thousand and US\$13,800 thousand, respectively invested by Swanlake and APC (BVI) Holding Co.Ltd., and the registration was completed on March 12, 2022.
- 13) 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 Economics 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.
- 14) On January 21, 2021, Swanlake acquired 5.42% equity from the external shareholders of Acme Electronics (Cayman) Corp. approved by the Investment Commission, MOEA with the purchase price of NT\$2,172 thousand. 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%. Since the transaction does not change the Group's

control over the subsidiary, it is treated as an equity transaction, and the difference arising from the said equity transaction of the Group is an adjustment to increase the capital reserve of NT\$3,564 thousand.

- 15) In response to the government's green power policy, the Company purchased 100% of the equity from the non-related parties, USIGE, 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 32 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.
- 16) 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.
- 17) 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.
- 18) 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, 2021</u>	<u>December 31, 2020</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.

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, 2021	December 31, 2020	2021	2020
CGPC	\$ 1,623,144	\$ 1,074,470	\$ 7,063,369	\$ 6,187,422
TTC	\$ 1,171,507	\$ 1,215,763	\$ 4,715,783	\$ 3,885,632
ACME	\$ 32,991	\$ 18,569	\$ 720,250	\$ 716,599
APC	\$ 2,097,980	\$ 746,600	\$ 9,385,928	\$ 7,574,659
EVGL	(\$ 207,283)	(\$ 39,915)	\$ 5,740,914	\$ 5,988,872

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

	December 31, 2021	December 31, 2020
Current assets	\$ 7,888,292	\$ 5,874,585
Non-current assets	9,087,023	8,019,040
Current liabilities	(2,992,501)	(2,220,603)
Non-current liabilities	(2,147,545)	(1,369,264)
Equity	<u>\$ 11,835,269</u>	<u>\$ 10,303,758</u>
Equity attributable to:		
Owners of the Company	\$ 4,099,608	\$ 3,516,093
Non-controlling interests of CGPC	7,063,369	6,187,422
Non-controlling interests of CGPC's subsidiaries	<u>672,292</u>	<u>600,243</u>
	<u>\$ 11,835,269</u>	<u>\$ 10,303,758</u>
	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Revenue	<u>\$ 20,221,524</u>	<u>\$ 13,733,148</u>
Net profit from continuing operations	\$ 2,631,418	\$ 1,791,710
Other comprehensive (loss) income	(14,961)	82,647
Total comprehensive income	<u>\$ 2,616,457</u>	<u>\$ 1,874,357</u>
Net profit attributable to:		
Owners of the Company	\$ 845,532	\$ 559,714
Non-controlling interests of CGPC	1,623,144	1,074,470
Non-controlling interests of CGPC's subsidiaries	<u>162,742</u>	<u>157,526</u>
	<u>\$ 2,631,418</u>	<u>\$ 1,791,710</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 917,989	\$ 627,523
Non-controlling interests of CGPC	1,535,895	1,088,417
Non-controlling interests of CGPC's subsidiaries	<u>162,573</u>	<u>158,417</u>

	<u>\$ 2,616,457</u>	<u>\$ 1,874,357</u>
	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Cash flow		
Operating activities	\$ 2,206,421	\$ 2,088,323
Investing activities	(1,697,443)	(1,194,306)
Financing activities	(64,629)	(765,171)
Effects of exchange rate changes	(1,159)	(5,092)
Net cash inflow	<u>\$ 443,190</u>	<u>\$ 123,754</u>
Dividends paid on non-controlling interests	<u>\$ 654,923</u>	<u>\$ 173,260</u>
<u>TTC and TTC's subsidiaries</u>		
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 7,290,336	\$ 5,942,120
Non-current assets	3,454,323	3,303,750
Current liabilities	(2,343,160)	(2,170,177)
Non-current liabilities	(739,686)	(719,887)
Equity	<u>\$ 7,661,813</u>	<u>\$ 6,355,806</u>
Equity attributable to:		
Owners of the Company	\$ 2,946,030	\$ 2,470,174
Non-controlling interests of TTC	<u>4,715,783</u>	<u>3,885,632</u>
	<u>\$ 7,661,813</u>	<u>\$ 6,355,806</u>
	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Revenue	<u>\$ 20,771,165</u>	<u>\$ 15,498,381</u>
Net profit from continuing operations	\$ 1,849,932	\$ 1,919,818
Other comprehensive income (loss)	<u>144,361</u>	<u>236,480</u>
Total comprehensive income	<u>\$ 1,994,293</u>	<u>\$ 2,156,298</u>
Net profit attributable to:		
Owners of the Company	\$ 678,425	\$ 704,055
Non-controlling interests of TTC	<u>1,171,507</u>	<u>1,215,763</u>
	<u>\$ 1,849,932</u>	<u>\$ 1,919,818</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 729,130	\$ 856,789
Non-controlling interests of TTC	<u>1,265,163</u>	<u>1,299,509</u>
	<u>\$ 1,994,293</u>	<u>\$ 2,156,298</u>
	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Cash flow		
Operating activities	\$ 736,221	\$ 3,046,274
Investing activities	(91,278)	(120,224)
Financing activities	(490,800)	(1,818,584)
Effects of exchange rate changes	(14,366)	<u>39,022</u>
Net cash inflow	<u>\$ 139,777</u>	<u>\$ 1,146,488</u>

Dividends paid on non-controlling interests	\$ <u>435,982</u>	\$ <u>63,493</u>
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ACME and ACME's subsidiaries

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 2,335,126	\$ 1,886,912
Non-current assets	2,005,472	1,679,406
Current liabilities	(1,600,758)	(1,161,937)
Non-current liabilities	(804,698)	(519,306)
Equity	<u>\$ 1,935,142</u>	<u>\$ 1,885,075</u>
Equity attributable to:		
Owners of the Company	\$ 614,791	\$ 580,765
Non-controlling interests of ACME	720,250	716,599
Non-controlling interests of ACME's subsidiaries	<u>600,101</u>	<u>587,711</u>
	<u>\$ 1,935,142</u>	<u>\$ 1,885,075</u>
	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Revenue	<u>\$ 3,070,315</u>	<u>\$ 2,169,471</u>
Net profit from continuing operations	\$ 90,481	\$ 37,374
Other comprehensive (loss) income	(40,414)	12,092
Total comprehensive income	<u>\$ 50,067</u>	<u>\$ 49,466</u>
Net profit attributable to:		
Owners of the Company	\$ 26,338	\$ 14,824
Non-controlling interests of ACME	32,991	18,569
Non-controlling interests of ACME's subsidiaries	<u>31,152</u>	<u>3,981</u>
	<u>\$ 90,481</u>	<u>\$ 37,374</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 16,726	\$ 19,844
Non-controlling interests of ACME	20,951	25,048
Non-controlling interests of ACME's subsidiaries	<u>12,390</u>	<u>4,574</u>
	<u>\$ 50,067</u>	<u>\$ 49,466</u>
Cash flow		
Operating activities	\$ 71,338	\$ 213,754
Investing activities	(488,339)	11,334
Financing activities	438,971	(42,059)
Effects of exchange rate changes	(27,555)	8,547
Net cash (outflow) inflow	<u>(\$ 5,585)</u>	<u>\$ 191,576</u>

APC and APC's subsidiaries

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 4,098,928	\$ 2,964,269
Non-current assets	14,879,618	13,919,234
Current liabilities	(1,942,077)	(1,479,196)
Non-current liabilities	(1,574,420)	(3,294,762)
Equity	<u>\$ 15,462,049</u>	<u>\$ 12,109,545</u>
Equity attributable to:		
Owners of the Company	\$ 6,076,121	\$ 4,534,886
Non-controlling interests of APC	<u>9,385,928</u>	<u>7,574,659</u>
	<u>\$ 15,462,049</u>	<u>\$ 12,109,545</u>
	<u>For the Year Ended</u>	<u>For the Year Ended</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Revenue	<u>\$ 9,565,813</u>	<u>\$ 5,703,546</u>
Net profit from continuing operations	\$ 3,101,127	\$ 1,103,587
Other comprehensive income (loss)	<u>947,852</u>	<u>1,099,896</u>
Total comprehensive income	<u>\$ 4,048,979</u>	<u>\$ 2,203,483</u>
Net profit attributable to:		
Owners of the Company	\$ 1,003,147	\$ 356,987
Non-controlling interests of APC	<u>2,097,980</u>	<u>746,600</u>
	<u>\$ 3,101,127</u>	<u>\$ 1,103,587</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 1,739,582	\$ 887,393
Non-controlling interests of APC	<u>2,309,397</u>	<u>1,316,090</u>
	<u>\$ 4,048,979</u>	<u>\$ 2,203,483</u>
Cash flow		
Operating activities	\$ 2,746,534	\$ 2,878,346
Investing activities	(5,161)	(916,265)
Financing activities	(2,579,254)	(2,289,221)
Effects of exchange rate changes	(3,827)	(5,832)
Net cash outflow	<u>(\$ 158,292)</u>	<u>(\$ 332,972)</u>
Dividends paid on non-controlling interests	<u>\$ 472,565</u>	<u>\$ 225,031</u>

EVGL and EVGL's subsidiaries

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 1,253,726	\$ 1,309,763
Non-current assets	19,335,554	20,170,030
Current liabilities	(15,576)	(15,128)
Equity	<u>\$ 20,573,704</u>	<u>\$ 21,464,665</u>
Equity attributable to:		
Owners of the Company	\$ 11,870,694	\$ 12,383,404
Non-controlling interests of EVGL	5,740,914	5,988,872

Non-controlling interests of EVGL's subsidiaries	<u>2,962,096</u> <u>\$ 20,573,704</u>	<u>3,092,389</u> <u>\$ 21,464,665</u>
	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Loss for the period	(\$ 748,375)	(\$ 176,803)
Other comprehensive (loss) income	(142,586)	234,751
Total comprehensive (loss) income	<u>(\$ 890,961)</u>	<u>\$ 57,948</u>
Loss attributable to:		
Owners of the Company	(\$ 428,607)	(\$ 113,720)
Non-controlling interests of EVGL	(207,283)	(39,915)
Non-controlling interests of EVGL's subsidiaries	<u>(112,485)</u>	<u>(23,168)</u>
	<u>(\$ 748,375)</u>	<u>(\$ 176,803)</u>
Total comprehensive income attributable to:		
Owners of the Company	(\$ 512,710)	\$ 16,651
Non-controlling interests of EVGL	(247,957)	20,062
Non-controlling interests of EVGL's subsidiaries	<u>(130,294)</u>	<u>21,235</u>
	<u>(\$ 890,961)</u>	<u>\$ 57,948</u>
Cash flow		
Operating activities	(\$ 21,545)	(\$ 13,696)
Investing activities	-	(5,122,441)
Financing activities	-	5,359,526
Effects of exchange rate changes	<u>(36,104)</u>	<u>(110,736)</u>
Net cash (outflow) inflow	<u>(\$ 57,649)</u>	<u>\$ 112,653</u>

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Investments in joint ventures		
Associates that are individually material		
Fujian Gulei Petrochemical Co., Ltd. (Gulei)	<u>\$ 19,335,554</u>	<u>\$ 20,170,030</u>

Investments in joint venture are accounted for using the equity method.

The percentage of the Group's ownership and voting rights of Gulei as of December 30, 2020 and 2021 was 50% of the outstanding shares respectively. For more explanation, please refer to Note 39.

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, 2021</u>	<u>December 31, 2020</u>
Cash and cash equivalents	\$ 5,030,725	\$ 4,356,714
Current assets	\$ 20,980,740	\$ 5,785,331
Non-current assets	103,618,406	82,025,858
Current liabilities	(28,893,712)	(10,734,400)
Non-current liabilities	(57,034,326)	(36,736,729)
Equity	38,671,108	40,340,060
Proportion of the Group's ownership	50%	50%
Equity attributable to the Group	<u>\$ 19,335,554</u>	<u>\$ 20,170,030</u>
Carrying amount	<u>\$ 19,335,554</u>	<u>\$ 20,170,030</u>
	<u>For the Year Ended</u>	<u>For the Year Ended</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
The Group's share of:		
Loss for the period	(\$ 727,995)	(\$ 165,161)

Gulei has been in operation since November 2021 with revenue.

15. PROPERTY, PLANT AND EQUIPMENT-FOR SELF-USE

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Freehold Land	\$ 4,682,237	\$ 4,682,237
Land improvements	5,623	6,954
Buildings and Improvements	3,809,068	3,974,587
Machinery and Equipment	10,940,540	11,626,815
Transportation equipment	33,559	46,935
Other equipment	294,331	321,524
Construction in progress and equipment under installation	<u>4,705,653</u>	<u>2,510,261</u>
	<u>\$ 24,471,011</u>	<u>\$ 23,169,313</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, 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>

Cost

	Freehold Land	Land improvements	Buildings and Improvements	Machinery and Equipment	Transportation equipment	Other equipment	Construction in progress and equipment under installation	Total
Balance as of January 1, 2020	\$ 4,682,237	\$ 124,005	\$ 7,952,060	\$ 37,738,740	\$ 204,178	\$ 1,736,993	\$ 1,501,006	\$ 53,939,219
Additions	-	-	4,796	149,161	2,820	28,058	2,072,826	2,257,661
Disposal	-	-	(28,965)	(1,141,845)	(14,641)	(57,031)	(3,500)	(1,245,982)
Transfer from investment properties (Note 17)	-	-	1,752	-	-	-	-	1,752
Internal transfer	-	213	68,262	949,092	13,815	61,799	(1,045,673)	47,508
Net foreign currency exchange differences	-	-	3,104	(45,359)	(4,117)	(10,492)	(4,916)	(61,780)
Balance as of December 31, 2020	\$ 4,682,237	\$ 124,218	\$ 8,001,009	\$ 37,649,789	\$ 202,055	\$ 1,759,327	\$ 2,519,743	\$ 54,938,378
<u>Accumulated depreciation and impairment</u>								
Balance as of January 1, 2020	\$ -	\$ 115,773	\$ 3,767,034	\$ 25,319,954	\$ 157,313	\$ 1,436,928	\$ 11,203	\$ 30,808,205
Depreciation expense	-	1,491	277,815	1,797,570	15,359	78,127	-	2,170,362
Disposal	-	-	(27,833)	(1,084,990)	(13,648)	(53,293)	(3,357)	(1,183,121)
Transfer from investment properties (Note 17)	-	-	717	-	-	-	-	717
Internal transfer	-	-	2,252	(4,212)	-	(17,905)	-	(19,865)
Recognized impairment loss	-	-	-	25,714	-	568	1,619	27,901
Net foreign currency exchange differences	-	-	6,437	(31,062)	(3,904)	(6,622)	17	(35,134)
Balance as of December 31, 2020	\$ -	\$ 117,264	\$ 4,026,422	\$ 26,022,974	\$ 155,120	\$ 1,437,803	\$ 9,482	\$ 31,769,065
Net on December 31, 2020	\$ 4,682,237	\$ 6,954	\$ 3,974,587	\$ 11,626,815	\$ 46,935	\$ 321,524	\$ 2,510,261	\$ 23,169,313

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". Partial of the land will be reclaimed and is expected to be returned in 2022.

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, 2021, the Group had paid NT\$2,090,979 thousand for the project, which was accounted for under construction in progress.

For the year ended December 31, 2020, ACME (GZ) assessed that some of its machinery and equipment had been idle and did not meet the production requirements, thus recognizing an impairment loss of NT\$5,823 thousand.

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, 2021 and 2020 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 and

NT\$22,078 thousand in 2021 and 2020 respectively, 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, 2021</u>	<u>December 31, 2020</u>
Plant and right-of-use assets	\$ 266,579	\$ 275,409
Equipment	<u>\$ 2,086</u>	<u>\$ 2,689</u>

SPC has completed the construction and acceptance of the plant before the end of 2021, which is expected to be sold and transferred in the future, thus transferring NT\$171,803 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

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 37.

For the related capitalized interest, please refer to Note 28 (4) finance cost.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount of right-of-use assets		
Leasehold land	\$ 156,928	\$ 164,180
Land use rights	406,802	336,967
Buildings	90,272	148,111
Machinery and Equipment	71,521	53,510
Transportation equipment	<u>1,818</u>	<u>2,183</u>
	<u>\$ 727,341</u>	<u>\$ 704,951</u>
	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Addition for right-of-use assets	<u>\$ 104,277</u>	<u>\$ 3,265</u>

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Depreciation expense of right-of-use assets		
Leasehold land	\$ 16,700	\$ 15,618
Land use rights	11,828	21,358
Buildings	30,921	18,500
Machinery and Equipment	7,758	10,264
Transportation equipment	978	718
	<u>\$ 68,185</u>	<u>\$ 66,458</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, 2021 and 2020.

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 (as set out in Note 17). 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 19 and 37.

b. Lease liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount of lease liabilities		
Current	<u>\$ 73,065</u>	<u>\$ 75,284</u>
Non-current	<u>\$ 387,502</u>	<u>\$ 384,402</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Leasehold land	0.83%~9.25%	0.83%~9.25%
Buildings	1.04%~2.00%	1.04%~2.00%
Machinery and Equipment	1.04%~1.25%	1.04%~1.16%
Transportation equipment	1.06%~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 1 to 14 years.. The Group has options to lease office at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for leasing out of investment properties are set out in Note 17. For details of lease information, please refer to the following table (the Group as lessee).

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Expenses relating to short-term leases	<u>\$ 67,824</u>	<u>\$ 50,200</u>
Expenses relating to low-value asset leases	<u>\$ 884</u>	<u>\$ 1,301</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 41,990</u>	<u>\$ 37,265</u>
Total cash (outflow) for leases	<u>(\$ 187,757)</u>	<u>(\$ 164,728)</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.

17. INVESTMENT PROPERTIES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Completed investment properties		
Land	\$ 204,024	\$ 200,726
Buildings	357,945	384,483
Right-of-use assets	<u>149,376</u>	<u>168,011</u>
	<u>\$ 711,345</u>	<u>\$ 753,220</u>

	<u>Land</u>	<u>Buildings</u>	<u>Right-of-use assets</u>	<u>Total</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	<u>-</u>	<u>(4,133)</u>	<u>(513)</u>	<u>(4,646)</u>
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	<u>-</u>	<u>(2,195)</u>	<u>(35)</u>	<u>(2,230)</u>
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>
<u>Cost</u>				
Balance as of January 1, 2020	\$ 119,022	\$ 738,314	\$ 205,110	\$ 1,062,446
Additions	85,673	-	-	85,673
Rerecognized as property, plant and equipment (Note 15)	-	(1,752)	-	(1,752)
Rerecognized as right-of-use assets	-	-	(1,293)	(1,293)

	<u>Land</u>	<u>Buildings</u>	<u>Right-of-use assets</u>	<u>Total</u>
Net foreign currency exchange differences	-	248	-	248
Balance as of December 31, 2020	<u>\$ 204,695</u>	<u>\$ 736,810</u>	<u>\$ 203,817</u>	<u>\$ 1,145,322</u>
<u>Accumulated depreciation and impairment</u>				
Balance as of January 1, 2020	\$ 3,969	\$ 326,570	\$ 18,199	\$ 348,738
Depreciation expense	-	24,735	17,842	42,577
Rerecognized as property, plant and equipment (Note 15)	-	(717)	-	(717)
Rerecognized as right-of-use assets	-	-	(347)	(347)
Net foreign currency exchange differences	-	1,739	112	1,851
Balance as of December 31, 2020	<u>\$ 3,969</u>	<u>\$ 352,327</u>	<u>\$ 35,806</u>	<u>\$ 392,102</u>
Net on December 31, 2020	<u>\$ 200,726</u>	<u>\$ 384,483</u>	<u>\$ 168,011</u>	<u>\$ 753,220</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.

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, 2021 and 2020.

Total rents receivable of investment properties under operating lease as of December 31, 2021 and 2020 are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Year 1	\$ 53,620	\$ 68,752
Year 2	46,713	50,357
Year 3	37,577	40,458
Year 4	17,734	25,068
Year 5	10,776	13,340
More than 5 years	26,940	23,178
	<u>\$ 193,360</u>	<u>\$ 221,153</u>

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	5-50 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, 2021 and 2020 were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Fair Value	<u>\$1,556,205</u>	<u>\$1,540,756</u>

The investment properties pledged as collateral for bank borrowings are set out in Note 37.

18. GOODWILL AND OTHER INTANGIBLE ASSETS

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Goodwill a.	<u>\$ 270,211</u>	<u>\$ 269,026</u>
Other intangible assets b.		
Technology royalties and patent right	\$ 933	\$ 1,863
Computer software	7,134	8,944
Plant design fee	3,601	-
Field project	<u>32,315</u>	<u>-</u>
	<u>\$ 43,983</u>	<u>\$ 10,807</u>

a. Goodwill

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Balance as of January 1, 2021	\$ 269,026	\$ 269,026
Acquisition by combination	<u>1,185</u>	<u>-</u>
Balance as of December 31, 2021	<u>\$ 270,211</u>	<u>\$ 269,026</u>

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 32 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, 2021	\$ 227,484	\$ 100,420	\$ -	\$ 29,000	\$ 356,904
Separate acquisition	-	733	-	5,201	5,934
Acquisition by business combination (Note 32)	-	-	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>
<u>Cost</u>					
Balance as of January 1, 2020	\$ 227,484	\$ 100,298	\$ -	\$ 29,000	\$ 356,782
Separate acquisition	-	113	-	-	113
Net foreign currency exchange differences	-	9	-	-	9
Balance as of December 31, 2020	<u>\$ 227,484</u>	<u>\$ 100,420</u>	<u>\$ -</u>	<u>\$ 29,000</u>	<u>\$ 356,904</u>
<u>Accumulated amortization and impairment</u>					
Balance as of January 1, 2020	\$ 220,375	\$ 90,403	\$ -	\$ 29,000	\$ 339,778
Amortization expense	5,246	3,620	-	-	8,866
Net foreign currency exchange differences	-	(2,547)	-	-	(2,547)
Balance as of December 31, 2020	<u>\$ 225,621</u>	<u>\$ 91,476</u>	<u>\$ -</u>	<u>\$ 29,000</u>	<u>\$ 346,097</u>
Net on December 31, 2020	<u>\$ 1,863</u>	<u>\$ 8,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,807</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, there is no significant addition, disposal or impairment of other intangible assets of the Group for the year ended December 31, 2021 and 2020.

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	6 to 10 Years
Computer software	2 to 10 Years
Field project	20 years
Others	10 years

19. BORROWINGS

a. Short-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Unsecured borrowings</u>		
- Line of credit borrowings	<u>\$ 2,498,041</u>	<u>\$ 2,726,270</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Range of Interest Rates	0.51%~1.90%	0.52%~2.89%
b. Short-term bills payable		
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Commercial note payable	\$ 280,000	\$ 657,000
Less: Unamortized discount on bills payable	(365)	(296)
	<u>\$ 279,635</u>	<u>\$ 656,704</u>
Range of Interest Rates	0.98%~1.018%	0.53%~1.098%
c. Long-term borrowings		
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Secured loans	\$ 400,000	\$ 640,000
Credit borrowings	<u>3,873,493</u>	<u>6,950,000</u>
	<u>4,273,493</u>	<u>7,590,000</u>
Commercial note payable	240,000	-
Unamortized discount on bills payable	(253)	-
	<u>239,747</u>	-
Sub-total	4,513,240	7,590,000
Less: Maturity within one year	(59,917)	-
	<u>\$ 4,453,323</u>	<u>\$ 7,590,000</u>
Range of interest rates		
Secured loans	1.11%	1.00%~1.11%
Credit borrowings	0.30%~0.94%	0.74%~1.04%
Commercial note payable	0.97%~1.09%	-

USI 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 August 2024 with a total credit limit of NT\$4,692,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, USI has not made any borrowing.

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 June 2024 with a total credit limit of NT\$1,600,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, UPIIC had borrowed NT\$500,000 thousand.

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 August, 2024 with a total credit limit of NT\$800,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, CGPC has not made any borrowing.

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 August 2023 with a total credit limit of NT\$500,000 thousand, which is used cyclically during the validity period. As of March 31, 2021, CGPCPOL has not made any borrowing.

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 May 2023 with a total credit limit NT\$300,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, TVCM has not made any borrowing.

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 August 2024 with a total credit limit of NT\$2,000,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, 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 2024 with a total credit limit of NT\$6,050,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, APC had borrowed NT\$1,000,000 thousand.

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 2026 with a total credit limit of NT\$400,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, ACME had borrowed all.

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 August, 2024 with a total credit limit of NT\$1,300,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, SPC had borrowed NT\$730,000 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 December, 2024 with a total credit limit of NT\$200,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, USIGE has not made any borrowing.

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, 2021, the subsidiaries did not violate the requirements.

The Group has acquired a special low-interest bank loan line of NT\$5,404,400 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\$1,368,000

thousand in December 2021, recognized and measured the loan at the market interest rate of 0.8%~1.0%. The difference between the market interest rate and the actual preferential repayment rate of 0.1%~0.3% is recognized as government subsidy.

20. BONDS PAYABLE

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Domestic unsecured bonds 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	\$ 1,000,000
Domestic unsecured bonds 105-1 - issuance on October 28, 2016, 5 years, total amount NT\$2,000,000 thousand, coupon rate 0.80%, bullet repayment	-	2,000,000
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	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 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 in the 4th and 5th years respectively from the issuance date	1,000,000	-
Domestic unsecured bonds 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 in the 6th and 7th years respectively from the issuance date	1,000,000	-
Domestic unsecured bonds 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	-
Domestic unsecured bonds 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>	<u>-</u>
	9,000,000	7,000,000
Discounts on bonds payable	(<u>11,028</u>)	(<u>5,698</u>)
	8,988,972	6,994,302
Less: Portion due within one year	(<u>2,999,199</u>)	(<u>1,999,233</u>)
	<u>\$ 5,989,773</u>	<u>\$ 4,995,069</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 NT\$1,000,000 thousand due in February 2020.

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 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.

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, which are expected to be issued before the end of 2022.

21. ACCOUNTS PAYABLE

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Operating</u> Accounts payable	<u>\$ 3,528,998</u>	<u>\$ 3,406,837</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.

22. Other liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 1,385,691	\$ 1,112,278
Payables for purchases of equipment	293,455	104,811
Payables for fares	251,643	234,530
Payables for utilities and fuel fees	241,903	246,183
Payables for interests	45,605	41,056
Payable for taxes	36,317	68,251
Payables for insurance	34,394	27,262
Dividends payable	20,551	71,694
Others	<u>585,259</u>	<u>310,468</u>
	2,894,818	2,216,533
Other liabilities		
Refund liabilities	<u>28,630</u>	<u>16,390</u>
	<u>\$ 2,923,448</u>	<u>\$ 2,232,923</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.

23. PROVISIONS FOR LIABILITIES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Non-current</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 38 for the explanation related to the provision.

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension system in the "Labor Pension Act" that the Company and domestic subsidiary apply to is a defined appropriation plan managed by government, where 6% of monthly salary is appropriated to personal account in the Labor Insurance Bureau. 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 appropriates pension to employee based on 9% of monthly salary (the appropriation rate raised to 12% since November 10, 2016), and subsidiaries appropriate pension based on specified percentage of total monthly employee salary (TTC and CGTD 12%; APC, CGPC and VCM 10%, SPC 3.5%; ACME, USIFE Investment Co., Ltd., USI MANAGEMENT CONSULTING CORPORATION and TUVM 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 are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligation	(\$ 3,146,524)	(\$ 3,415,069)
Fair value of plan assets	<u>1,995,515</u>	<u>2,123,016</u>
Net defined benefit liabilities - non-current	<u>(\$ 1,151,009)</u>	<u>(\$ 1,292,053)</u>

Change in net defined benefits liabilities - non-current:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
January 1, 2020	<u>(\$ 3,674,355)</u>	<u>\$ 2,200,488</u>	<u>(\$ 1,473,867)</u>
Service cost - current period	(30,744)	-	(30,744)
Service cost - previous period	(1,672)	-	(1,672)
Interest revenue (expense)	<u>(22,754)</u>	<u>14,035</u>	<u>(8,719)</u>
Remeasurements recognized as profit and loss	<u>(55,170)</u>	<u>14,035</u>	<u>(41,135)</u>
Return on plan assets (excluding amounts included in net interest)	-	76,957	76,957
Actuarial losses recognized from changes in demographic assumptions	(21)	-	(21)
Actuarial losses recognized from changes in financial assumptions	(63,814)	-	(63,814)
Actuarial gains recognized from experience adjustments	<u>6,128</u>	<u>-</u>	<u>6,128</u>
Amounts recognized in other comprehensive income	<u>(57,707)</u>	<u>76,957</u>	<u>19,250</u>
Contributions from employer	-	185,024	185,024
Benefits paid	353,488	(353,488)	-
Payment for provisions	<u>18,675</u>	<u>-</u>	<u>18,675</u>
December 31, 2020	<u>(\$ 3,415,069)</u>	<u>\$ 2,123,016</u>	<u>(\$ 1,292,053)</u>

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
January 1, 2021	(<u>\$ 3,415,069</u>)	<u>\$ 2,123,016</u>	(<u>\$ 1,292,053</u>)
Service cost - current period	(27,258)	-	(27,258)
Service cost - previous period	-	-	-
Interest revenue (expense)	(<u> 12,980</u>)	<u> 8,288</u>	(<u> 4,692</u>)
Remeasurements recognized as profit and loss	(<u> 40,238</u>)	<u> 8,288</u>	(<u> 31,950</u>)
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 losses recognized from changes in financial assumptions	22,732	-	22,732
Actuarial gains recognized from experience adjustments	<u> 11,055</u>	<u>-</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>-</u>	<u> 28,466</u>
December 31, 2021	(<u>\$ 3,146,524</u>)	<u>\$ 1,995,515</u>	(<u>\$ 1,151,009</u>)

The Group's pension system from the "Labor Standards Act" is exposed in the following risks:

- 1) Investment risk: MOL utilizes or consigns operation to invest the labor pension fund in targets including but not limited to domestic (overseas) equity security, debt security and bank deposits, only that such allocable assets of the Group shall be no less than those calculated with 2-year time deposit interest amid local banks to gain.
- 2) Interest risk: Decline of government bond interest increases latest benefit obligation value, and same does planned assets' return of debt investment; both can write off the effect by its debt partially.
- 3) Salary risk: Present value of defined benefit obligations is calculated from future salary of member participants; therefore, it will increase with their salary.

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, 2021</u>	<u>December 31, 2020</u>
Discount rate	0.375%~0.50%	0.375%~0.50%
Expected rates of salary increase	2.00%~2.75%	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, 2021</u>	<u>December 31, 2020</u>
Discount rate		
0.25% increase	(\$ <u>56,142</u>)	(\$ <u>63,814</u>)
0.25% decrease	<u>\$ 57,834</u>	<u>\$ 65,798</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 55,778</u>	<u>\$ 63,387</u>
0.25% decrease	(\$ <u>54,439</u>)	(\$ <u>61,813</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, 2021</u>	<u>December 31, 2020</u>
The expected contributions to the plan for the next year	<u>\$ 137,236</u>	<u>\$ 190,626</u>
The average duration of the defined benefit obligation	6~12 years	7~13 years

25. Government subsidy

- a. Acme Electronics Corporation (Kunshan) 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 Corporation (Kunshan)'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, 2021 and 2020 the amounts of deferred income (booked under other current liabilities) that had not been amortized were RMB7,833 thousand (NT\$34,005 thousand), and RMB8,363 thousand (NT\$36,502 thousand) respectively.
- b. Affected by the global pandemic of COVID-19, the Group has applied to the government for subsidies for items such as salary and operating capital. As of December 31, 2020, NT\$8,367 thousand has been obtained and accounted as operating expenses and other incomes. In addition, in accordance with the policy of the local government in China, ACME (KS), ACME (GZ) and TAITA (CS) have gained exemption from the pension, unemployment and work-related injury insurances borne by the company from February

to December 2020, and ACME (KS) and ACME (GZ) have gained preferential electricity fee reduction, exemption, and subsidies due to good pandemic containment.

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.

26. Equity

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Share capital	\$ 11,887,635	\$ 11,887,635
Capital surplus	366,185	321,798
Retained Earnings	13,599,427	9,497,146
Other Equity	84,358	(240,195)
Treasury shares	(475,606)	(475,606)
Non-controlling Interests	<u>30,182,962</u>	<u>27,732,865</u>
	<u>\$ 55,644,961</u>	<u>\$ 48,723,643</u>

a. Share capital

	<u>December 31, 2021</u>	<u>December 31, 2020</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 the Company made 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 28 (7).

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, if the distributable earnings of the year are less than NT\$0.1 per share, it shall not be distributed.

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, 2020 and 2019 as approved in the shareholders' meetings on July 26, 2021 and June 12, 2020, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>For the Year Ended December 31, 2020</u>	<u>For the year ended December 31, 2019</u>	<u>For the year ended December 31, 2020</u>	<u>For the year ended December 31, 2019</u>
Legal reserve	\$ 233,461	\$ 129,872		
Special reserve (reversed)	(405,932)	350,533		
Cash dividends	<u>1,188,763</u>	<u>594,382</u>	\$ 1.0	\$ 0.5
	<u>\$ 1,016,292</u>	<u>\$ 1,074,787</u>		

The appropriations of earnings for the year ended December 31, 2021 had been proposed by the Company's Board of Directors on March 10, 2022. The appropriations were as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>
Legal reserve	\$ 529,104	
Cash dividends	<u>2,615,280</u>	\$ 2.2
	<u>\$ 3,144,384</u>	

The appropriations of earnings for the year ended December 31, 2021 are subject to the resolution of the shareholders' meeting planned to be held on May 31, 2022.

d. Other equity

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

	<u>For the Year Ended December 31, 2021</u>	<u>For the year ended December 31, 2020</u>
Balance at January 1	(\$ 583,855)	(\$ 602,871)
Recognized during the period		
Exchange differences on translating the financial statements of foreign operations	(159,894)	24,165
Related income tax of the profits and losses on translating the financial statements of foreign operations	32,776	(4,919)
Disposal of subsidiaries' equity	<u>-</u>	<u>(230)</u>
Balance at December 31	<u>(\$ 710,973)</u>	<u>(\$ 583,855)</u>

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

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Balance at January 1	\$ 343,660	(\$ 178,187)
Recognized during the period		
Unrealized gains (losses)		
Equity instruments	553,050	444,886
Related income tax	(925)	(1,117)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposals	<u>(100,454)</u>	<u>78,078</u>
Balance at December 31	<u>\$ 795,331</u>	<u>\$ 343,660</u>

e. Non-controlling Interests

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Balance at January 1	\$ 27,732,865	\$ 20,517,444
Cash dividends distributed by subsidiaries	(1,714,633)	(519,048)
Net profit from continuing operations	4,888,057	3,272,859
Other comprehensive income		
Exchange differences on translating the financial statements of foreign operations	(177,334)	142,313
Income tax relating to exchange difference on translating foreign operations	21,486	(8,019)
Unrealized gain (loss) on financial assets at FVTOCI	(445,863)	(94,467)

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Income tax relating to unrealized gain (loss) on financial assets at FVTOCI	(1,934)	(2,337)
Remeasurement of defined benefit plans	(8,959)	15,846
Income tax relating to re-measurements in defined benefits plan	1,152	(2,238)
Adjustments relating to changes accounted for using the equity method	2,586	(28,871)
Disposal of subsidiaries' equity	-	(85)
Change in non-controlling interests	(<u>114,461</u>)	<u>4,439,468</u>
Balance at December 31	<u>\$ 30,182,962</u>	<u>\$ 27,732,865</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, 2021</u>				
Transfer from shares 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, 2020</u>				
Transfer from shares 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:

<u>Name of Subsidiary</u>	<u>Number of Shares Held (In Thousands of Shares)</u>	<u>Carrying Amount (In Thousands of Shares)</u>	<u>Market Price (In Thousands of Shares)</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>
<u>December 31, 2020</u>			
APC	101,356	\$ 1,377,381	\$ 2,290,638
TTC	15,110	<u>81,875</u>	<u>341,484</u>
		<u>\$ 1,459,256</u>	<u>\$ 2,632,122</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, 2021 and 2020.

The carrying amounts of investments accounted for using the equity method and the gain on financial assets at FVTOCI were NT\$733,685 thousand and NT\$390,637 thousand, respectively.

27. REVENUE

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Revenue from the sale of goods		
Plastic raw materials	\$ 68,149,586	\$ 47,540,059
Electronic Materials	3,018,410	2,141,880
Others	<u>587,546</u>	<u>519,334</u>
Total	<u>\$ 71,755,542</u>	<u>\$ 50,201,273</u>

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

a. Contract balances

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Notes and accounts receivables (Note 10)	<u>\$ 9,391,222</u>	<u>\$ 7,481,916</u>	<u>\$ 7,045,512</u>
Contract liabilities (presented in other current liabilities)			
Merchandise sales	<u>\$ 363,049</u>	<u>\$ 212,751</u>	<u>\$ 151,664</u>

b. Please refer to Note 42 for revenue breakdown list.

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Interest income

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Cash and cash equivalents	\$ 73,218	\$ 95,835
Beneficiary securities	4,221	5,042
Financial assets measured at amortized cost	1,839	1,739
Others	<u>323</u>	<u>193</u>
	<u>\$ 79,601</u>	<u>\$ 102,809</u>

b. Other income

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Dividend income	\$ 390,903	\$ 186,949
Rental income	156,014	83,658

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Income from management services (Note 36)	42,221	36,647
Indemnity income	19,064	32,729
Allowance income	15,369	6,021
Others	<u>3,816</u>	<u>57,488</u>
	<u>\$ 627,387</u>	<u>\$ 403,492</u>

c. Other gains and losses

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Loss on disposal of property, plant and equipment	(\$ 64,669)	(\$ 37,249)
Gain (Loss) on disposal of investment	641	(1,660)
Net foreign exchange losses	(93,530)	(141,771)
Net gain on financial assets at FVTPL	384,009	398,104
Net loss on financial liabilities at FVTPL	(47,605)	(21,247)
Depreciation expense	(46,129)	(70,459)
Gain on revised lease	660	-
Other gains and losses	<u>(75,749)</u>	<u>(8,765)</u>
	<u>\$ 57,628</u>	<u>\$ 116,953</u>

d. Finance costs

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Interest on bank loans	\$ 75,987	\$ 136,072
Interest on bonds payable	86,901	80,898
Other interest expense	226	65
Interest on lease liabilities	6,710	7,303
Less: Capitalized interest (presented under construction in progress)	<u>(2,727)</u>	<u>(2,648)</u>
	<u>\$ 167,097</u>	<u>\$ 221,690</u>

Information about capitalized interest is as follows:

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Capitalized interest	\$ 2,727	\$ 2,648
Capitalization rate	0.83%~1.14%	0.66%~1.25%

e. Depreciation and amortization

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Property, plant and equipment	\$ 2,161,204	\$ 2,170,362

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Right-of-use assets	68,185	66,458
Investment properties	42,757	42,577
Intangible assets	5,867	8,866
Others	<u>57,907</u>	<u>64,938</u>
	<u>\$ 2,335,920</u>	<u>\$ 2,353,201</u>
Summary of depreciation by function		
Operating costs	\$ 2,065,525	\$ 2,087,923
Operating expenses	160,492	121,015
Other gains and losses	<u>46,129</u>	<u>70,459</u>
	<u>\$ 2,272,146</u>	<u>\$ 2,279,397</u>
Summary of amortization by function		
Operating costs	\$ 52,722	\$ 62,660
Marketing expenses	14	457
Administrative expenses	4,872	5,074
Research and development expenses	<u>6,166</u>	<u>5,613</u>
	<u>\$ 63,774</u>	<u>\$ 73,804</u>

f. Employee benefits expense

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Post-employment benefits (Note 24)		
Defined contribution plans	\$ 163,437	\$ 108,274
Defined benefit plans	<u>31,950</u>	<u>41,135</u>
	195,387	149,409
Other employee benefits	<u>5,007,221</u>	<u>4,403,559</u>
Total employee benefits expenses	<u>\$ 5,202,608</u>	<u>\$ 4,552,968</u>
Summary of employee benefits expense by function		
Operating costs	\$ 3,707,409	\$ 3,177,791
Operating expenses	<u>1,495,199</u>	<u>1,375,177</u>
	<u>\$ 5,202,608</u>	<u>\$ 4,552,968</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, 2021 and 2020 were resolved by the Company's board of directors on March 10, 2022 and March 8, 2021, respectively, as follows:

Accrual rates

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.05%	0.12%

Amount

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Employees' compensation	\$ 59,332	\$ 25,892
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.

There was no difference between the actual amounts of remuneration of employees and directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on the employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 resolved by the Company's board of directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

h. Loss on foreign currency exchange

	<u>For the Year Ended December 31, 2021</u>	<u>For the year ended December 31, 2020</u>
Foreign exchange gains	\$ 319,677	\$ 207,515
Foreign exchange losses	(413,207)	(349,286)
Net loss	(\$ 93,530)	(\$ 141,771)

29. INCOME TAX RELATING TO CONTINUING OPERATIONS

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, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Current tax		
In respect of the current year	\$ 2,673,697	\$ 1,397,023
Surtax on undistributed earnings	109,744	24,895
Adjustments for previous years	(33,257)	(48,698)
Subsidiary repatriation of profits	-	10,685
Change in tax rate	-	114
Foreign tax credit	(35,531)	(17,736)
	<u>2,714,653</u>	<u>1,366,283</u>
Deferred tax		
In respect of the current year	(42,869)	101,398

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
The impact on income tax for the deferred subsidiary repatriation of profits	-	(24,688)
Adjustments for previous years	1,094	(139)
Others	<u>113</u>	<u>(2,496)</u>
	<u>(41,662)</u>	<u>74,075</u>
Income tax expense recognized in profit or loss	<u>\$ 2,672,991</u>	<u>\$ 1,440,358</u>

The adjustment of accounting income and income tax expenses is as follows:

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Net income before taxes from continuing operations	<u>\$ 12,752,442</u>	<u>\$ 7,122,995</u>
Income tax expenses from net profit before tax calculated by legal tax rate	\$ 4,176,520	\$ 2,636,280
Gains non-deductible on tax	667	5,464
Tax-free income	(1,511,602)	(1,025,343)
Surtax on undistributed earnings	109,744	24,895
Unrecognized loss deduction and deductible temporary difference	7,521	(104,437)
Subsidiary repatriation of profits	-	(14,003)
The invested company's capital reduction and liquidation loss	(20,763)	(8,057)
Change in tax rate	-	114
Adjustments of current income tax expenses for prior year	(32,163)	(48,837)
Others	<u>(56,933)</u>	<u>(25,718)</u>
Income tax expense recognized in profit or loss	<u>\$ 2,672,991</u>	<u>\$ 1,440,358</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, 2021</u>	<u>For the Year Ended December 31, 2020</u>
<u>Deferred tax</u>		
In respect of the current year		
- Translation of foreign operations	\$ 54,262	(\$ 12,938)
- Unrealized gain (loss) on financial assets at FVTOCI	(2,859)	(3,454)
- Re-measurements of defined benefit plan	<u>1,168</u>	<u>(2,668)</u>
Income tax benefits (expenses) recognized in other comprehensive income	<u>\$ 52,571</u>	<u>(\$ 19,060)</u>

c. Current income tax assets and liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current income tax assets		
Tax refund receivable	<u>\$ 8,931</u>	<u>\$ 29,231</u>
Current income tax liabilities		
Income tax payable	<u>\$ 2,618,632</u>	<u>\$ 1,211,350</u>

d. Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

For the Year Ended December 31, 2021

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

For the Year Ended December 31, 2020

	<u>Balance at January 1</u>	<u>Amounts recognized in profit or loss</u>	<u>Amounts recognized in other comprehensive income</u>	<u>Foreign currency exchange differences</u>	<u>Balance at December 31</u>
<u>Deferred income tax assets</u>					
Temporary difference					
Defined benefit retirement plan	\$ 267,288	(\$ 30,132)	(\$ 2,668)	\$ -	\$ 234,488
Investments accounted for using the equity method	73,424	(3,486)	2,423	-	72,361
Allowance for inventory valuation and obsolescence losses	44,160	(5,090)	-	3	39,073
Allowance for loss	12,714	(270)	-	67	12,511
Unrealized sale profits	2,896	(784)	-	-	2,112

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Foreign currency exchange differences	Balance at December 31
Payable for annual leave	25,327	249	-	(1)	25,575
Others	190,012	(5,938)	(22,203)	(101)	161,770
	615,821	(45,451)	(22,448)	(32)	547,890
Loss deduction	27,894	(1,899)	-	(35)	25,960
	<u>\$ 643,715</u>	<u>(\$ 47,350)</u>	<u>(\$ 22,448)</u>	<u>(\$ 67)</u>	<u>\$ 573,850</u>
<u>Deferred income tax liabilities</u>					
Temporary difference					
Investments accounted for using the equity method	\$ 556,381	\$ 32,891	(\$ 6,842)	\$ -	\$ 582,430
Book-tax differences of depreciation provision between new and old years	44,719	(2,348)	-	(432)	41,939
Land revaluation surplus	800,993	-	-	-	800,993
Others	\$ 9,808	(\$ 3,818)	\$ 3,454	\$ -	\$ 9,444
	<u>\$ 1,411,901</u>	<u>\$ 26,725</u>	<u>(\$ 3,388)</u>	<u>(\$ 432)</u>	<u>\$ 1,434,806</u>

e. Items not recognized as deferred income tax assets

	December 31, 2021	December 31, 2020
Loss deduction	<u>\$ 3,623,868</u>	<u>\$ 3,851,844</u>
Deductible temporary differences		
Foreign investment loss in equity method	\$ 181,158	\$ 194,414
Write-downs of inventories	314,605	302,750
Book-tax differences of depreciation provision between new and old years	42,639	106,845
Others	211,357	158,324
	<u>\$ 749,759</u>	<u>\$ 762,333</u>

f. Unused loss deduction

As of December 31, 2021, the Group's unused loss deductions, NT\$3,753,604 thousand will due by 2031 one by one.

g. Accreditation of income tax

The income tax return of USIGE, INOIMA and USIO as of December 31, 2020 has been assessed by the tax authorities; The income tax return of the Company, TTC, SPC, CGPCPOL, APC, APCI, TVCM, UM, USII, TUVV, TUVV, CLT, UPIIC, SPC, STC and CGTD as of December 31, 2019 has been assessed by the tax authorities; The income tax return of the Company and SPC, as of December 31, 2018 has been assessed by the tax authorities; the income tax return of ACME as of December 31, 2019, excluding the year 2018, has been assessed by the tax authorities.

30. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Basic earnings per share	<u>\$ 4.84</u>	<u>\$ 2.25</u>
Diluted earnings per share	<u>\$ 4.83</u>	<u>\$ 2.24</u>

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

Net profit from continuing operations

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Net income attributable to owners of the Company (used to calculate the net income from basic and diluted earnings per share)	<u>\$ 5,191,394</u>	<u>\$ 2,409,778</u>

Number of Shares

	Unit: In Thousands of Shares	
	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</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>2,100</u>	<u>1,376</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,074,398</u>	<u>1,073,674</u>

If the Group offered to settle remuneration paid to employees in cash or shares, the Group assumed the entire amount of the remuneration 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.

31. SHARE-BASED PAYMENT ARRANGEMENTS

USIO did not issue employee share options for the years ended December 31, 2021 and 2020. Information on employee share options which were issued was as follows:

	For the Year Ended December 31, 2021		For the year ended December 31, 2020	
	Unit	Weighted average Exercise Price (NT\$)	Unit	Weighted average Exercise Price (NT\$)
Employee share options				
Options exercisable at the beginning and end of the period	<u>133</u>	\$ 10.8	<u>133</u>	\$ 10.8

As of the years ended December 31, 2021 and 2020, the information related to employee stock options outstanding or USIO is as follows:

	December 31, 2021		December 31, 2020	
Scope of Exercise Price (NT\$)	Weighted average contract term before expired (year)	Scope of Exercise Price (NT\$)	Weighted average contract term before expired (year)	
\$ 10.8	0.4	\$ 10.8	1.4	

32. Business Combination (For the Year Ended December 31, 2020: 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

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

33. Cash flow information

a. Non-cash transactions

In the year 2021 and 2020, the Group entered into the following non-cash investing and financing activities:

- 1) As of December 31, 2021 and 2020, the amounts of payables for purchases of equipment were NT\$293,455 thousand and NT\$104,811 thousand, respectively.
- 2) As of December 31, 2021 and 2020, the amounts of payables for dividends declared but not issued were NT\$20,551 thousand and NT\$71,694 thousand, respectively.
- 3)

b. Changes in liabilities arising from financing activities

	January 1, 2021	Cash flow	Non-cash Changes			December 31, 2021
			New Leases	Amortization of Finance Costs	Changes in Foreign Currency Exchange Rates	
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)	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>\$ 16,835,226</u>

	January 1, 2020	Cash flow	Non-cash Changes			December 31, 2020
			New Leases	Amortization of Finance Costs	Changes in Foreign Currency Exchange Rates	
Short-term borrowings	\$ 4,258,980	(\$ 1,532,710)	\$ -	\$ -	\$ -	\$ 2,726,270
Short-term bills payable	1,352,810	(696,000)	-	-	(106)	656,704
Bonds payable (including those due within 1 year)	7,991,283	(1,000,000)	-	3,019	-	6,994,302
Long-term borrowings (including those due within 1 year)	9,492,970	(1,903,200)	-	230	-	7,590,000
Guarantee deposits received	27,475	(4,133)	-	-	-	23,342
Lease liabilities (including those due within 1 year)	552,778	(68,659)	3,265	7,303	(27,480)	459,686
Other non-current liabilities	41,778	(778)	-	-	-	41,000
	<u>\$ 23,718,074</u>	<u>(\$ 5,205,480)</u>	<u>\$ 3,265</u>	<u>\$ 10,552</u>	<u>(\$ 27,480)</u>	<u>\$ 18,491,304</u>

34. 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.

35. FINANCIAL INSTRUMENTS

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

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	\$ 8,988,972	\$ -	\$ 9,012,663	\$ -	\$ 9,012,663

December 31, 2020

Carrying Amount	Fair Value				Total
	Level 1	Level 2	Level 3		
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Domestic corporate bonds	\$ 6,994,302	\$ -	\$ 7,029,198	\$ -	\$ 7,029,198

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, 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	\$ -	\$ 3,380	\$ -	\$ 3,380

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 5,328	\$ -	\$ 5,328
Domestic listed (OTC) shares	506,763	-	-	506,763
Fund beneficiary certificates	4,765,536	-	-	4,765,536
Beneficiary securities	233,670	-	-	233,670
Foreign listed stocks	386	-	-	386
Total	<u>\$ 5,506,355</u>	<u>\$ 5,328</u>	<u>\$ -</u>	<u>\$ 5,511,683</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed (OTC) shares	\$ 1,694,805	\$ -	\$ -	\$ 1,694,805
- Domestic emerging stocks	-	-	9,626	9,626
- Domestic unlisted shares and emerging market shares	-	-	720,833	720,833
- Foreign listed (OTC) shares	30,566	-	-	30,566
- Overseas unlisted equity investments	-	-	102,826	102,826
Total	<u>\$ 1,725,371</u>	<u>\$ -</u>	<u>\$ 833,285</u>	<u>\$ 2,558,656</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 20,724	\$ -	\$ 20,724

There were no transfers between Levels 1 and 2 fair value measurement for Year 2021 and Year 2020.

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

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
<u>Financial assets at FVTOCI</u>		
Balance at January 1	\$ 833,285	\$ 748,451
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	(208,044)	183,812
	-	-
Purchase	24	-
Disposal	-	(15,576)
Return of capital	(52,244)	(83,402)
Balance at December 31	<u>\$ 573,021</u>	<u>\$ 833,285</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 liquidity increases/decreases by 10%, the fair value would have decreased/increased by NT\$57,302 thousand and NT\$83,329 thousand, respectively for the years ended December 31, 2021 and 2020.

c. Categories of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 5,742,266	\$ 5,511,683
Financial assets measured at amortized cost		
Cash and cash equivalents	10,365,353	9,637,007
Pledged time and demand deposits	731,638	739,278
Notes receivable	875,475	671,576
Accounts receivable	8,515,477	6,810,340
Other receivables (including related parties)	511,725	293,459
Refundable deposits	173,394	166,993
Financial assets at FVTOCI – investments in equity instruments	\$ 2,432,738	\$ 2,558,656
<u>Financial liabilities</u>		
Financial liabilities at FVTPL - held for trading		
	3,380	20,724
Financial liabilities measured at amortized cost		
Short-term borrowings	2,498,041	2,726,270
Short-term bills payable	279,635	656,704
ACCOUNTS PAYABLE	3,528,998	3,406,837
Other payables (not including salaries payable or taxes payable)	1,472,810	1,036,004
Current portion of long-term borrowings	3,059,116	1,999,233
Bonds payable	5,989,773	4,995,069
Long-term borrowings	4,453,323	7,590,000
Guarantee deposits received	29,528	23,342

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 40. Please refer to Note 7 for carrying amount of derivatives exposed to exchange rate risk.

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 Company's functional currency appreciates/depreciates by 3% against U.S. dollar and RMB, the Group's profit before tax for the years ended December 31, 2021 and 2020 would have decreased/increased by NT\$172,217 thousand and NT\$141,054 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, 2021</u>	<u>December 31, 2020</u>
Fair value interest rate risk		
- Financial assets	\$ 7,781,222	\$ 6,090,090
- Financial liabilities	12,819,174	12,084,042
Cash flow interest rate risk		
- Financial assets	3,050,945	4,057,411
- Financial liabilities	3,921,281	6,342,920

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, 2021 and 2020 would have decreased/increased by NT\$4,352 thousand and NT\$11,428 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, 2021 and 2020 would have increased/decreased by NT\$41,855 thousand and NT\$37,041 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, 2021 and 2020 would have increased/decreased by NT\$121,637 thousand and NT\$127,933 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 trade 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, 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		\$ 6,423,816	\$ -	\$ -
Lease liabilities	0.83-9,25	79,836	246,828	288,585

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	More than 5 Years
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>\$ 12,351,964</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>

December 31, 2020

	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		\$ 5,623,370	\$ -	\$ -
Lease liabilities	0.83-9.25	78,464	248,922	316,663
Floating interest rate liabilities	0.52-2.89	1,352,920	4,990,000	-
Fixed interest rate liabilities	0.35-1.90	<u>4,030,350</u>	<u>7,600,000</u>	<u>-</u>
		<u>\$ 11,085,104</u>	<u>\$ 12,838,922</u>	<u>\$ 316,663</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>\$ 78,464</u>	<u>\$ 248,922</u>	<u>\$ 92,146</u>	<u>\$ 51,759</u>	<u>\$ 52,399</u>	<u>\$ 120,359</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, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<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>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
- Inflows	\$ 914,593	\$ 1,328,558	\$ 109,690
- Outflows	(920,172)	(1,345,476)	(111,875)
	<u>(\$ 5,579)</u>	<u>(\$ 16,918)</u>	<u>(\$ 2,185)</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 financing facilities were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bank loan facilities		
- Amount unused	<u>\$ 38,572,010</u>	<u>\$ 34,248,864</u>

36. 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
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, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Joint ventures	<u>\$ 267,768</u>	<u>\$ -</u>

c. Donation costs (classified as administrative expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Other related parties		
USI Education Foundation	<u>\$ 16,000</u>	<u>\$ 8,250</u>

d. Management services income (classified as other revenue)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Joint ventures	<u>\$ 42,221</u>	<u>\$ 36,647</u>

e. Other receivables

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Joint ventures	<u>\$ 21,083</u>	<u>\$ 19,369</u>

f. Compensation of key management personnel

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

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Short-term employee benefits	\$ 72,530	\$ 62,051
Retirement benefits	<u>491</u>	<u>324</u>
	<u>\$ 73,021</u>	<u>\$ 62,375</u>

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

37. 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, 2021</u>	<u>December 31, 2020</u>
Pledged time deposits (classified as financial assets measured at amortized cost)	\$ 679,083	\$ 678,314
Financial assets at FVTPL	9,085	6,361
Property, plant and equipment	160,158	927,196
Investment properties - net	-	108,178
Land use right (classified as right-of-use assets)	20,578	21,482
Refundable deposits (classified as other non-current assets)	<u>121,685</u>	<u>62,633</u>
	<u>\$ 990,589</u>	<u>\$ 1,804,164</u>

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

- a. As of December 31, 2021 and 2020, the Company's unused letter of credit amounted to NT\$3,177,888 thousand and NT\$2,236,491 thousand, respectively.

- b. Regarding the associate, China General Terminal & Distribution Corporation (hereinafter "CGTD"), who was commissioned to operate the LCY Chemical Corp.'s propylene pipeline resulting in a gas explosion on July 31st, 2014, the appeal was dismissed by the Supreme Court on September 15th, 2021, and all three employees of CGTD were innocent. CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015 to pledge certificates of bank deposits of NT\$227,458 thousand (including interest) to Kaohsiung City Government as collateral for the losses 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 28, 2022, the provisionally attached properties were worth NT\$12,472 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.

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 28, 2022, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against CGTD, LCY Chemical Corp. and CPC 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\$1,341,128 thousand) have been gradually announced starting from June 22, 2018. The proportion of fault-based liabilities of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most of the case judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants are liable for was approximately NT\$401,979 thousand, of which the court ruled an exemption for CGTD in the amount of NT\$6,194 thousand. 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\$2,012,493 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.

39. SIGNIFICANT CONTRACTS

- a. TVCM along with CPC Corporation, Formosa Plastics Corporation, Mitsui Corp., signed a dichloromethane purchase agreement in which the purchase prices are calculated by the buyers and sellers in accordance with a pricing formula.
- b. 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 increase Gulei Company's working capital, Ever Victory Global Limited and Hong Kong DOR PO INVESTMENT COMPANY LIMITED ("DOR PO") signed a joint venture contract for an investment in Dynamic Ever Investment Limited on June 5, 2019. According to the contract, DOR PO would invest US\$109,215 thousand in Dynamic Ever Investment Limited. As of December 31, 2020, DOR PO had invested US\$103,915 thousand and held 15% ownership interest in DEIL.

As of December 31, 2021, the Company and APC cumulatively invested US\$246,670 thousand (approximately NT\$7,645,981 thousand) and US\$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.

- c. 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. (hereinafter referred to as "Huaku") in cooperation with neighboring areas in the form of right transformation and has signed an urban renewal development contract, with the collection of the performance bond of NT\$6,400 thousand from the builder. The plan has been approved by the Taipei City government on November 30, 2017. In addition, to ensure the smooth development and completion of the urban renewal plan, the Group and Huaku signed the real estate trust agreement with and jointly entrusted the Trust Department of E.sun Bank in 2017 to manage, divide, merge and

transfer the property rights of the construction base and the above-ground buildings during the term of the trust relationship. As of December 31, 2021, the urban renewal plan has been completed with the use right license has been obtained and uncompleted transfer of property rights for land and houses.

d. 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.	2020.01.01-2021.12.31
Taiwan VCM Corporation	2020.01.01-2021.12.31
USI CORPORATION (Asia Polymer Corporation)	2021.01.01-2021.12.31
LCY Chemical Corp.	2020.01.01-2021.12.31
TSRC Corporation	2020.01.01-2021.12.31
Nantex Industry Co., Ltd.	2020.01.01-2021.12.31
En Chuan Chemical Industries Co., Ltd.	2020.01.01-2021.12.31
Xin Long Guang Plastics Co., Ltd.	2020.01.01-2021.12.31
Oriental Union Chemical Corporation	2021.01.01-2021.12.31
Formosa Plastics Corporation	2020.01.01-2021.12.31
Chi Shen Transportation Co., Ltd.	2020.01.01-2021.12.31
LCY Grit Corp.	2020.01.01-2021.12.31
Shin Foong Specialty And Applied Materials Co., Ltd.	2021.01.01-2021.12.31

The aforesaid operation contracts may be renewed upon expiration.

40. 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, 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

December 31, 2021

	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
<u>Non-monetary items</u>				
Joint Ventures 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 Euro	60	4.93 (EUR/MYR)	22	143
Purchase JPY	100,000	0.01 (JPY/USD)	14	400
Foreign currency liabilities				
<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

December 31, 2020

	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 178,315	28.48 (USD/NTD)	\$ 5,078,378	\$ 5,078,378
USD	3,556	6.52 (USD/RMB)	23,202	101,272
USD	3,879	4.19 (USD/MYR)	16,271	110,474
RMB	327,585	4.36 (RMB/NTD)	1,429,840	1,429,840
RMB	2,379	0.15 (RMB/USD)	365	10,394
AUD	853	21.95 (AUD/NTD)	18,716	18,716
EUR	392	35.02 (EUR/NTD)	13,744	13,744
<u>Non-monetary items</u>				
Joint Ventures Using the Equity Method				
RMB	4,621,047	0.15 (RMB/USD)	708,217	20,170,030
Derivatives				
Sell USD	19,210	28.48 (USD/NTD)	4,313	4,313
Sell USD	550	4.19 (USD/MYR)	132	896
Sell RMB	5,400	4.36 (RMB/NTD)	22	22
Sell Euro	284	5.16 (EUR/MYR)	14	97
Foreign currency liabilities				
<u>Monetary items</u>				
USD	\$ 51,553	28.48 (USD/NTD)	\$ 1,468,237	\$ 1,468,237
USD	14,342	6.52 (USD/RMB)	93,578	408,450
USD	686	4.19 (USD/MYR)	2,879	19,545
RMB	30,318	4.36 (RMB/NTD)	132,331	132,331
<u>Non-monetary items</u>				
Derivatives				
Purchase USD	7,471	28.48 (USD/NTD)	830	830
Sell USD	16,580	28.48 (USD/NTD)	4,309	4,309
Sell RMB	248,860	4.36 (RMB/NTD)	15,456	15,456

	December 31, 2020			
	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
Purchase JPY	40,000	0.01 (JPY/USD)	5	129

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange losses were NT\$93,530 thousand and NT\$141,771 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group entities.

41. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions and b. Information on reinvestment business:
 - 1) Financing provided to others. (Table 1)
 - 2) Endorsements/guarantees provided. (Table 2)
 - 3) Marketable securities held (excluding investment in subsidiaries and joint ventures). (Table 3)
 - 4) Total Purchases from or Sales to Related Parties of Marketable Securities Amounting to 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 35)
 - 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:
- 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.
 - 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.
 - The amount of property transactions and the amount of the resultant gains or losses: None.
 - The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2.
 - 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.
 - 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 substantial shareholders: Name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%. (Table 10)

42. 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 and Loss of Reporting Segment

	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)
Impairment loss	-	-	(39)	-	-	-	(39)
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

	For the Year Ended December 31, 2020						
	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	\$ 10,172,220	\$ 13,733,148	\$ 15,498,381	\$ 2,169,471	\$ 5,703,546	\$ 4,384,766	\$ 51,661,532
Interest income	6,604	3,621	33,052	12,084	7,682	39,766	102,809
Finance costs	(107,540)	(7,387)	(21,003)	(17,379)	(42,537)	(31,738)	(227,584)
Depreciation and amortization	(617,374)	(694,623)	(205,799)	(193,841)	(314,636)	(385,222)	(2,411,495)
Impairment loss	-	-	(22,078)	(5,823)	-	-	(27,901)
Pre-tax profit of reporting segment	2,560,322	2,165,338	2,481,989	74,817	1,285,411	1,773,662	10,341,539
Income tax expenses of reporting segment	(150,544)	(373,628)	(562,171)	(37,443)	(181,824)	(134,748)	(1,440,358)
Net profit of reporting segment	2,409,778	1,791,710	1,919,818	37,374	1,103,587	1,638,914	8,901,181

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

1) Segment revenue and results

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Pre-tax profit of reporting segment	\$ 15,467,306	\$ 8,567,877
Income tax expenses of reporting segment	(2,602,954)	(1,305,610)
Total of net after-tax profit of reporting segment	12,864,352	7,262,267
Pre-tax profit of other non-reporting segments	1,888,863	1,638,914
Deduction of inter-segment interests	(4,673,764)	(3,218,544)
Consolidated net after-tax profit	<u>\$ 10,079,451</u>	<u>\$ 5,682,637</u>

2) Other major adjustments

	<u>For the Year Ended December 31, 2021</u>							<u>Adjustments</u>	<u>Total</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>			
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)	

	<u>For the Year Ended December 31, 2020</u>							<u>Adjustments</u>	<u>Total</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>			
Interest income	\$ 6,604	\$ 3,621	\$ 33,052	\$ 12,084	\$ 7,682	\$ 39,766	\$ -	\$ 102,809	
Finance costs	(107,540)	(7,387)	(21,003)	(17,379)	(42,537)	(31,738)	3,246	(224,338)	
Depreciation and amortization	(617,374)	(694,623)	(205,799)	(193,841)	(314,636)	(385,222)	58,294	(2,335,201)	

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. Main product revenue

<u>Product</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Plastic raw materials	\$ 68,149,586	\$ 47,540,059
Electronic Materials	3,018,410	2,141,880
Others	587,546	519,334
	<u>\$ 71,755,542</u>	<u>\$ 50,201,273</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, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Asia	\$ 59,989,106	\$ 45,053,620
Americas	4,875,056	3,416,168
	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Europe	306,950	262,617
Africa	1,488,398	469,039
Oceania	341,961	187,141
Others	<u>4,754,071</u>	<u>812,688</u>
	<u>\$ 71,755,542</u>	<u>\$ 50,201,273</u>

e. Information on main customers

No revenue of any single customer has reached 10 % or more of the total sales revenue of the Group for the year ended December 31, 2021 and 2020.

USI CORPORATION AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 1

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Maximum Balance in Current Period	Ending Balance (Note 3)	Actual Borrowing Amount (Note 3)	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	\$ 400,000	\$ 200,000	\$ 125,000	0.80	2	\$ -	Business turnover	\$ -	-	-	\$ 10,184,800	\$ 10,184,800	

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, 2021.

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
Acme Electronics Corporation
FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 1-1

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period (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	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Other receivables from related parties	Yes	\$ 278,500 (USD10,000 thousand)	\$ -	\$ -	1.12675%~ 2.82663%	2	\$ -	Business turnover	\$ -	-	-	\$ 534,016	\$ 534,016	

Note 1. Total financing amounts provided to others shall not exceed 40% of ACME's net value, and the highest aggregate financing limits were calculated by the net value as of December 31, 2021.

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 amount was calculated based on the spot exchange rate as of December 31, 2021.

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

USI CORPORATION AND SUBSIDIARIES
Swanson Plastics Corporation
FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 December 31 (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	\$ 88,601	\$ 41,529	\$ 41,529	-	2	\$ -	Business turnover	\$ -	-	-	\$ 69,670	\$ 104,504	
2	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables	Yes	219,009	164,977	164,977	3.85	2	-	Business turnover	-	-	-	516,104	516,104	
3	Swanson Plastics (Singapore) Pte., Ltd.	PT. Swanson Plastics Indonesia	Other receivables	Yes	14,268	-	-	-	2	-	Business turnover	-	-	-	350,871	350,871	

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 amount was calculated based on the spot exchange rate as of December 31, 2021.

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

USI CORPORATION AND SUBSIDIARIES
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021

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
		Company Name	Relationship										
0	USI CORPORATION	Union Polymer Int'l Investment Corp.	Subsidiary which directly held more than 50% of ordinary shares	\$ 12,731,000	\$ 3,900,000	\$ 2,600,000	\$ 685,000	\$ -	10.21	\$ 15,277,199	Yes	No	No
0	USI CORPORATION	USI Green Energy Corporation	Subsidiary which directly held more than 50% of ordinary shares	12,731,000	200,000	200,000	-	-	0.79	15,277,199	Yes	No	No
0	USI CORPORATION	Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	12,731,000	308,400 (USD5,000 thousand) (NTD170,000 thousand)	308,400 (USD5,000 thousand) (NTD170,000 thousand)	76,863	-	1.21	15,277,199	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, 2021.

Note 2. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND SUBSIDIARIES
Acme Electronics Corporation
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021

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)	\$ 2,002,562	\$ 486,500 (USD17,500 thousand)	\$ 484,400 (USD17,500 thousand)	\$ 207,600 (USD7,500 thousand)	-	36.28%	\$ 2,670,082	No	No	Yes	
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	2,002,562	83,400 (USD3,000 thousand)	83,040 (USD3,000 thousand)	-	-	6.22%	2,670,082	No	No	Yes	
		ACME Electronics (Cayman) Corp.	Subsidiary of Acme Electronics Corporation	2,002,562	222,400 (USD8,000 thousand)	221,440 (USD8,000 thousand)	221,400 (USD8,000 thousand)	-	-	16.59%	2,670,082	No	No	No

Note 1. The rate was calculated by the equity of ACME as of December 31, 2021.

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, 2021.

Note 3. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND SUBSIDIARIES
Swanson Plastics Corporation
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021

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	\$ 5,290,204	\$ 51,078	\$ 49,547	\$ -	\$ -	1.87	\$ 6,612,755	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsidiary	5,290,204	34,242	33,216	-	-	1.26	6,612,755	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsidiary	5,290,204	85,605	83,040	-	-	3.14	6,612,755	No	No	Yes	
0	Swanson Plastics Corporation	Swanson Technologies Corporation	Subsidiary	5,290,204	219,796	155,008	50,000	-	5.86	6,612,755	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Tianjin) Co., Ltd.	Sub-subsidiary	5,290,204	28,535	27,680	-	-	1.05	6,612,755	No	No	Yes	
0	Swanson Plastics Corporation	PT. Swanson Plastics Indonesia	Subsidiary	5,290,204	57,070	55,360	-	-	2.09	6,612,755	No	No	No	
0	Swanson Plastics Corporation	Forever Young Co., Ltd.	Subsidiary	5,290,204	1,438,419	1,414,448	-	-	53.47	6,612,755	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 amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND SUBSIDIARIES
China General Plastics Corporation
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021

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/Guarantee d During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/Guarantee d by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsemen t/Guarantee Made by Parent for Subsidiaries	Endorsemen t/Guarantee Made by Subsidiaries for Parent	Endorsemen t/Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 6,697,786	\$ 2,450,000	\$ 1,000,000	\$ -	\$ -	8.96	\$ 11,162,977	No	No	No	

Note 1. The ratio was calculated by the equity of CGPC as of December 31, 2021.

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
FOR THE YEAR ENDED DECEMBER 31, 2021

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	\$ 7,661,813	\$ 876,800 (USD10,000 thousand) (NTD600,000 thousand)	\$ 166,080 (USD6,000 thousand)	\$ -	\$ -	2.17	\$ 11,492,720	No	No	No	
0	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Subsidiaries that the Company's subsidiaries hold 100% of common equity directly	7,661,813	564,395 (RMB130,000 thousand)	564,395 (RMB130,000 thousand)	-	-	7.37	11,492,720	No	No	Yes	

Note 1. The amount was calculated based on the spot exchange rate as of December 31, 2021.

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, 2021

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, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI CORPORATION	Shares							
	CTCI Corporation	—	Financial assets at FVTOCI— non-current	15,130,656	\$ 562,860	1.98	\$ 562,860	
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at FVTOCI— non-current	9,954,950	164,720	11.20	164,720	
	AU Optronics Corporation	—	Financial assets at FVTOCI— non-current	8,514,006	194,971	0.09	194,971	
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	150,000	9,750	-	9,750	
	Evergreen Marine Corporation	—	Financial assets at fair value through profit or loss - current	473,251	67,438	-	67,438	
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss - current	700,000	15,120	-	15,120	
	Quanta Computer Incorporated	—	Financial assets at fair value through profit or loss - current	200,000	18,940	-	18,940	
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	80,000	7,440	-	7,440	
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978	
	Tungsho Steel Corporation	—	Financial assets at fair value through profit or loss - current	368,500	24,726	-	24,726	
	Teratech Corp.	—	Financial assets at FVTPL - non-current	110,000	-	-	-	
	Fund beneficiary certificates							
	Nomura Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,642,877	60,019	-	60,019	
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	15,516,171	240,055	-	240,055	
	Yuanta Wan Tai Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,235,979	80,000	-	80,000	
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	19,031,543	230,055	-	230,055	
	CTBC Hwa-Win Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,595,506	40,008	-	40,008	
	UPAMC James Bond Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,942,704	134,012	-	134,012	
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	20,046,518	329,156	-	329,156	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	16,379,377	\$ 235,051	-	\$ 235,051	
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,136,287	100,004	-	100,004	
	Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	9,508,754	120,548	-	120,548	
	FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	971,287	175,042	-	175,042	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	19,245,740	263,255	-	263,255	
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	16,702,410	250,321	-	250,321	
	SinoPac TWD Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,833,977	110,045	-	110,045	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	3,340,000	\$ 60,554	-	\$ 60,554	
Union Polymer Investment Corp.	Int'l Shares							
	Asia Polymer Corporation	Investments accounted for using the equity method	Financial assets at FVTOCI— non-current	22,182,486	812,988	3.74	812,988	
	China General Plastics Corporation	Investments accounted for using the equity method	Financial assets at FVTOCI— non-current	4,469,307	155,085	0.77	155,085	
	Taita Chemical Company, Ltd.	Investments accounted for using the equity method	Financial assets at FVTOCI— non-current	434,527	15,013	0.11	15,013	
Swanlake Traders Ltd.	Shares							
	SOHOWare Inc.	—	Financial assets at FVTOCI— non-current	1,150,000	-	1.05	-	Note 2
	TGF Linux Communications Inc.	—	Financial assets at FVTOCI— non-current	300,000	-	2.14	-	Note 2
	Neurosky Inc. Preferred Stock D	—	Financial assets at FVTOCI— non-current	2,397,364	-	0.70	-	Note 2
USIFE Investment Co., Ltd.	Shares							
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - current	1,266,061	28,993	0.01	28,993	
	AU Optronics Corporation	—	Financial assets at FVTOCI— non-current	1,266,061	28,993	0.01	28,993	
	Wafer Works Corporation	—	Financial assets at FVTOCI— non-current	1,502,433	128,458	0.28	128,458	
	Solargiga Energy Holdings Limited	—	Financial assets at FVTOCI— non-current	11,876,111	17,491	0.37	17,491	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Dah Chung Bills Finance Corp.	—	Financial assets at FVTOCI— non-current	482,757	\$ 7,430	0.10	\$ 7,430	
	Swanson Plastics Corporation	Same chairman	Financial assets at FVTOCI— non-current	9,198,980	134,029	5.96	134,029	
	USI Optronics Corporation	Same chairman	Financial assets at FVTOCI— non-current	165,279	205	0.25	205	
	Digimax Inc.	—	Financial assets at FVTOCI— non-current	23,234	-	0.05	-	
	Silicon Technology Investment (Cayman) Corp.	—	Financial assets at FVTOCI— non-current	911,849	50,562	1.77	50,562	
	China General Plastics Corporation	Same chairman	Financial assets at fair value through profit or loss - current	550,722	19,110	0.09	19,110	
	Asia Polymer Corporation	Same chairman	Financial assets at fair value through profit or loss - current	1,714,180	62,825	0.29	62,825	
	Taita Chemical Company, Ltd.	Same chairman	Financial assets at fair value through profit or loss - current	1,338,240	46,236	0.35	46,236	
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss - current	500,000	10,800	0.04	10,800	
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	325,000	11,489	-	11,489	
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	150,750	10,115	0.02	10,115	
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	60,000	\$ 3,900	-	\$ 3,900	
	Evergreen Marine Corporation	—	Financial assets at fair value through profit or loss - current	158,416	22,574	-	22,574	
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	25,000	2,325	0.02	2,325	
	Acme Electronics Corporation	Same chairman	Financial assets at fair value through profit or loss - current	500,000	26,750	0.27	26,750	
	Superactive Group Company Limited	—	Financial assets at fair value through profit or loss - current	678,000	464	-	464	
	Beneficiary certificates Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,907,988	80,837	-	80,837	
	Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	3,440,659	50,113	-	50,113	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,844,200	73,396	-	73,396	
Taiwan United Venture Capital Corp.	Beneficiary certificates Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	3,399,556	49,514	-	49,514	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,391,849	\$ 55,156	-	\$ 55,156	
	Shares							
	Innovation & Infinity Global Corp.	—	Financial assets at FVTPL - non-current	720,804	-	0.73	-	
	Teratech Corp.	—	Financial assets at FVTPL - non-current	90,000	-	0.58	-	
	MiTAC Holdings Corporation	—	Financial assets at fair value through other comprehensive income - current	2,062,000	72,582	0.17	72,582	
	Chitec Technology Co., Ltd.	—	Financial assets at FVTOCI— non-current	407,072	21,677	1.37	21,677	
	Leadwell Cnc Machines Mfg., Corp.	—	Financial assets at FVTOCI— non-current	419,753	10,603	0.68	10,603	
	Digimax Inc.	—	Financial assets at FVTOCI— non-current	518,898	-	1.18	-	
	Orgchem Technologies, Inc.	—	Financial assets at FVTOCI— non-current	594,594	6,243	1.09	6,243	
	Hexawave Inc.	—	Financial assets at FVTOCI— non-current	109,109	817	0.27	817	
	Uranus Chemicals Co., Ltd.	—	Financial assets at FVTOCI— non-current	14,021	379	0.03	379	
	Neuro Sky, Inc. Preferred Stock A	—	Financial assets at FVTOCI— non-current	10,000,000	-	1.42	-	
	Neuro Sky, Inc. Preferred Stock B	—	Financial assets at FVTOCI— non-current	12,595,523	-	1.78	-	
	Neuro Sky, Inc. Preferred Stock C	—	Financial assets at FVTOCI— non-current	4,532,823	-	0.64	-	
Taiwan United Venture Management Corporation	Beneficiary certificates Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	91,730	\$ 1,336	-	\$ 1,336	
INOMA Corporation	Beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	446,739	6,111	-	6,111	
USI Optronics Corporation	Beneficiary certificates Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,016,620	15,236	-	15,236	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	887,541	12,140	-	12,140	
	Yuanta De-Bao Money Market Fund	—	Financial assets at fair value through profit or loss - current	498,596	6,048	-	6,048	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Management Consulting Corporation	Beneficiary certificates Fuh Hwa Money Market		Financial assets at fair value through profit or loss - current	2,747,092	\$ 40,011	-	\$ 40,011	

Note 1. All securities in the table include stocks, bonds, 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, 2021

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, 2021				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 fair value through profit or loss - current	2,898,000	\$ 52,541	-	\$ 52,541	Note 1
	Fund beneficiary certificates							
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,172,035	80,018	-	80,018	Note 1
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,981,272	50,000	-	50,000	Note 1
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,740,627	45,000	-	45,000	Note 1
	Shares							
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978	Note 1
	Quanta Computer Incorporated	—	Financial assets at fair value through profit or loss - current	125,000	11,837	-	11,837	Note 1
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	167,500	11,239	-	11,239	Note 1
United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	120,000	7,800	-	7,800	Note 1	
ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	51,000	4,743	-	4,743	Note 1	
KHL IB Venture Capital Co., Ltd.	—	Financial assets at FVTOCI - non-current	4,977,475	82,377	5.95	82,377	Note 1	
Taiwan VCM Corporation	Shares							
Asia Polymer Corporation	With the same main shareholders as CGPC	Financial assets at FVTOCI - non-current	130,244	4,774	0.02	4,774	Note 1	
CGPC Polymer Corporation	Fund beneficiary certificates							
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	8,774,597	144,075	-	144,075	Note 1
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,464,876	100,020	-	100,020	Note 1
	Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,968,690	100,003	-	100,003	Note 1
	Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,384,646	70,118	-	70,118	Note 1
Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,386,606	60,003	-	60,003	Note 1	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
CGPC (BVI) Holding Co., Ltd.	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,715,381	\$ 57,000	-	\$ 57,000	Note 1
	Taiwan Cooperative Bank Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,437,835	25,000	-	25,000	Note 1
	Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	971,782	16,006	-	16,006	Note 1
	Shares Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	\$ -	0.67	\$ -	Notes 1 and 3
	SOHOware, Inc - preferred shares	—	Financial assets at FVTPL - non-current	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 and net worth.

Note 3. As of the year ended December 31, 2021, 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, 2021

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, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	Shares USI CORPORATION	The parent company	Financial assets at FVTOCI— non-current	15,109,901	\$ 476,718	1.27	\$ 476,718	Note 1
	Harbinger Venture Capital Corp.	—	Financial assets at FVTOCI— non-current	990	7	0.50	7	Note 3
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss - current	700,000	15,120	0.05	15,120	Note 1
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978	Note 1
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	167,500	11,239	0.02	11,239	Note 1
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	120,000	7,800	-	7,800	Note 1
	Quanta Computer Incorporated	—	Financial assets at fair value through profit or loss - current	125,000	11,837	-	11,837	Note 1
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	48,000	4,464	0.04	4,464	Note 1
	Fund beneficiary certificates FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	554,887	100,000	-	100,000	Note 2
	UPAMC James Bond Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,963,490	50,001	-	50,001	Note 2
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,777,217	62,020	-	62,020	Note 2
	Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,036,468	50,012	-	50,012	Note 2
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,136,099	100,001	-	100,001	Note 2
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,310,690	100,000	-	100,000	Note 2
	KGI Victory Money Market Fund	—	Financial assets at fair value through profit or loss - current	8,552,784	100,000	-	100,000	Note 2
	Beneficiary securities Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	3,280,000	59,466	-	59,466	Note 1
	TAITA (BVI) Holding Co., Ltd.	Shares Budworth Investment Ltd.	—	Financial assets at FVTOCI— non-current	20,219	6 (USD - thousand)	2.22	6 (USD - thousand)
Teratech Corporation		—	Financial assets at FVTPL - non-current	112,000	-	0.73	-	Note 4
Sohoware Inc. - Preferred Shares		—	Financial assets at FVTPL - non-current	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 2021.

Note 2. The fair value was calculated based on the net asset value on the last trading day of December 2021.

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 the year ended December 31, 2021, TTC evaluated the fair value of the equity investment as NT\$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, 2021

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, 2021				Remark
				Share/Unit	Carrying amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	Shares							
	Harbinger Venture Capital Corp.	—	Financial assets at FVTOCI— non-current	2,377	\$ 17	1.20	\$ 17	
	Riselink Venture Capital Corp.	—	Financial assets at FVTOCI— non-current	2,632	221		221	
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at FVTOCI— non-current	9,954,950	164,755	11.90	164,755	
	USI CORPORATION	Parent company	Financial assets at FVTOCI— non-current	101,355,673	3,197,772	8.53	3,197,772	
	CTCI Corporation	—	Financial assets at FVTOCI— non-current	14,446,107	537,395	1.89	537,395	
	AU Optronics Corporation	—	Financial assets at FVTOCI— non-current	9,618,516	220,264	0.10	220,264	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - current	518,668	44,346	0.10	44,346	
	Quanta Computer Incorporated	—	Financial assets at fair value through profit or loss - current	200,000	18,940	0.01	18,940	
	Evergreen Marine Corporation	—	Financial assets at fair value through profit or loss - current	473,251	67,438	0.01	67,438	
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	150,000	9,750	-	9,750	
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	368,500	24,726	0.05	24,726	
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978	
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	70,000	6,510	0.07	6,510	
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss - current	700,000	15,120	0.05	15,120	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	3,316,000	60,119	-	60,119	
	Beneficiary certificates							
	Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,095,391	64,597	-	64,597	
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	20,955,933	314,069	-	314,069	
Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,509,725	40,134	-	40,134		
Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,388,163	60,024	-	60,024		
CTBC Hwa-Win Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,392,241	60,000	-	60,000		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Share/Unit	Carrying amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	Shares							
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,466,507	\$ 100,045	-	\$ 100,045	
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	14,478,773	175,021	-	175,021	
	Budworth Investment Ltd.	—	Financial assets at FVTOCI— non-current	40,467	8	4.45	8	
	Silicon Technology Investment (Cayman) Corp. - Preferred Shares	—	Financial assets at FVTOCI— non-current	1,139,776	63,199	2.21	63,199	
	Neurosky Inc. - Preferred Stock D	—	Financial assets at FVTOCI— non-current	2,397,364	-	0.37	-	Note 1
	Solargiga Energy Holdings Ltd.	—	Financial assets at FVTOCI— non-current	15,863,333	\$ 23,364	0.48	\$ 23,364	
	Teratech Corp.	—	Financial assets at FVTOCI— non-current	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	—	Financial assets at FVTPL - non-current	450,000	-	-	-	Note 1	
Boldworks, Inc. - Preferred Shares	—	Financial assets at FVTPL - non-current	689,266	-	-	-	Note 1	
APC Investment Corporation	Shares							
	USI CORPORATION	Parent company	Financial assets at fair value through profit or loss - current	44,808	1,414	-	1,414	
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	60,000	3,900	-	3,900	
	Evergreen Marine Corporation	—	Financial assets at fair value through profit or loss - current	158,416	22,574	-	22,574	
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss - current	500,000	10,800	0.04	10,800	
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	325,000	11,489	-	11,489	
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	150,750	10,115	0.02	10,115	
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	25,000	2,325	0.02	2,325	
Beneficiary certificates								
Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,292,518	16,233	-	16,233		

Note 1. As a result of the recognition of investment losses over the years, the book value 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, 2021

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, 2021				Remark
				Share/Unit	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	\$ 193,896	0.89	\$ 193,896	Note 1
	China General Plastics Corporation	Investee Companies Using Equity Method for CGTD	Financial assets at FVTOCI— non-current	2,940,788	102,045	0.51	102,045	Note 1
	Taita Chemical Company, Ltd.	Investee Companies Using Equity Method for CGTD	Financial assets at FVTOCI— non-current	2,169,731	74,964	0.57	74,964	Note 1
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	499,552	17,659	-	17,659	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
FOR THE YEAR ENDED DECEMBER 31, 2021

Table 4

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
USI CORPORATION	Beneficiary certificates													
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	372,668	\$ 67,000	1,526,966	\$ 275,000	928,347	\$ 167,114	\$ 167,000	\$ 114	971,287	\$ 175,000
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,969,627	61,000	40,295,984	623,000	28,749,440	444,505	444,000	505	15,516,171	240,000
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	55,760,130	940,000	47,817,426	806,264	806,000	264	7,942,704	134,000
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	16,662,140	273,000	93,409,004	1,532,000	90,024,626	1,476,294	1,476,000	294	20,046,518	329,000
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,884,596	71,000	73,284,778	885,000	60,137,831	726,186	726,000	186	19,031,543	230,000
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	9,118,948	150,000	9,118,948	150,110	150,000	110	-	-
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	-	-	12,815,912	200,000	1,921,574	30,000	14,737,486	230,041	230,000	41	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	7,379,140	120,000	14,123,876	230,000	15,366,731	250,140	250,000	140	6,136,287	100,000
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	16,833,145	249,200	16,702,410	250,000	16,833,145	251,765	249,200	2,565	16,702,410	250,000
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	20,116,313	288,000	29,641,446	425,000	33,378,382	478,143	478,000	143	16,379,377	235,000
	SinoPac TWD Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	14,958,057	210,000	7,124,080	100,007	100,000	7	7,833,977	110,000
	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	9,003,412	100,000	76,924,890	855,000	82,332,796	915,166	915,000	166	3,595,506	40,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,497,139	75,000	24,155,195	330,000	10,406,596	142,030	142,000	30	19,245,740	263,000
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	18,836,125	310,000	15,193,248	250,037	250,000	37	3,642,877	60,000

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell				December 31, 2021 (Note)	
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,164,746	\$ 140,000	11,164,746	\$ 140,021	\$ 140,000	\$ 21	-	-
	Deutsche Far Eastern DWS Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,007,434	130,000	11,007,434	130,011	130,000	11	-	-
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	55,054,836	564,000	55,054,836	564,083	564,000	83	-	-
USIFE Investment Co., Ltd.	Beneficiary certificates Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,870,081	30,284	3,037,907	50,000	-	-	-	-	4,907,988	80,284
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,451,207	42,238	2,392,993	30,000	-	-	-	-	5,844,200	72,238
Taiwan United Venture Capital Corp.	Beneficiary certificates Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	4,391,849	55,000	-	-	-	-	-	-	4,391,849	55,000
USI Optronics Corporation	Beneficiary certificates Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,016,620	\$ 15,000	-	\$ -	-	\$ -	\$ -	\$ -	\$ 1,016,620	\$ 15,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,257,350	17,000	-	-	369,809	5,048	5,000	48	887,541	12,000
INOMA Corporation	Beneficiary certificates Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	595,654	8,000	-	-	148,915	2,035	2,000	35	446,739	6,000

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

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

FOR THE YEAR ENDED DECEMBER 31, 2021

Table 4-1

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2021 (Note)			
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount	
China General Plastics Corporation	Beneficiary certificates														
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	3,109,635	\$ 560,000	3,109,635	\$ 560,061	\$ 560,000	\$ 61	-	\$ -	
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	27,031,631	418,000	21,859,596	338,047	338,000	47	5,172,035	80,000	
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	2,670,433	45,000	2,670,433	45,005	45,000	5	-	-	
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	27,133,187	445,000	24,392,560	400,077	400,000	77	2,740,627	45,000	
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,721,963	190,000	15,721,963	190,017	190,000	17	-	-	
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,012,916	247,000	15,012,916	247,019	247,000	19	-	-	
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,407,463	100,000	7,046,540	110,000	13,454,003	210,019	210,000	19	-	-	
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,140,847	100,000	6,140,847	100,032	100,000	32	-	-	
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,677,975	100,000	6,677,975	100,040	100,000	40	-	-	
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	4,190,295	60,000	40,879,691	586,000	45,069,986	646,101	646,000	101	-	-	
	SinoPac TWD Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,121,696	100,000	7,121,696	100,010	100,000	10	-	-	
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss - current	-	-	4,501,666	50,000	46,771,745	520,000	51,273,411	570,046	570,000	46	-	-	
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	7,255,248	99,000	13,909,262	190,000	21,164,509	289,085	289,000	85	-	-	
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	24,661,509	406,000	24,661,509	406,049	406,000	49	-	-	
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,967,178	100,000	3,985,906	50,002	50,000	2	3,981,272	50,000	
Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,718,808	120,000	11,718,808	120,018	120,000	18	-	-		
Taiwan Corporation	VCM Beneficiary certificates														
		FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	278,042	50,000	-	-	278,042	50,018	50,000	18	-	-
		FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,240,147	50,000	25,887,463	400,000	29,127,610	450,075	450,000	75	-	-

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,872,783	\$ 200,000	11,872,783	\$ 200,012	\$ 200,000	\$ 12	-	-
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	610,344	10,000	12,200,702	200,000	12,811,046	210,025	210,000	25	-	-
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	8,284,524	100,000	8,284,524	100,013	100,000	13	-	-
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	2,561,689	40,000	2,561,689	40,006	40,000	6	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	4,611,100	\$ 75,000	5,529,478	\$ 90,000	10,140,578	\$ 165,036	\$ 165,000	\$ 36	-	\$ -
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	669,954	10,000	-	-	669,954	10,029	10,000	29	-	-
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,983,874	100,000	22,338,288	320,000	29,322,162	420,059	420,000	59	-	-
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss - current	-	-	-	-	8,999,199	100,000	8,999,199	100,004	100,000	4	-	-
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,664,588	50,000	5,128,431	70,000	8,793,018	120,044	120,000	44	-	-
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,079,434	100,000	6,079,434	100,009	100,000	9	-	-
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	14,647,150	150,000	14,647,150	150,009	150,000	9	-	-
CGPC Corporation	Polymer Beneficiary certificates		-	-										
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	250,312	45,000	1,999,224	360,000	2,249,535	405,209	405,000	209	-	-
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	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	Financial assets at fair value through profit or loss - current	-	-	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	Financial assets at fair value through profit or loss - current	-	-	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	Financial assets at fair value through profit or loss - current	-	-	-	-	7,288,364	120,000	6,316,582	104,027	104,000	27	971,782	16,000
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,601,866	25,000	2,625,640	41,000	4,227,506	66,027	66,000	27	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	11,991,180	195,000	-	-	11,991,180	195,224	195,000	224	-	-
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	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	Financial assets at fair value through profit or loss - current	-	-	-	-	7,121,442	100,000	7,121,442	100,011	100,000	11	-	-
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	15,393,455	210,000	17,554,152	240,000	28,561,000	390,140	390,000	140	4,386,606	60,000

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	3,040,475	\$ 50,000	3,040,475	\$ 50,002	\$ 50,000	\$ 2	-	-
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	3,986,923	50,000	3,986,923	50,037	50,000	37	-	-
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	50,169,944	514,000	47,732,109	489,062	489,000	62	2,437,835	25,000

Note: The beginning and ending amount denote 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
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 4-2

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit	Amount
Taita Chemical Company, Ltd.	Beneficiary certificates													
	FSITC Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	\$ -	554,887	\$ 100,000	-	\$ -	\$ -	\$ -	554,887	\$ 100,000
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	16,171,818	250,000	16,171,818	250,052	250,000	52	-	-
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	21,822,997	368,000	18,859,507	318,049	318,000	49	2,963,490	50,000
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	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 Kirin Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	6,962,057	84,000	37,264,857	450,000	44,226,914	534,088	534,000	88	-	-
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	15,193,275	250,000	12,156,807	200,081	200,000	81	3,036,468	50,000
	Capital Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	5,225,881	85,000	18,423,866	300,000	17,513,648	285,109	285,000	109	6,136,099	100,000
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	3,022,043	45,000	5,208,229	78,000	8,230,272	123,212	123,000	212	-	-
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	10,118,419	145,000	10,118,419	145,066	145,000	66	-	-
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss – current	—	—	-	-	33,288,910	370,000	33,288,910	370,034	370,000	34	-	-
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	12,439,228	170,000	5,128,538	70,019	70,000	19	7,310,690	100,000
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	3,040,475	50,000	3,040,475	50,008	50,000	8	-	-
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	24,986,010	256,000	24,986,010	256,018	256,000	18	-	-

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

USI CORPORATION AND SUBSIDIARIES

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
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 4-3

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
Asia Polymer Corporation	Beneficiary certificates FSITC Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	\$ -	833,164	\$ 150,000	833,164	\$ 150,024	\$ 150,000	\$ 24	-	\$ -
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	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	Financial assets at fair value through profit or loss – current	—	—	-	-	21,349,174	360,000	21,349,174	360,027	360,000	27	-	-
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	9,145,357	150,000	9,145,357	150,040	150,000	40	-	-
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	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	Financial assets at fair value through profit or loss – current	—	—	-	-	3,645,688	60,000	3,645,688	60,001	60,000	1	-	-
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	640,365	10,000	640,365	10,001	10,000	1	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	2,152,072	35,000	1,843,035	30,000	3,995,106	65,026	65,000	26	-	-
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	16,818,904	249,600	4,137,029	62,000	-	-	-	-	20,955,933	311,600
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	26,519,389	380,000	26,519,389	380,063	380,000	63	-	-
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss – current	—	—	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	Financial assets at fair value through profit or loss – current	—	—	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	Financial assets at fair value through profit or loss – current	—	—	-	-	1,520,237	25,000	1,520,237	25,003	25,000	3	-	-
	Deutsche Far Eastern DWS Taiwan Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	-	19,485,559	230,000	19,485,559	230,039	230,000	39	-	-

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Sell			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
APC Investment Corporation	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	\$ -	4,880,811	\$ 50,000	4,880,811	\$ 50,003	\$ 50,000	\$ 3	-	\$ -
	Beneficiary certificates Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss – current	—	—	-	6,115	2,392,993	30,000	1,600,000	20,083	19,977	106	1,292,518	16,138

Note: The ending amount of 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

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 5

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

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction and Reasons		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	\$ 1,673,947	15.99	Within 60 days after purchasing on credit	No significant difference	No significant difference	(\$ 390,410)	(27.61)	
	Asia Polymer Corporation	Subsidiary	Sale	(213,766)	(0.30)	Within 60 days after selling on credit	No significant difference	No significant difference	-	-	
	USI (Hong Kong) Company Ltd.	Subsidiary	Sale	(220,464)	(0.31)	Within 60 days after selling on credit	No significant difference	No significant difference	23,142	1.06	
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	(214,853)	(0.30)	Within 60 days after selling on credit	No significant difference	No significant difference	46,493	2.12	
	Forever Young Company Limited	Subsidiary	Sale	(114,343)	(0.16)	Within 60 days after selling on credit	No significant difference	No significant difference	24,324	1.11	
USI (Hong Kong) Company Ltd.	USI CORPORATION	Parent company	Purchase	220,464	2.11	Within 60 days after purchasing on credit	No significant difference	No significant difference	(23,142)	(1.64)	
Forever Young Company Limited	USI CORPORATION	Parent company	Purchase	114,343	1.09	Within 60 days after purchasing on credit	No significant difference	No significant difference	(24,324)	(1.72)	

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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 of GAEL	Purchase (including processing fee)	\$ 429,667	39	55 days	No significant difference	No significant difference	(\$ 88,153)	(40)	
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Sale (including processing fee)	(429,667)	(33)	55 days	No significant difference	No significant difference	88,153	26	
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Sale	(130,997)	(10)	55 days	No significant difference	No significant difference	23,131	7	
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Purchase	130,997	54	55 days	No significant difference	No significant difference	(23,131)	(45)	
Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	Sale	(263,484)	(20)	55 days	No significant difference	No significant difference	59,933	19	
Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics Corporation	Subsidiary of ACME (Cayman)	Purchase	263,484	69	55 days	No significant difference	No significant difference	(59,933)	(73)	
Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Products Sdn. Bhd.	Subsidiary of ACME (Cayman)	Sale	(131,681)	(12)	55 days	No significant difference	No significant difference	20,766	6	
ACME Ferrite Products Sdn. Bhd.	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	Purchase	136,681	41	55 days	No significant difference	No significant difference	(20,766)	(38)	

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

USI CORPORATION AND SUBSIDIARIES

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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.	Swanson Plastics (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	\$ 197,368	78	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$38,773)	(91)	
Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(339,983)	(33)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$26,315	26	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Purchase	129,538	13	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$14,376)	(7)	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	(368,006)	(36)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$42,871	42	
	PT.Swanson Plastics Indonesia	Have the same ultimate parent company	Sale	(124,689)	(12)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$9,714	10	
	USI Corporation	Ultimate parent company	Purchase	110,630	11	75 days	No significant difference	No significant difference	Accounts payable to related parties (\$13,712)	(7)	
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	339,983	33	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$26,315)	(18)	
	ASK-Swanson (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(140,529)	(12)	60 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$36,280	12	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Yong Company Limited	Have the same ultimate parent company	Sale	(129,538)	(13)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$14,376	9	
	Forever Yong Company Limited	Have the same ultimate parent company	Purchase	368,006	50	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$42,871)	(49)	
	Swanson Plastics (Singapore) Pte., Ltd.	Parent company	Sale	(197,368)	(20)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$38,773	23	
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Purchase	140,529	51	60 days	No significant difference	No significant difference	Accounts payable to related parties (\$36,280)	(77)	
PT.Swanson Plastics Indonesia	Forever Young Company Limited	Have the same ultimate parent company	Purchase	124,689	42	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$9,714)	(38)	

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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	Taiwan VCM Corporation	Subsidiary	Purchase	\$ 7,071,763	79	45 days	No significant difference	No significant difference	Accounts payable to related parties (\$1,489,862)	(87)	
	CGPC America Corporation	Subsidiary	Sale	(679,417)	(6)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$189,714	14	
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(7,071,763)	(48)	45 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$1,489,862	47	
	CGPC Polymer Corporation	Fellow company	Sale	(6,585,350)	(45)	75 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$1,361,638	43	
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow company	Purchase	6,585,350	97	75 days	No significant difference	No significant difference	Accounts payable to related parties (\$1,361,638)	(98)	
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchase	679,417	89	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$189,714)	(98)	

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

USI CORPORATION AND SUBSIDIARIES

Taita Chemical Company, Ltd.

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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) (%)	
Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Sub-subsiary	Sale	(\$ 1,049,003) (USD37,578 thousand)	(6.67)	30 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$542 (USD20 thousand)	0.03	

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

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 5-5

(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) (%)	
Asia Polymer Corporation	USI CORPORATION	Ultimate parent company	Sale	(\$ 1,673,192)	(17.50)	60 days	No significant difference	No significant difference	Accounts receivable – related parties NT\$399,887	28.17	
Asia Polymer Corporation	USI CORPORATION	Ultimate parent company	Purchase	213,752	4.53	30 days	No significant difference	No significant difference	Accounts payable to related parties (\$28,177)	(9.45)	
USI Trading (Shanghai) Co., Ltd.	USI CORPORATION	Ultimate parent company	Purchase	216,155	4.59	30 days	No significant difference	No significant difference	Accounts payable to related parties (\$46,493)	(15.59)	

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, 2021

TABLE 6

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

Company Name	Counterparty	Relationship	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 of the Company	Other receivables – related parties NT\$227,039	-	\$ -	—	\$ 227,039	Note 1
	Asia Polymer Corporation	Subsidiary of the Company	Other receivables – related parties NT\$228,869	-	-	—	228,869	Note 1
	USI Green Energy Corporation	Subsidiary of the Company	Other receivables – related parties NT\$125,001	-	-	—	125,001	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, 2022 to March 10, 2022.

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, 2021

TABLE 6-1

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

Company Name	Counterparty	Relationship	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.	Fellow company	Other accounts receivable – related parties NT\$165,717 (RMB38,170 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, 2022 to March 8, 2022.

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, 2021

TABLE 6-2

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

Company Name	Counterparty	Relationship	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 NT\$189,714	4.52	\$ -	—	\$ 84,313	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable – related parties NT\$1,489,862	5.53	-	—	1,489,862	Note 1
	CGPC Polymer Corporation	Fellow company	Accounts receivable – related parties NT\$1,361,638	4.70	-	—	1,361,638	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, 2022 to February 24, 2022.

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, 2021

TABLE 6-3

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

Company Name	Counterparty	Relationship	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-subsiidiary	Other receivables NT\$ 256,014 (USD9,249 thousand) (Note 1)	-	\$ 256,014	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 9, 2022.

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, 2021

TABLE 6-4

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

Company Name	Counterparty	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
(Asia Polymer Corporation)	USI CORPORATION	Parent company	Accounts receivable – related parties NT\$399,887	5.68	\$ -	—	\$ 399,887	Note 1
			Other accounts receivable – related parties NT\$2		-	—	2	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, 2022 to March 9, 2022.

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

USI CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Investment Gain (Loss) for the Year Ended December 31, 2021	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
USI CORPORATION	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investments in production, transportation, warehousing, construction, banking, securities investment companies and trading companies	\$ 550,000	\$ 550,000	87,250,800	100.00	\$ 1,088,028	\$ 91,531	\$ 91,531	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	1,270,746	11,265	11,265	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	63,676	(1,566)	(1,566)	Subsidiary
	Union Polymer Int'l Investment Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investments in various production and service businesses	3,490,255	3,490,255	746,722,725	100.00	10,447,388	2,301,117	2,263,488	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Venture capital (focused on "high technology industry")	471,800	471,800	25,900,000	70.00	190,601	(2,438)	(1,707)	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Import and export trade	28,323	28,323	5,333,059	99.93	65,330	9,208	10,166	Subsidiary
	Swanson Plastics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of stretch film, embossed film and industrial-use multilayer wrap	171,210	171,210	62,616,299	40.58	1,068,346	224,921	91,268	Subsidiary
	(Acme Electronics Corporation)	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	221,513	221,513	49,250,733	26.91	343,972	59,329	15,968	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Optical products and fireproof materials	250,354	250,354	9,243,369	94.37	16,854	(2,703)	(2,551)	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Providing management services	1,000	1,000	671,400	100.00	(1,195)	(2,301)	(2,301)	Subsidiary
Cypress Epoch Limited	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	Investment	-	150,540	-	-	-	-	-	Note 1	
Ever Conquest Global Limited	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	7,019,488	(443,454)	(262,227)	Subsidiary
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of sapphire single crystal	330,000	330,000	33,000,000	50.85	48,168	(41,955)	(21,333)	Subsidiary
	USI Green Energy Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Solar power generation business	70,100,000	-	7,010,000	100.00	106,371	2,885	2,279	Subsidiary
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment business	11,546,574 (USD417,145 thousand)	11,546,574 (USD417,145 thousand)	417,145,000	67.40	11,870,694 (USD428,855 thousand)	(635,890) (USD-22,838 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	16,299,368 (USD588,850 thousand)	16,299,368 (USD588,850 thousand)	588,850,000	85.00	16,785,159 (USD606,400 thousand)	(749,901) (USD-26,932 thousand)		Sub-subsidiary
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of polystyrene, propylene, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	1,749,212	1,749,212	138,863,816	36.67	3,022,815	1,849,932		Sub-subsidiary
	(Asia Polymer Corporation)	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	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	5,501,113	3,101,127		Sub-subsidiary
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	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	2,831,033	2,631,418		Sub-subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
USIFE Investment Co., Ltd.	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	\$ 155,632	\$ 155,632	16,424,242	8.98	\$ 129,296	\$ 59,329	\$	Subsidiary
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing of plastic film (bag), industrial plastic products and reinforced plastic products	30,000	30,000	2,250,015	15.00	4,358	(13,183)		Sub-subsidiary
	Taiwan United Venture Management Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Corporate management consulting	8,000	8,000	800,000	100.00	15,349	548		Sub-subsidiary
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	158,038 (USD5,709 thousand)	97,919 (USD3,538 thousand)	8,318,356	16.65	204,916 (USD7,403 thousand)	62,808 (USD2,252 thousand)		Sub-subsidiary

Note 1. Cypress Epoch Limited was liquidated on September 28, 2021.

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

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

USI CORPORATION AND SUBSIDIARIES
Acme Electronics Corporation
INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 7-1

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	\$ 605,182 (USD18,336 thousand)	\$ 605,182 (USD18,336 thousand)	25,621,692	51.27	\$ 629,708	\$ 62,808 (USD2,252 thousand)	\$ 32,780 (USD1,175 thousand)	
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Corporate investments	669,072 (USD20,800 thousand)	669,072 (USD20,800 thousand)	20,800,000	100.00	983,512	90,599	90,599	
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of sapphire single crystal	646,200	646,200	22,064,224	34.00	32,206	(41,955)	(14,263)	
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	331,164 (USD11,891 thousand)	331,164 (USD11,891 thousand)	42,600,000	100.00	622,709 (USD22,497 thousand)	45,230 (MYR6,997 thousand)	45,230 (MYR6,997 thousand)	
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	242,134 (MYR37,964 thousand)	242,134 (MYR37,964 thousand)	9,120,000	100.00	613,060 (MYR96,469 thousand)	45,765 (MYR7,080 thousand)	45,765 (MYR7,080 thousand)	

Note 1. The foreign currency amount was calculated based on the spot exchange rate of December 31, 2021.

Note 2. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2021.

Note 3. Please refer to Table 8-1 for relevant information on mainland investee companies.

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

USI CORPORATION AND SUBSIDIARIES
Swanson Plastics Corporation
INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Investment Gain (Loss) for the Year Ended December 31, 2021	Remark
				December 31, 2021 (Note 1)	December 31, 2020 (Note 1)	Number of Shares (In Thousands of Shares)	Percentage (%)	Carrying Amount			
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	\$ 1,764,808	\$ 118,245	\$ 118,245	Note 2
	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	34,835	5,869	5,869	
	Swanson International Ltd.	Ugland House, P.O.Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	454,134	454,134	14,541	100.00	1,608,235	62,939	62,939	Note 2
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	-	4,850	-	-	-	-	-	Note 4
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Planting agriculture, marketing, research and development of agricultural products, production, sale, and development of EVA packaging films and other high value-added plastic products	105,001	140,000	10,500	70.00	20,335	(13,183)	(9,228)	
	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	7,336	47,876	479	
Swanson Plastics (Singapore) Pte., Ltd.	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	182,505 (USD6,593 thousand)	182,505 (USD6,593 thousand)	20,000	100.00	586,411 (USD21,185 thousand)	86,314 (USD3,082 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Manufacturing and marketing of plastic products	457,020 (USD16,511 thousand)	457,020 (USD16,511 thousand)	107,351	100.00	284,595 (USD10,282 thousand)	2,479 (INR6,527 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Manufacturing and marketing of plastic products	715,252 (USD25,840 thousand)	715,252 (USD25,840 thousand)	25,840	99.00	726,243 (USD26,237 thousand)	47,876 (IDR24,496,752 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	196,364 (USD7,094 thousand)	196,364 (USD7,094 thousand)	3,157	100.00	516,906 (USD18,674 thousand)	29,143 (USD1,040 thousand)		Note 2

Note 1. Original investment amount and book amounts were calculated using the spot exchange rate of December 31, 2021.

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

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

Note 4. Curtana Company Ltd. completed its liquidation and dissolution in the first quarter of 2021.

USI CORPORATION AND SUBSIDIARIES
China General Plastics Corporation
INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Investment Loss (Loss) for the Year Ended December 31, 2021	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1 st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacturing and marketing of VCM	\$ 2,933,648	\$ 2,930,995	259,591,005	87.27	\$ 4,610,674	\$ 1,510,951	\$ 1,189,448	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of PVC resins	800,000	800,000	80,000,000	100.00	1,503,749	580,982	580,982	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	345,845	(2,505)	(2,505)	Subsidiary
	China General Terminal & Distribution Co.	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	22,009,594	33.33	373,731	63,389	21,129	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	194,709	21,914	21,914	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74	23,171	59,329	1,030	Associate accounted for using the equity method

Note 1. Please refer to Table 8-3 for relevant information of mainland investee companies.

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

USI CORPORATION AND SUBSIDIARIES
Taita Chemical Company, Ltd.
INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Investment Gain (Loss) for the Year Ended December 31, 2021	Remark (Note 1)
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 2,483,948 (USD89,738 thousand)	\$ 2,483,948 (USD89,738 thousand)	89,738,000	100.00	\$ 3,142,621 (USD113,455 thousand)	\$ 211,285 (Profit USD7,532 thousand)	\$ 211,285 (Profit USD7,352 thousand)	Subsidiary
	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	221,245	2,468,676	48,928	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Warehousing of petrochemical raw materials	41,082	41,082	22,009,592	33.33	373,731	63,389	21,130	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	32,429	59,329	1,441	Investments accounted for using the equity method
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	47,056 (USD1,700 thousand)	47,056 (USD1,700 thousand)	2,695,619	5.39	66,405 (USD2,399 thousand)	62,808 (Profit USD2,252 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. Please refer to Table 8-4 for relevant information on mainland investee companies.

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

USI CORPORATION AND SUBSIDIARIES
Asia Polymer Corporation
INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Investment Gain (Loss) for the Year Ended December 31, 2021	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment business	\$ 381,287 (USD13,774,806)	\$ 381,287 (USD13,774,806)	11,342,594	100.00	\$ 545,802	\$ 27,305	\$ 27,305	Subsidiary
	APC Investment Corporation	Taipei City	Investment business	200,000	200,000	20,000,000	100.00	168,090	35,822	35,822	Subsidiary
	USI International Corp.	British Virgin Islands	Reinvestment business	58,128 (USD2,100,000)	58,128 (USD2,100,000)	2,100,000	70.00	62,380	1,047	733	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	900,764	2,468,676	199,203	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Petrochemical materials storage and transportation operations	41,082	41,082	22,009,593	33.33	373,731	63,389	21,129	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	210,268	224,921	17,880	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	44,186	59,329	1,964	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	22,673	(2,438)	(203)	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	8,718	(41,955)	(3,861)	Investments accounted for using the equity method
Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment business	4,718,748 (USD170,475,000)	4,718,748 (USD170,475,000)	170,475,000	40.87	4,851,207	(443,454)	(181,227)	Investments accounted for using the equity method	
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment business	145,179 (USD5,244,903)	145,179 (USD5,244,903)	8,316,450	16.64	204,869	62,703	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment business	24,912 (USD900,000)	24,912 (USD900,000)	900,000	30.00	26,734	1,047	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
APC Investment Corporation	Acme Electronics Corporation	Taipei City	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	14,889	14,889	1,884,548	1.03	13,749	59,329	-	APC Investment Corporation Investments accounted for using the equity method

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Investment Gain (Loss) for the Year Ended December 31, 2021	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
	Swanson Technologies Corporation	Taipei City	Production and marketing of EVA packaging films	\$ 22,500	\$ 30,000	2,250,015	15.00	\$ 4,357	(\$ 13,183)	\$ -	APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment business	11,546,574 (USD417,145,000)	11,546,574 (USD417,145,000)	417,145,000	67.40	11,870,694 (USD428,855)	(635,890) (USD-22,838)	-	Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment business	16,299,368 (USD588,850,000)	16,299,368 (USD588,850,000)	588,850,000	85.00	16,785,159 (USD606,400)	(749,901) (USD-26,932)	-	Ever Victory Global Ltd. Investments accounted for using the equity method

Note 1. Please refer to Table 8-5 for relevant information of mainland investee companies.

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

USI CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 8

(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, 2021 (Note 6)	Investment Flows for the year ended December 31, 2021 (Note 6)		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2021 (Note 6)	Net Income (Loss) of the Investee for the Year Ended December 31, 2021 (Note 9)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Notes 7 and 9)	Carrying Amount as of the Year Ended December 31, 2021 (Note 6)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc soft ferrite core	\$ 850,468 (USD30,725 thousand)	Note 1	\$ 77,989 (USD2,818 thousand)	\$ -	\$ -	\$ 77,989 (USD2,818 thousand)	\$ 45,024 (USD1,616 thousand)	16.65	\$ 7,495 (USD269 thousand)	\$ 137,494 (USD4,967 thousand)	\$ -
USIG (Shanghai) Co., Ltd.	Import and distribution of various types of chemical raw materials and products	138,400 (USD5,000 thousand)	Note 2	138,400 (USD5,000 thousand)	-	-	138,400 (USD5,000 thousand)	2,140 (USD76 thousand)	100.00	2,140 (USD76 thousand)	130,269 (USD4,706 thousand)	-
Fujian Gulei Petrochemical Co., Ltd.	Crude oil processing and petroleum products manufacturing	40,438,468 (RMB9,314,400 thousand)	Note 3	6,323,489 (USD228,450 thousand)	-	-	6,323,489 (USD228,450 thousand)	(1,455,990) (USD-52,302 thousand)	16.94	(246,635) (USD-8,860 thousand)	6,550,610 (USD236,655 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 6,797,392 (USD245,571 thousand)	\$ 8,497,917(Note 5) (USD307,006 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. 10920403810 on February 11, 2020, 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. 108002629200 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. The amount was calculated based on the spot exchange rate as of December 31, 2021.

Note 7. 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, Acme Electronics (Kunshan) Co., Ltd., and USIG (Shanghai) Co., Ltd. whose numbers were based on its financial statements reviewed by the Certified Public Accountants of its ROC company.

Note 8. 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.

Note 9. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2021.

USI CORPORATION AND SUBSIDIARIES
Acme Electronics Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 8-1

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 7)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 5)	Investment Flows for the year ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2021 (Note 5)	Net Income (Loss) of Investee for the Year Ended December 31, 2021 (Note 6)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Notes 4 and 6)	Carrying Amount as of the Year Ended December 31, 2021 (Note 7)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
ACME Electronics (Kunshan)	Manufacturing and marketing of manganese-zinc soft ferrite core	\$ 850,468 (USD30,725 thousand)	Indirect investment via ACME (Cayman).	\$ 374,188 (USD11,144 thousand)	\$ -	\$ -	\$ 374,188 (USD11,144 thousand)	\$ 45,024 (RMB10,406 thousand)	51.27	\$ 23,086 (RMB5,335 thousand)	\$ 423,500 (RMB97,547 thousand)	\$ -
Acme Electronics (Guang-Zhou)	Manufacturing and marketing of manganese-zinc soft ferrite core	531,456 (USD19,200 thousand)	Indirect investment via GAEL.	619,676 (USD19,200 thousand)	-	-	619,676 (USD19,200 thousand)	92,050 (RMB21,222 thousand)	100.00	92,050 (RMB21,222 thousand)	980,424 (RMB225,826 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 839,922(USD30,344 thousand) (Notes 3 and 7)	\$ 1,014,001(USD36,633 thousand) (Notes 3 and 7)	\$ -(Note 2)

Note 1. Investment Method II is to reinvest in the mainland companies by establishing a company through investment in the third region.

Note 2. 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 3. It includes the capital increase transferred from surplus of Acme Electronics (Kunshan) Co., Ltd., and ACME increased the amount of US\$6,289 thousand at its ownership percentage.

Note 4. 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 5. The calculation was based on the exchange rate of the original investment.

Note 6. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2021.

Note 7. The amount was calculated based on the exchange rate as of December 31, 2021.

Note 8. 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
Swanson Plastics Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021	Investment Flows for the Year Ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2021	Net Income (Loss) of the Investee for the Year Ended December 31, 2021 (Note 4)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 4)	Carrying Amount as of the Year Ended December 31, 2021 (Note 5)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2021
					Outflow	Inflow						
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional □ film, optical film, etc.	\$ 367,867 (USD13,290 thousand)	Indirect investment via Swanson International Ltd. of British Cayman Islands.	\$ 223,930	\$ -	\$ -	\$ 223,930	\$ 33,986 (USD1,213 thousand)	100.00	\$ 33,986 (USD1,213 thousand)	\$ 1,132,754 (USD40,923 thousand)	\$ -
ASK-Swanson (Kunshan) Co., Ltd.	Production and sales of PE release film and other release products	251,888 (USD9,100 thousand)	Indirect investment in A.S. Holdings (UK) Limited via Swanson International Ltd. of British Cayman Islands.	193,447	-	-	193,447	36,660 (USD1,309 thousand)	100.00	36,660 (USD1,309 thousand)	516,104 (USD18,645 thousand)	64,395 (USD2,327 thousand)
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional □ film, optical film, etc.	296,176 (USD10,700 thousand)	Indirect investment via Swanson (Singapore) Private Ltd. in the third region.	170,754	-	-	170,754	(24) (USD-840 thousand)	100.00	(24) (USD-840 thousand)	74,025 (USD2,674 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 588,131	\$ 907,510 (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, 2021.

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. The recognized investment gain (loss) and book value in the period have been fully 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 and December 31, 2021.

Note 5. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND SUBSIDIARIES
China General Plastics Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021 (Note 1)	Investment Flows for the year ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2021 (Note 1)	Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 5)	Carrying Amount as of the Year Ended December 31, 2021 (Note 1)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2021
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacturing and marketing of PVC film and third-time processed products	\$ 553,600 (USD20,000 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	\$ 553,600 (USD20,000 thousand)	\$ -	\$ -	\$ 553,600 (USD20,000 thousand)	(\$ 2,569) (USD-93 thousand)	100.00	(\$ 2,569) (USD-93 thousand)	\$ 262,303 (USD9,476 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacturing and marketing of PVC third-time processed products	41,520 (USD1,500 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	41,520 (USD1,500 thousand)	-	-	41,520 (USD1,500 thousand)	15 (USD1 thousand)	100.00	15 (USD1 thousand)	13,461 (USD486 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021 (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)
\$ 749,630(USD27,082 thousand)	\$ 869,152(USD31,400 thousand)	\$ -

Note 1. The amount was calculated based on the spot exchange rate as of December 31, 2021.

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. The board of directors of CGPC passed a resolution on October 24, 2011 to dissolve the sub-subsidiaries, CGPC (ZS) and CGPC (CP). CGPC has considered that its discontinued operations was resumed its operating substance, and, therefore, the Company reclassified the discontinued operations as continuing operations since 2021 after an assessment.

Note 5. The investment gain (loss) recognized for the year ended December 31, 2021 was based on the financial statements audited and approved by CPAs of the parent company of CGPC.

Note 6. 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
Taita Chemical Company, Ltd.
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021	Investment Flows for the Year Ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2021	Net Income (Loss) of the Investee for the Year Ended December 31, 2021 (Note 5)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 5)	Carrying Amount as of the Year Ended December 31, 2021 (Note 5)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2021
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	\$ 1,280,200 (USD46,250 thousand)	Investment in mainland companies through a holding company registered in a third region	\$ 1,190,240 (USD43,000 thousand)	\$ -	\$ -	\$ 1,190,240 (USD43,000 thousand)	\$ 218,742 (USD7,795 thousand)	100.00	\$ 218,742 (USD7,795 thousand)	\$ 1,817,579 (USD65,664 thousand)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	(Note 1) 757,048 (USD27,350 thousand)	Investment in mainland companies through a holding company registered in a third region	719,680 (USD26,000 thousand)	-	-	719,680 (USD26,000 thousand)	(10,135) (USD-361 thousand)	100.00	(10,135) (USD-361 thousand)	(114,144) (USD-4,124 thousand)	-
Acme Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	(Note 2) 850,468 (USD30,725 thousand)	Investment through a holding company registered in a third region ACME Electronics (Cayman) Corp	37,479 (USD1,354 thousand)	-	-	37,479 (USD1,354 thousand)	45,024 (USD1,616 thousand)	5.39	2,429 (USD87 thousand)	44,556 (USD1,610 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 1,947,399 (USD70,354 thousand)	\$ 2,098,623 (USD75,817 thousand) (Note 3)	\$ - (Note 4)

Note 1. TAITA (ZS) resolved to increase capital by earnings of US\$3,250 thousand for the year ended December 31, 2007. TAITA (ZS) resolved the Earnings Distribution Proposals for the years from 2007 to 2020 at the board meeting on October 14, 2021, amounting to RMB 306,950 thousand, which is expected to be used for reinvestment projects in Mainland China. As of December 31, 2021, the amount has not actually been allocated.

Note 2. TAITA (TJ) resolved to increase capital by surplus of US\$1,350 thousand for the year ended December 31, 2012. TTC's management has decided to suspend the production of TAITA (TJ) from April 2019.

Note 3. It includes the capital increase transferred from surplus by TAITA (ZS) of USD3,250 thousand, capital increase transferred from surplus by TAITA (TJ) of USD1,350 thousand and capital increase transferred from surplus by ACME (KS) of USD802 thousand.

Note 4. As TTC has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10820415160 on June 6, 2019, the upper limit on investment in Mainland China is not applicable.

Note 5. The calculation is based on the financial statements audited and approved by CPAs of the parent company of TTC.

Note 6. 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
Asia Polymer Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021	Investment Flows for the Year Ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the Year Ended December 31, 2021	Net Income (Loss) of the Investee for the Year Ended December 31, 2021 (Note 3)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 3)	Carrying Amount as of the Year Ended December 31, 2021 (Note 4)	Accumulated Repatriation of Investment Income as of the Year Ended December 31, 2021
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc ferrite core	\$ 850,468 (USD30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 115,630 (USD4,177 thousand)	\$ -	\$ -	\$ 115,630 (USD4,177 thousand)	B \$ 45,024	16.64	\$ 7,493	\$ 137,462	\$ -
USI Trading (Shanghai) Co., Ltd.	Sales of chemical products and equipment, etc.	69,200 (USD2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	84,025 (USD3,036 thousand)	-	-	84,025 (USD3,036 thousand)	B 16,420	100.00	16,420	136,096	-
Fujian Gulei Petrochemical Co., Ltd.	Crude oil processing and petroleum products manufacturing	40,438,468 (RMB9,314,400 thousand)	(2) Dynamic Ever Investments, Ltd. (Note 2)	4,370,198 (USD157,883 thousand)	-	-	4,370,198 (USD157,883 thousand)	A (1,455,990)	11.71	(170,497)	4,533,837	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
\$ 4,703,274 (Note 5) (USD169,916 thousand)	\$ 6,195,770 (USD223,836 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, 2021:

- (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 amount was calculated based on the spot exchange rate as of December 31, 2021.

Note 5. APC directly 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. 10800262940 on February 26, 2020, 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, 2021

Table 9

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Trader Company	Counterparty	Relationships with trader (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Transaction Terms	% of Total Sales or Asset (Note 4)
0	USI CORPORATION	USI (Hong Kong) Company Ltd.	1	Sales revenue	\$ 220,464	No significant difference	0.31%
0	USI CORPORATION	USI (Hong Kong) Company Ltd.	1	Accounts receivable	23,142	No significant difference	0.03%
0	USI CORPORATION	USI Trading (Shanghai) Co., Ltd.	1	Sales revenue	214,853	No significant difference	0.30%
0	USI CORPORATION	USI Trading (Shanghai) Co., Ltd.	1	Accounts receivable	46,493	No significant difference	0.05%
0	USI CORPORATION	Forever Young Company Limited	1	Sales revenue	114,343	No significant difference	0.16%
0	USI CORPORATION	Forever Young Company Limited	1	Accounts receivable	24,324	No significant difference	0.03%
0	USI CORPORATION	Asia Polymer Corporation	1	Sales revenue	213,766	No significant difference	0.30%
0	USI CORPORATION	Asia Polymer Corporation	1	Purchase	1,673,947	No significant difference	2.33%
0	USI CORPORATION	Asia Polymer Corporation	1	Other receivables	228,869	No significant difference	0.27%
0	USI CORPORATION	Asia Polymer Corporation	1	ACCOUNTS PAYABLE	390,410	No significant difference	0.46%
0	USI CORPORATION	Swanson Plastics Corporation	1	Sales revenue	91,438	No significant difference	0.13%
0	USI CORPORATION	Swanson Plastics Corporation	1	Purchase	80,583	No significant difference	0.11%
0	USI CORPORATION	Swanson Plastics Corporation	1	Accounts receivable	12,498	No significant difference	0.01%
0	USI CORPORATION	Dynamic Ever Investments Limited	1	Management service revenue	19,579	No significant difference	0.03%
0	USI CORPORATION	Taiwan VCM Corporation	1	Other receivables	227,039	No significant difference	0.27%
0	USI CORPORATION	China General Terminal & Distribution Co.	1	Storage tank operating expenses	30,260	No significant difference	0.04%
0	USI CORPORATION	USI Green Energy Corporation	1	Other receivables	125,001	No significant difference	0.15%
1	Asia Polymer Corporation	USI (Hong Kong) Company Ltd.	3	Sales revenue	22,351	No significant difference	0.03%
1	Asia Polymer Corporation	Swanson Plastics Corporation	3	Sales revenue	37,717	No significant difference	0.05%
1	Asia Polymer Corporation	Swanson Plastics Corporation	3	Purchase	44,825	No significant difference	0.06%

(Continued)

No. (Note 1)	Trader Company	Counterparty	Relationships with trader (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Transaction Terms	% of Total Sales or Asset (Note 4)
1	Asia Polymer Corporation	Taiwan VCM Corporation	3	Rental income	\$ 12,705	No significant difference	0.02%
1	Asia Polymer Corporation	Forever Young Company Limited	3	Sales revenue	30,574	No significant difference	0.04%
1	Asia Polymer Corporation	Forever Young Company Limited	3	Accounts receivable	22,321	No significant difference	0.03%
1	Asia Polymer Corporation	China General Terminal & Distribution Co.	3	Storage tank operating expenses	24,717	No significant difference	0.03%
1	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd.	3	Sales revenue	126,417	No significant difference	0.18%
1	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd.	3	Accounts receivable	13,111	No significant difference	0.02%
2	Taiwan VCM Corporation	China General Terminal & Distribution Co.	3	Storage tank operating expenses	100,031	No significant difference	0.14%
2	Taiwan VCM Corporation	China General Terminal & Distribution Co.	3	Other payables	11,289	No significant difference	0.01%
3	China General Plastics Corporation	Swanson Plastics Corporation	3	Purchase	56,292	No significant difference	0.08%
3	China General Plastics Corporation	Taiwan VCM Corporation	3	Accounts payable	1,489,862	No significant difference	1.76%
3	China General Plastics Corporation	Taiwan VCM Corporation	3	Purchase	7,071,763	No significant difference	9.86%
3	China General Plastics Corporation	CGPC America Corporation	3	Accounts receivable	\$ 189,714	No significant difference	0.22%
3	China General Plastics Corporation	CGPC America Corporation	3	Sales revenue	679,417	No significant difference	0.95%
3	China General Plastics Corporation	CGPC Polymer Corporation	3	Purchase	59,991	No significant difference	0.08%
4	Taita Chemical Company, Ltd.	China General Terminal & Distribution Co.	3	Storage tank operating expenses	18,784	No significant difference	0.03%
4	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	3	Sales revenue	1,049,003	No significant difference	1.46%
4	Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	3	Other receivables	256,014	No significant difference	0.30%
5	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Sales revenue	263,484	No significant difference	0.37%
5	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Purchase	77,483	No significant difference	0.11%
5	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Accounts receivable	59,933	No significant difference	0.07%
5	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	ACCOUNTS PAYABLE	30,353	No significant difference	0.04%
5	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Other receivables	21,710	No significant difference	0.03%
5	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Royalty revenue	20,746	No significant difference	0.03%

(Continued)

No. (Note 1)	Trader Company	Counterparty	Relationships with trader (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Transaction Terms	% of Total Sales or Asset (Note 4)
5	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	3	Processing costs (classified as cost of goods sold)	\$ 418,658	No significant difference	0.58%
5	Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Sales revenue	130,997	No significant difference	0.18%
5	Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Purchase	11,009	No significant difference	0.02%
5	Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Accounts receivable	23,131	No significant difference	0.03%
5	Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	3	ACCOUNTS PAYABLE	88,153	No significant difference	0.10%
5	Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Processing costs (classified as cost of goods sold)	418,658	No significant difference	0.58%
5	Acme Electronics Corporation	ACME Ferrite Product Sdn. Bhd.	3	Sales revenue	17,932	No significant difference	0.02%
5	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	3	Revenue from management service expenses	19,320	No significant difference	0.03%
5	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	3	Other receivables	10,047	No significant difference	0.01%
6	ACME Ferrite Product Sdn. Bhd.	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Sales revenue	13,517	No significant difference	0.02%
7	USI Management Consulting Corp.	CGPC Polymer Corporation	3	Management service revenue	10,020	No significant difference	0.01%
7	USI Management Consulting Corp.	USI CORPORATION	2	Management service revenue	134,113	No significant difference	0.19%
7	USI Management Consulting Corp.	Asia Polymer Corporation	3	Management service revenue	39,316	No significant difference	0.05%
7	USI Management Consulting Corp.	China General Plastics Corporation	3	Management service revenue	42,945	No significant difference	0.06%
7	USI Management Consulting Corp.	Taita Chemical Company, Ltd.	3	Management service revenue	48,067	No significant difference	0.07%
7	USI Management Consulting Corp.	Swanson Plastics Corporation	3	Management service revenue	25,105	No significant difference	0.03%
7	USI Management Consulting Corp.	Taiwan VCM Corporation	3	Management service revenue	22,622	No significant difference	0.03%
7	USI Management Consulting Corp.	China General Terminal & Distribution Co.	3	Management service revenue	17,328	No significant difference	0.02%
8	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Sales revenue	\$ 77,739	No significant difference	0.11%
8	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Cost of goods sold	28,945	No significant difference	0.04%
8	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guang-Zhou) Co., Ltd.	3	Accounts receivable	19,010	No significant difference	0.02%
8	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	3	Sales revenue	131,681	No significant difference	0.18%

(Continued)

No. (Note 1)	Trader Company	Counterparty	Relationships with trader (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Transaction Terms	% of Total Sales or Asset (Note 4)
8	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	3	Accounts receivable	\$ 20,766	No significant difference	0.02%
9	CGPC Polymer Corporation	Taiwan VCM Corporation	3	ACCOUNTS PAYABLE	1,361,638	No significant difference	1.61%
9	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Other payables	\$ 23,212	No significant difference	0.03%
9	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Purchase	6,585,350	No significant difference	9.18%
10	Swanson Plastics Corporation	Forever Young Company Limited	3	Revenue	39,801	No significant difference	0.06%
10	Swanson Plastics Corporation	Forever Young Company Limited	3	Management service revenue	20,133	No significant difference	0.03%
10	Swanson Plastics Corporation	Forever Young Company Limited	3	Accounts receivable	13,631	No significant difference	0.02%
10	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Accounts receivable	10,495	No significant difference	0.01%
11	Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	3	Revenue	339,805	No significant difference	0.47%
11	Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	3	Accounts receivable	26,315	No significant difference	0.03%
11	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Revenue	368,006	No significant difference	0.51%
11	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Operating costs	129,538	No significant difference	0.18%
11	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Accounts receivable	42,871	No significant difference	0.05%
11	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	3	ACCOUNTS PAYABLE	14,376	No significant difference	0.02%
11	Forever Young Company Limited	Swanson International Ltd.	3	Other receivables	41,529	No significant difference	0.05%
11	Forever Young Company Limited	Swanson Plastics (India) Private Limited	3	Revenue	62,077	No significant difference	0.09%
11	Forever Young Company Limited	Swanson Plastics (India) Private Limited	3	Accounts receivable	17,545	No significant difference	0.02%
12	Forever Young Company Limited	PT. Swanson Plastics Indonesia	3	Revenue	124,689	No significant difference	0.17%
12	Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Operating costs	197,368	No significant difference	0.28%
12	Swanson Plastics (Singapore) Pte., Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	3	Accounts payable	38,773	No significant difference	0.05%
12	Swanson Plastics (Singapore) Pte., Ltd.	PT. Swanson Plastics Indonesia	3	Operating costs	55,822	No significant difference	0.08%
13	Swanson Plastics (Kunshan) Co., Ltd.	ASK-Swanson (Kunshan) Co., Ltd.	3	Revenue	140,528	No significant difference	0.20%
13	Swanson Plastics (Kunshan) Co., Ltd.	ASK-Swanson (Kunshan) Co., Ltd.	3	Accounts receivable	36,279	No significant difference	0.04%

(Continued)

No. (Note 1)	Trader Company	Counterparty	Relationships with trader (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Transaction Terms	% of Total Sales or Asset (Note 4)
13	Swanson Plastics (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	3	Accounts payable	48,932	No significant difference	0.06%

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, 2021

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
Wholegainer 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.

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.

Independent Auditors' Report

TO USI Corporation

Audit opinion

We have audited the Parent Company Only Balance Sheets of USI Corporation as of the years ended December 31, 2021 and 2020, and the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows and Notes to the Parent Company Only Financial Statements (including the Summary of Significant Accounting Policies) for the months from January 1 to December 31 of 2021 and 2020.

The accountant opinions are that the preparations of significant issues of the Parent Company Only Financial Statements are made in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. They fairly present the accompanying financial conditions as of December 31 of 2021 and 2020 of USI Corporation and the accompanying financial performance and accompanying cash flows for the months from January 1 to December 31 of 2021 and of 2020.

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 Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant, and keep independent of USI Corporation. 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 USI Corporation in our audit of the Parent Company Only Financial Statements for the year 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Company's Parent Company Only Financial Statements for the year ended December 31, 2021 is as follows.

Authenticity of specific sales revenue

In 2021, USI Corporation's sales revenue of solar film products to specific customers 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 Parent Company Only 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(12) and 23 to the Parent Company Only 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.

Responsibilities of management and governance for the Parent Company Only Financial Statements

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

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

Those in charge with the Company's governance (including the Audit Committee) are responsible for overseeing its financial reporting process.

Auditors' responsibilities for the audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only 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 generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Parent Company Only Financial Reports.

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

1. Identify and assess the risks of material misstatement of the Parent Company Only Financial Statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent Company Only 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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements (including the related notes) and whether the Parent Company Only

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 Company to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision and performance of the Company 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 Parent Company Only Financial Statements of the Company for the year ended December 31, 2021 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 partners on the audit resulting in this independent auditors' report are Pi-Yu Chuang (Financial Supervisory Commission, Approval No. 1070323246) and Cheng-Hung Kuo (Securities and Futures Bureau, Approval No. 0920123784).

Deloitte& Touche
Taipei, Taiwan
Republic of China

Notice to Readers

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

March 16, 2022

USI Corporation
Parent Company Only Balance Sheet
For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code	Assets	For the Year Ended December 31,		For the Year Ended December 31,	
		2021	%	2020	%
		Amount		Amount	
CURRENT ASSETS					
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,108,794	3	\$ 991,966	3
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	2,595,881	7	2,096,700	7
1136	Financial assets at amortized cost - current (Notes 4, 9 and 32)	61,149	-	60,893	-
1150	Notes receivable, net (Notes 4 and 10)	119,379	-	64,154	-
1170	Accounts receivable, net (Notes 4 and 10)	1,964,107	5	1,364,308	4
1180	Accounts receivable, related parties (Notes 4, 10 and 31)	106,468	-	94,080	-
1200	Other receivables (Notes 4 and 10)	106,418	-	41,932	-
1210	Other receivables, related parties (Notes 4, 10 and 31)	593,853	2	220,189	1
130X	Inventories (Notes 4 and 11)	1,252,391	3	776,109	2
1410	Prepayments	204,395	1	172,471	1
1470	Other current assets	-	-	1	-
11XX	Total current assets	<u>8,112,835</u>	<u>21</u>	<u>5,882,803</u>	<u>18</u>
NON-CURRENT ASSETS					
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	922,551	3	972,639	3
1535	Financial assets at amortized cost - non-current (Notes 4 and 9)	12,968	-	-	-
1550	Investments accounted for using the equity method (Notes 4, 5, 12, 27 and 34)	21,859,237	58	19,133,959	58
1600	Property, plant and equipment (Notes 4 and 13)	6,511,029	17	6,473,623	20
1755	Right-of-use assets (Notes 4 and 14)	9,641	-	14,091	-
1760	Investment properties (Notes 4, 15 and 31)	159,713	1	186,758	1
1821	Intangible assets (Notes 4 and 16)	40	-	155	-
1840	Deferred tax assets (Notes 4 and 25)	142,813	-	110,905	-
1990	Other non-current assets (Note 32)	121,615	-	117,702	-
15XX	Total non-current assets	<u>29,739,607</u>	<u>79</u>	<u>27,009,832</u>	<u>82</u>
1XXX	Total Assets	<u>\$ 37,852,442</u>	<u>100</u>	<u>\$ 32,892,635</u>	<u>100</u>
Liabilities and Equity					
CURRENT LIABILITIES					
2100	Short-term borrowings (Note 17)	\$ -	-	\$ 499,000	1
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	2,492	-	11,522	-
2170	Accounts payable (Note 19)	1,019,778	3	712,367	2
2180	Accounts payable, related parties (Notes 19 and 31)	394,449	1	188,290	1
2200	Other payables (Note 20)	532,320	1	364,098	1
2220	Other payables, related parties (Notes 20 and 31)	16,195	-	11,906	-
2230	Current tax liabilities (Notes 4 and 25)	779,227	2	196,426	1
2280	Lease liabilities - current (Notes 4 and 14)	31,336	-	30,974	-
2320	Current portion of long-term borrowings (Note 18)	2,999,199	8	1,999,233	6
2399	Other current liabilities (Notes 23 and 31)	189,951	1	76,012	-
21XX	Total current liabilities	<u>5,964,947</u>	<u>16</u>	<u>4,089,828</u>	<u>12</u>
NON-CURRENT LIABILITIES					
2530	Bonds payable (Note 18)	5,989,773	16	4,995,069	15
2540	Long-term borrowings (Note 17)	34,310	-	2,300,000	7
2570	Deferred tax liabilities (Notes 4 and 25)	100,769	-	145,390	-
2580	Lease liabilities - non-current (Notes 4 and 14)	115,187	-	146,523	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	172,677	1	213,608	1
2650	Investments credits balances for using equity method (Notes 4 and 12)	1,195	-	-	-
2670	Other non-current liabilities - others (Note 17)	11,585	-	11,439	-
25XX	Total non-current liabilities	<u>6,425,496</u>	<u>17</u>	<u>7,812,029</u>	<u>24</u>
2XXX	Total Liabilities	<u>12,390,443</u>	<u>33</u>	<u>11,901,857</u>	<u>36</u>
Equity (Notes 4, 8, 12, 21, 22, 25 and 30)					
3100	Share capital	11,887,635	31	11,887,635	36
3200	Capital surplus	366,185	1	321,798	1
Retained earnings					
3310	Legal reserve	3,343,086	9	3,109,625	10
3320	Special reserve	375,127	1	781,059	2
3350	Unappropriated earnings	9,881,214	26	5,606,462	17
3300	Total retained earnings	<u>13,599,427</u>	<u>36</u>	<u>9,497,146</u>	<u>29</u>
3400	Other equity	84,358	-	(240,195)	(1)
3500	Treasury shares	(475,606)	(1)	(475,606)	(1)
3XXX	Total equity	<u>25,461,999</u>	<u>67</u>	<u>20,990,778</u>	<u>64</u>
Total liabilities and equity		<u>\$ 37,852,442</u>	<u>100</u>	<u>\$ 32,892,635</u>	<u>100</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

USI Corporation
Parent Company Only Statement of Comprehensive Income
For the Years Ended December 31, 2021 and 2020

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

Code		For the Year Ended December 31, 2021		For the Year Ended December 31, 2020	
		Amount	%	Amount	%
4100	OPERATING REVENUE (Notes 4, 23 and 31)	\$ 16,034,251	100	\$ 10,172,220	100
5110	COST OF GOODS SOLD (Notes 4, 11, 13, 16, 21, 24 and 31)	<u>11,730,457</u>	<u>73</u>	<u>8,664,406</u>	<u>85</u>
5900	GROSS PROFIT	4,303,794	27	1,507,814	15
5910	The unrealized profits with the subsidiaries (Notes 4 and 31)	(1,175)	-	(1,247)	-
5920	The realized profits with the subsidiaries (Notes 4 and 31)	<u>1,247</u>	<u>-</u>	<u>842</u>	<u>-</u>
5950	The realized gross profit	<u>4,303,866</u>	<u>27</u>	<u>1,507,409</u>	<u>15</u>
	OPERATING EXPENSES (Notes 4, 13, 14, 16, 21, 24 and 31)				
6100	Selling and marketing expenses	390,366	2	235,617	2
6200	General and administrative expenses	230,902	2	246,533	3
6300	Research and development expenses	<u>160,688</u>	<u>1</u>	<u>116,819</u>	<u>1</u>
6000	Total operating expenses	<u>781,956</u>	<u>5</u>	<u>598,969</u>	<u>6</u>
6900	PROFIT FROM OPERATIONS	<u>3,521,910</u>	<u>22</u>	<u>908,440</u>	<u>9</u>
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income (Notes 4, 24 and 31)	5,948	-	6,604	-
7010	Other income (Notes 4, 8, 24 and 31)	202,579	1	152,304	2
7020	Other gains and losses (Notes 4, 15, 24 and 31)	38,730	-	42,667	-
7050	Finance costs (Notes 4, 14, 17, 18 and 24)	(94,746)	(1)	(105,041)	(1)
7070	Share of profit or loss of subsidiaries accounted for using equity method (Notes 4 and 12)	<u>2,196,420</u>	<u>14</u>	<u>1,555,348</u>	<u>15</u>
7000	Total non-operating income and expenses	<u>2,348,931</u>	<u>14</u>	<u>1,651,882</u>	<u>16</u>

(Continued)

(Continued)

Code		For the Year Ended December 31, 2021		For the Year Ended December 31, 2020	
		Amount	%	Amount	%
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$ 5,870,841	36	\$ 2,560,322	25
7950	INCOME TAX EXPENSE (Notes 4 and 25)	<u>679,447</u>	<u>4</u>	<u>150,544</u>	<u>1</u>
8200	NET PROFIT FOR THE PERIOD	<u>5,191,394</u>	<u>32</u>	<u>2,409,778</u>	<u>24</u>
	OTHER COMPREHENSIVE INCOME (LOSS)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of the defined benefit plan (Notes 4 and 21)	5,820	-	(1,589)	-
8316	(Loss) profit of equity instruments at FVTOCI (Notes 4 and 22)	(29,190)	-	107,870	1
8330	Share of profit or loss of other comprehensive income of subsidiaries accounted for using equity method (Notes 4 and 22)	575,855	4	340,144	3
8349	Income tax relating to items that will not be reclassified (Notes 4, 22 and 25)	(<u>1,164</u>)	<u>-</u>	<u>318</u>	<u>-</u>
8310		<u>551,321</u>	<u>4</u>	<u>446,743</u>	<u>4</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations (Notes 4 and 22)	(90,466)	(1)	11,182	-
8380	Share of profit or loss of other comprehensive income of subsidiaries accounted for using equity method (Notes 4 and 22)	(54,745)	-	10,070	-
8399	Income tax relating to items that may be reclassified (Notes 4 and 25)	<u>18,093</u>	<u>-</u>	(<u>2,236</u>)	<u>-</u>
8360		(<u>127,118</u>)	(<u>1</u>)	<u>19,016</u>	<u>-</u>
8300	Other comprehensive income for the period, net of income tax	<u>424,203</u>	<u>3</u>	<u>465,759</u>	<u>4</u>

8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 5,615,597</u>	<u>35</u>	<u>\$ 2,875,537</u>	<u>28</u>
	EARNINGS PER SHARE (Note 26)				
9750	Basic earnings per share	<u>\$ 4.84</u>		<u>\$ 2.25</u>	
9850	Diluted earnings per share	<u>\$ 4.83</u>		<u>\$ 2.24</u>	

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

USI Corporation
Parent Company Only Statement of Changes in Equity
For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code		Capital surplus				Retained earnings			Other equity			Total equity
		Share Capital (Notes 4 and 22)	Treasury Share Transactions (Note 22)	Shares of Changes in Capital Surplus of Subsidiaries recognized by Equity Method (Notes 4 and 22)	Others (Note 22)	Legal Reserve (Note 22)	Special Reserve (Note 22)	Unappropriated Earnings (Notes 4, 8, 12, 21, 22 and 25)	Exchange differences on translating the financial statements of foreign operations (Notes 4, 22 and 25)	Unrealized Gain (Loss) on Financial Assets at FVTOCI (Notes 4, 8, 22 and 30)	Treasury shares (Notes 4 and 22)	
A1	Balance as of January 1, 2020	\$ 11,887,635	\$ 245,482	\$ 7,291	\$ 18,840	\$ 2,979,753	\$ 430,526	\$ 4,346,640	(\$ 602,871)	(\$ 178,187)	(\$ 475,606)	\$ 18,659,503
	Distribution of earnings in 2019											
B1	Provision for legal reserve	-	-	-	-	129,872	-	(129,872)	-	-	-	-
B3	Provision of special reserve	-	-	-	-	-	350,533	(350,533)	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(594,382)	-	-	-	(594,382)
D1	Net profit for the year 2020	-	-	-	-	-	-	2,409,778	-	-	-	2,409,778
D3	Other comprehensive income for the year 2020, net of income tax	-	-	-	-	-	-	2,974	19,016	443,769	-	465,759
D5	Total comprehensive income for the year 2020	-	-	-	-	-	-	2,412,752	19,016	443,769	-	2,875,537
C7	Changes in equity of subsidiaries recognized by equity method	-	-	29,920	-	-	-	(76,278)	-	76,213	-	29,855
C17	Changes in capital surplus	-	-	-	1,100	-	-	-	-	-	-	1,100
M1	Dividends distributed to subsidiaries to adjust capital reserve	-	19,165	-	-	-	-	-	-	-	-	19,165
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	-	-	(1,865)	-	1,865	-	-
Z1	Balance as of December 31, 2020	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
	Distribution of earnings in 2020											
B1	Provision for legal reserve	-	-	-	-	233,461	-	(233,461)	-	-	-	-
B17	Reversal of special surplus reserve	-	-	-	-	-	(405,932)	405,932	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(1,188,763)	-	-	-	(1,188,763)
D1	Net profit for the year 2021	-	-	-	-	-	-	5,191,394	-	-	-	5,191,394
D3	Other comprehensive income for the year 2021, net of income tax	-	-	-	-	-	-	(804)	(127,118)	552,125	-	424,203
D5	Total comprehensive income for the year 2021	-	-	-	-	-	-	5,190,590	(127,118)	552,125	-	5,615,597
C7	Changes in equity of subsidiaries recognized by equity method	-	-	4,691	-	-	-	100,454	-	(100,454)	-	4,691
C17	Other changes in capital surplus	-	-	-	1,367	-	-	-	-	-	-	1,367
M1	Dividends distributed to subsidiaries to adjust capital reserve	-	38,329	-	-	-	-	-	-	-	-	38,329
Z1	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

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

USI Corporation
Parent Company Only Statement of Cash Flow
For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code		For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
	Cash flows from operating activities		
A10000	Net profit before tax for the year	\$ 5,870,841	\$ 2,560,322
A20010	Income (expenses) items		
A20100	Depreciation expenses	607,937	603,125
A20200	Amortization expense	13,452	14,249
A20400	Net gain on fair value change of financial assets and liabilities as at FVTPL	(93,217)	(93,098)
A20900	Finance costs	97,352	107,540
A21200	Interest income	(5,948)	(6,604)
A21300	Dividend income	(99,744)	(50,630)
A22300	Share of profit or loss of subsidiaries accounted for using equity method	(2,196,420)	(1,555,348)
A22500	(Gain) loss of disposal and scrapping of property, plant and equipment	(2,794)	161
A23200	The investment loss of disposing with the equity method	-	527
A23700	Provision for write-downs of inventories and obsolescence losses	22,935	23,413
A23900	The unrealized profits with the subsidiaries	1,175	1,247
A24000	The realized profits with the subsidiaries	(1,247)	(842)
A30000	Changes in operating assets and liabilities		
A31115	(Increase) decrease in financial assets mandatorily classified as at FVTPL	(414,994)	179,435
A31130	(Increase) decrease in notes receivable	(55,225)	9,772
A31150	Increase in accounts receivable	(599,799)	(134,952)
A31160	Accounts receivable – related parties increase	(12,388)	(4,330)
A31180	(Increase) decrease in other receivables	(65,138)	18,918
A31190	Other receivables – related parties (increase) decrease	(248,664)	164,574
A31200	(Increase) decrease in inventories	(499,217)	249,773
A31230	Increase in prepayments	(31,924)	(14,046)
A31240	Decrease in other current assets	1	20
A32130	Increase (decrease) in accounts payable	307,411	(57,045)
A32160	Accounts payable - related parties increase	206,159	40,895
A32180	Increase (decrease) in other payables	131,106	(16,322)
A32190	Other payables - related parties increase (decrease)	4,289	(5,965)
A32230	Increase in other current liabilities	113,939	8,943
A32240	Decrease in net defined benefit liabilities	(35,111)	(62,916)
A33000	Cash generated from operations	3,014,767	1,980,816
A33100	Interest received	6,600	5,829

(Continued)

Code		For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
A33300	Interest paid	(\$ 87,865)	(\$ 118,418)
A33500	Income tax paid	(156,246)	(133,648)
AAAA	Net cash generated from operating activities	<u>2,777,256</u>	<u>1,734,579</u>
	Cash flows from investing activities		
B00020	Disposal of FVTOCI	-	2,784
B00030	Return of capital from financial assets at FVTOCI	20,898	32,845
B00040	Purchase of financial assets at amortized cost	(76,499)	(332)
B02200	Net cash outflows from acquisition of subsidiaries (Note 27)	(34,092)	-
B02400	Refund of stock capital from capital reduction of investee companies using the equity method	-	3,877
B02700	Acquisitions of property, plant and equipment	(518,149)	(438,675)
B02800	Proceeds from disposal of property, plant and equipment	1,905	2,483
B03700	(Increase) decrease in refundable deposit	(1,947)	6,951
B04500	Acquisitions of intangible assets	-	(113)
B05800	Other receivables – related parties increase	(125,000)	-
B06700	(Increase) decrease in other non-current assets	(15,303)	23,054
B07600	Dividends received	<u>149,837</u>	<u>89,489</u>
BBBB	Net cash used in investing activities	(598,350)	(277,637)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Decrease in short-term borrowings	(499,000)	(1,000)
C01200	Issuing of bonds	3,991,268	-
C01300	Repayments of bonds	(2,000,000)	(1,000,000)
C01600	Proceeds from mid- to long-term borrowings	3,634,800	5,200,000
C01700	Repayments of mid- to long-term borrowings	(5,900,000)	(4,850,000)
C03000	Proceeds from guarantee deposits received	591	186
C04020	Repayments of the principal portion of lease liabilities	(30,974)	(30,752)
C04500	Cash dividends paid	(1,188,763)	(594,382)
C05400	Acquisition of subsidiaries	(70,000)	(349)
CCCC	Net cash used in financing activities	(2,062,078)	(1,276,297)
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	116,828	180,645
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>991,966</u>	<u>811,321</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,108,794</u>	<u>\$ 991,966</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

USI CORPORATION
NOTES TO THE ACCOMPANYING FINANCIAL STATEMENTS
For the Years Ended December 31, 2021 and 2020
(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 accompanying financial statements of the Company and its subsidiaries, collectively referred to as the "Company", are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were reported to and issued by the Company's board of directors on March 10, 2022.

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 Company's accounting policies.

b. New
IFRSs endorsed and issued into effect by the FSC applied in 2022

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
"Annual Improvements to IFRSs 2018-2020 Cycle"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Amendments to References to the Conceptual Framework in IFRS Standards"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1. The
amendments to IFRS 9 are applied prospectively to modifications and exchanges

of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2. The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 3. The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4. The amendments are applicable to contracts of which the obligations have not been fulfilled on or after January 1, 2022.

As of the date the accompanying financial statements were authorized for issue, the Company assessed that other standards and the amendments of the interpretations would not have a significant impact on the Company's accompanying financial position and financial performance.

c.	IFRS
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 by IASB
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, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

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

Note 2. The amendments are applicable to the delay of the annual reporting periods beginning on or after January 1, 2023.

Note 3. 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 4. 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 accompanying financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These accompanying financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The accompanying financial statements have been prepared on the historical cost basis except for financial instruments that 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.

When preparing the individual financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income/equity for the year and total equity in the accompanying financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatments were made for "investments accounted for using the equity method", "the recognized share of profit or loss of subsidiaries by using the equity method", "the recognized share of other comprehensive income of subsidiaries by using the equity method" and other equity items.

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. Foreign currency

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

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 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 accompanying financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries in other countries that use currencies different from the functional currency of the Company) are translated into the presentation currency, the New Taiwan dollar. 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.

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 related to the foreign operations will be classified as profit and loss.

But 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 incorporated into the calculation of equity transactions 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.

e. 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.

f. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries. A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. In addition, changes in the Company's interests of subsidiaries are recognized according to the ownership proportion.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. As for any differences between the carrying amount of the investment and the fair value of the consideration paid or received, the Company recognizes them directly as equity.

When the Company's shares of losses of a subsidiary equal or exceed its equity in that subsidiary (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 Company's net investment in the subsidiary), the Company continues recognizing its losses according to the ownership proportion.

When the acquisition cost exceeds the net fair value of the Company's identifiable assets and liabilities of the subsidiary on the acquisition date, the exceeding amount is classified as goodwill, which is included in the carrying value of the investment and is not amortized; when the net fair value of the Company's net fair value of the subsidiary exceeds the acquisition cost, the exceeding amount is classified as current income.

When the Company assesses its investment for any impairment, it considers cash generating units on the entire financial statements and comparing the carrying amount with the estimated recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss as gain; however, the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized after deducting the amortization had no impairment loss been recognized. The impairment loss attributable to goodwill shall not be reversed in subsequent periods.

When the Company loses control over a subsidiary, it measures the investment retained in the former subsidiary at its fair value on the date when control is lost. The difference between the fair value of the retained investment plus any disposal proceeds and the carrying amount of the previous investment on the date when the control is lost is recognized as a profit or loss for current period. Besides, the Company accounts for all amounts previously recognized in other comprehensive income related to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

The unrealized profits or losses resulting from downstream transactions between the Company and the subsidiaries are eliminated in the accompanying financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the accompanying financial statements only to the extent of interests in the subsidiaries of parties that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, subsequently are measured at the amount of cost less accumulated depreciation.

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, depreciation of property, plant and equipment is recognized using the straight-line basis during useful life. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

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.

h. 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 property is initially measured at cost (including transaction costs), and subsequently measured at the amount of cost less accumulated depreciation.

The investment property acquired by lease is 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 adjusted the re-measurement amount of the lease liability.

All investment property is depreciated on a straight-line basis.

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.

i. Intangible assets

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. Amortization is recognized on a straight-line basis during the useful life. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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.

j. Impairment of property, plant and equipment, right-of-use asset, investment property and intangible assets

On each balance sheet date, the Company 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the Company of the smallest cash-generating unit on a reasonable and consistent basis.

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.

k. Financial instruments

Financial assets and financial liabilities are recognized in the accompanying balance sheet when the Company 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 Company are classified into the following categories: financial assets measured at fair value through profit and loss, financial assets measured at amortized cost, investment in equity instruments measured at fair value through other comprehensive profits and losses.

i. Financial assets measured at fair value through profit and loss

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. They include investments in equity instruments that are not designated to be measured at fair value through other comprehensive profits and losses, and are not classified as derivative instruments measured at amortized cost or at fair value through other comprehensive profits and losses, and beneficiary certificate of fund.

Financial assets measured at fair value through profit and loss are measured at fair value, and the dividends and interest generated are recognized in other income and interest income respectively, and profits or losses generated by re-measurement are recognized in other profits and losses. Please refer to Note 30 for the method of determining the fair value.

ii. Financial assets measured at amortized cost

The Company'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, trade receivables, 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.

Equivalent cash includes time deposits 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 Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI, if the equity investment is not held for trading or if it is not 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 Company'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 Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivables) on each balance sheet date.

The Company always recognizes lifetime expected credit losses for amount receivables as losses allowance. For other financial assets, the Company 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. 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. In contrast, lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company determines, in the following situations, that the default of financial assets have occurred without considering the collateral held by it:

- i. There is internal or external information showing that it is impossible for the debtor to pay off the debt.
- ii. After overdue for more than 90 days, unless there is reasonable and corroborative information showing that it will be more appropriate to postpone the default criteria.

The impairment loss of all financial assets is adjusted through a loss allowance account.

c) De-recognition of financial assets

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

On 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 Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received less the cost of direct issuance.

Reacquiring the Company's own equity instruments is recognized and deducted under equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Follow-up 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 measured at fair value through profit and loss are financial liabilities held for trading. Related profits or losses are recognized in other profits and losses. Please refer to Note 30 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 derivatives signed by the Company are forward foreign exchange contracts used to manage the Company's exchange rate risk.

Derivatives are initially recognized at fair value when the derivative contract is signed, and then re-measured at fair value on the balance sheet date. The profits or losses resulting from subsequent measurement are directly included in profit and loss. When the fair value of the derivative is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

1. Revenue recognition

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

Revenue from the sale of goods mainly comes from sales of polyethylene plastic pellets and related plastic products. When the goods are delivered to customer, the customer has full discretion to set the price and use of the goods, and has the main responsibility for resale, and bears the risks of obsolescence. The Company recognizes revenue and accounts receivable concurrently. 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.

m. Leasing

At the inception of a contract, the Company assesses whether the contract is a lease.

1) The Company 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 Company subleases the right-of-use asset, it uses the right-of-use asset (not the underlying asset) to determine the classification of sublease. However, if the main lease is a short-term lease for which the Company applies the recognition exemption, the sublease is classified as an operating lease.

Under operating leases, lease payments are recognized as income on a straight-line basis during the relevant lease period.

2) The Company as lessee

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

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 that meet the definition of investment property, the right-to-use assets are

separately expressed on the accompanying balance sheets. For the recognition and measurement of right-of-use assets that meet the definition of investment property, please refer to the above (h) Accounting Policy for Investment Properties.

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. The lease payments are discounted using the interest rate implicit in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the 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 leading to a change in future lease payments, the Company 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 accompanying balance sheets.

n. 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.

o. Government subsidy

Government subsidies are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the government subsidies and will receive such subsidies.

Government subsidies related to income are recognized in profit and loss on a systematic basis during the period when the relevant costs that they intend to compensate are recognized as expenses by the Company.

If the government subsidy is used to compensate for expenses or losses that have occurred or for the purpose of providing the Company with immediate financial support

and there is no future related cost, it is recognized in the profit and loss during the period when it can be received.

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

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related 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 Company's defined benefit plan.

q. Income tax

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

1) Current tax

The Company determines the current income (loss) in accordance with the laws as well as regulations established by the income tax reporting jurisdiction, and calculates the payable (recoverable) income tax accordingly.

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.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable 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 liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the 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 Company's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and

liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered relevant. Actual results may differ from these estimates.

The Company took the economic impact caused by the COVID-19 into consideration in its major accounting estimates. The estimates and underlying assumptions are reviewed by management on an ongoing basis. 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.

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.

6. CASH AND CASH EQUIVALENTS

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 560	\$ 620
Checking accounts and demand deposits	139,884	44,650
Cash equivalents		
Time deposits	<u>968,350</u>	<u>946,696</u>
	<u>\$ 1,108,794</u>	<u>\$ 991,966</u>

At the end of the balance sheet date, the ranges of the market rates for bank deposits were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Time deposits	0.01%-2.40%	0.07%-2.00%

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets mandatorily at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
- Foreign exchange forward contracts	<u>\$ 1,364</u>	<u>\$ -</u>
Non-derivative financial assets		
- Domestic listed shares and over-the-counter shares	166,392	175,884
- Mutual funds	2,367,571	1,859,260
- Beneficiary securities	<u>60,554</u>	<u>61,556</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Sub-total	<u>2,594,517</u>	<u>2,096,700</u>
	<u>\$ 2,595,881</u>	<u>\$ 2,096,700</u>

FINANCIAL LIABILITIES HELD FOR TRADING

Derivative financial liabilities (not under hedge accounting)

- Foreign exchange forward contracts	<u>\$ 2,492</u>	<u>\$ 11,522</u>
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At the end of the balance sheet date, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

<u>December 31, 2021</u>	<u>Currencies</u>	<u>Expiration date</u>	<u>Contract amount (in thousands)</u>
Sell	RMB/NTD	111.01.06-111.03.21	RMB 237,700 /NTD 1,027,894
Sell	USD/NTD	111.01.10-111.03.22	USD 4,260 /NTD 118,437
<u>December 31, 2020</u>			
Sell	RMB/NTD	110.01.11-110.04.07	RMB 176,600 /NTD 755,870

The Company 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 Company did not apply hedge accounting treatments for derivative contracts.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Investments in equity instruments at FVTOCI</u>		
Domestic investments		
Domestic listed shares and over-the-counter shares	\$ 757,831	\$ 697,187
Unlisted shares	<u>164,720</u>	<u>275,452</u>
	<u>\$ 922,551</u>	<u>\$ 972,639</u>

The Company invested the domestic listed shares and over-the-counter shares and unlisted shares for medium- to long-term strategic purposes, and expects to make a profit via long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

The Company sold 310 thousand shares of Global BioPharma, Inc. for the year ended December 31, 2020. The related other equity interests – the NT\$1,865 thousand unrealized loss on FVTOCI financial assets was transferred to retained earnings.

The investee, KHL IB Venture Capital Co., Ltd. announced a reduction of capital by returning cash during February and September 2021 and May and December 2020, respectively. The Company received NT\$15,658 thousand, NT\$5,240 thousand, NT\$25,293 thousand, and NT\$7,552 thousand, respectively, according to its ownership percentage.

The Company recognized dividend income of NT\$93,293 thousand and NT\$48,646 thousand, respectively, for the years ended December 31, 2021 and 2020.

9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Pledged time deposits	<u>\$ 61,149</u>	<u>\$ 60,893</u>
<u>Non-current</u>		
Restricted time deposits	<u>\$ 12,968</u>	<u>\$ -</u>
Range of Interest Rates		
Pledged time deposits	0.10%-0.77%	0.10%-1.035%
Restricted time deposits	0.15%	-

The trading partners of the Company's pledged time deposits are financial institutions with good credit ratings. After assessing that the time deposits have low credit risk, no allowance for loss is recognized.

Restricted bank deposit means the subsidiary's earning repatriation. The Company'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 32 for the information related to financial assets measured at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Notes receivable (1)</u>		
Operating	<u>\$ 119,379</u>	<u>\$ 64,154</u>
<u>Accounts receivable (1)</u>		
Financial liabilities measured at amortized cost		
Gross carrying amount	\$ 1,966,758	\$ 1,366,959
Less: allowance for loss	(<u>2,651</u>)	(<u>2,651</u>)

	<u>\$ 1,964,107</u>	<u>\$ 1,364,308</u>
<u>Accounts receivable - related party (1)</u>		
Operating (Note 31)	<u>\$ 106,468</u>	<u>\$ 94,080</u>
<u>Other receivables (2)</u>		
Tax refund receivable	\$ 79,352	\$ 37,611
Receivables for sale of securities	9,439	-
Lent material fees receivable	9,262	-
Others	<u>8,365</u>	<u>4,321</u>
	<u>\$ 106,418</u>	<u>\$ 41,932</u>
<u>Other receivables - related party (Note 31)</u>		
Loans receivable		
Fixed interest rate (3)	\$ 125,000	\$ -
Others	<u>468,853</u>	<u>220,189</u>
	<u>\$ 593,853</u>	<u>\$ 220,189</u>

a. Notes and accounts receivable

The average credit period of sales of goods was 10 to 90 days. No interest was charged on the receivables.

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

The Company recognizes the loss allowance of accounts receivable based on expected credit losses during the reporting period. The expected credit losses on trade receivables are estimated using an allowance matrix by reference to past default experience with the respective debtors and an analysis of the debtors' current financial positions, adjusted for general economic conditions of the industry and an assessment of economic conditions at the reporting date.

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

The following table details the loss allowance of notes receivable and accounts receivable (including related parties) based on the Company's allowance matrix:

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	\$ 2,192,605	\$ -	\$ -	\$ 2,192,605
Loss allowance (Lifetime ECLs)	(<u>2,651</u>)	-	-	(<u>2,651</u>)
Amortized cost	<u>\$ 2,189,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,189,954</u>

December 31, 2020

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	\$ 1,525,193	\$ -	\$ -	\$ 1,525,193
Loss allowance (Lifetime ECLs)	(<u>2,651</u>)	-	-	(<u>2,651</u>)
Amortized cost	<u>\$ 1,522,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,522,542</u>

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

The allowance for loss recognized on the Company's notes and accounts receivable for the years ended December 31, 2021 and 2020 was not changed:

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Balance between the start of the year and the end	<u>\$ 2,651</u>	<u>\$ 2,651</u>

b. Other receivables (excluding loans receivable)

Other receivables were mainly tax refund receivable. 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 loss in the Company as of December 31, 2021 and 2020.

c. Other receivables - loans receivable

The interest rate exposure and contract expiry dates for loans receivable with fixed rates of the Company are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Loans receivable with fixed rates		
Less than 1 year	<u>\$ 125,000</u>	<u>\$ -</u>

The effective interest rates of the Company's loans receivable are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Loans receivable with fixed rates	0.80%	-

11. INVENTORIES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Finished goods	\$ 868,601	\$ 487,856
Work in progress	35,893	41,220
Raw materials	180,278	109,848
Supplies	<u>167,619</u>	<u>137,185</u>
	<u>\$ 1,252,391</u>	<u>\$ 776,109</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31 in 2021 and 2020 were NT\$11,730,457 thousand and NT\$8,664,406 thousand, respectively.

The net realizable value of inventory write-downs included in the cost of goods sold for the years ended December 31 in 2021 and 2020 were NT\$22,935 thousand and NT\$23,413 thousand, respectively.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	Carrying Amount	Proportion of Ownership (%)	Carrying Amount	Proportion of Ownership (%)
<u>Investment in subsidiaries</u>				
Over-The-Counter (OTC) company				
Acme Electronics Corp. (ACME)	<u>\$ 343,972</u>	26.9	<u>\$ 333,831</u>	26.9
Non listed company				
USIFE Investment Co., Ltd.	1,088,028	100.0	861,889	100.0
Swanlake Traders Ltd. (Swanlake)	1,270,746	100.0	1,293,513	100.0
USI (Hong Kong) Company Ltd.	63,676	100.0	67,491	100.0
USI Management Consulting Corp. (UM)	(1,195)	100.0	1,539	100.0
Chong Loong Trading Co., Ltd. (CLT)	\$ 65,330	99.9	\$ 55,164	99.9
Union Polymer Int'l Investment Corp.	10,447,388	100.0	7,739,718	100.0
Taiwan United Venture Capital Corp. (TUVC)	190,601	70.0	180,508	70.0
Swanson Plastics Corporation (SPC)	1,068,346	40.6	1,050,935	40.6
Cypress Epoch Limited	-	-	128,814	100.0
INOMA Corporation (INOMA)	16,854	94.4	19,405	94.4
Ever Conquest Global Limited (ECGL)	7,019,488	59.1	7,331,651	59.1
USI Optronics Corporation	48,168	50.9	69,501	50.9
USIG (Shanghai) Co., Ltd.	130,269	100.0	-	-
USI Green Energy Corporation (USIGE)	<u>106,371</u>	100.0	<u>-</u>	-
	21,514,070		18,800,128	
Plus: Long-term equity investment loans using the equity method are transferred to non-current liabilities	<u>1,195</u>		<u>-</u>	
	<u>21,515,265</u>		<u>18,800,128</u>	
	<u>\$21,859,237</u>		<u>\$19,133,959</u>	

The Company's shareholdings in ACME and SPC are 26.9% and 40.6%, respectively. Considering the absolute voting rights, relative size and distribution compared to those held by other shareholders, the Company has the substantial ability to dominate ACME and SPC. Therefore, they are listed as subsidiaries. As for the statements of subsidiaries held indirectly by the Company, refer to Note 36, Tables 7 and 8.

By using the equity method to account for its investments in the over-the-counter (OTC) company, the fair value based on the closing price for the years ended December 31 in 2021 and 2020 was NT\$2,634,914 thousand and NT\$930,839 thousand, respectively.

Under the equity method, the Company's share of the profit or loss and other comprehensive income of the subsidiaries for the years ended December 31 in 2021 and 2020 was recognized based on the financial reports of each subsidiary audited by accountants during the same period.

For the year ended December 31 in 2021, the Company continued to recognize the losses of USI Management Consulting Corp ("UM") in accordance with its shareholding ratio, so the carrying value of its long-term equity investment was a loan surplus. The Company has listed the related loan surplus under non-current liabilities.

The Company acquired 1.2% of shares from the external shareholders of INOMA, acquired price being NT\$349 thousand in June 2020. As a result, the proportion of shares of INOMA has increased from 93.2% to 94.4%. The transaction was deemed as equity transaction because it does not change the Company's control over the subsidiary, and differences generated from the aforementioned equity transactions were adjusted to decreases in retained earnings of NT\$65 thousand.

In order to simplify the investment structure, the Company was approved by the Investment Commission, Ministry of Economics Affairs (Investment Commission) on January 25, 2021 to change its indirect investment in USIG (Shanghai) Co., Ltd. in the mainland, so it was changed to direct investment in USIG (Shanghai) Co., Ltd. in the mainland after approval. And Cypress Epoch Limited has completed the dissolution and liquidation procedures on September 28, 2021.

The management of Forum Pacific Trading Ltd. resolved to make dissolution and liquidation in September 2019. And CLTC acquired its remaining assets 6,828 thousand in May, 2020. This subsidiary has completed the dissolution and liquidation process in December 29, 2020.

The board of directors of TAITA Chemical Company, Ltd. (TTC) resolved on December 3, 2020 to establish a new company through TAITA (BVI) Holding Co., Ltd, with

an investment of RMB 314,000 thousand. The main business of the new company is expected to be the production and sales of expandable polystyrene (EPS), but yet to complete it till March 16, 2022.

Thintec Materials Corporation ("TMC") has had no actual production or sales activities in recent years. Therefore, on April 12, 2019, the board of directors of TMC had approved the proposal for dissolution and liquidation of the company starting from the dissolution date of May 25, 2019. The Company has obtained NT\$3,877 thousand of the remaining property distribution from liquidation in May 2020, and TMC has completed the dissolution and liquidation procedures on July 22, 2020.

In June 2020, ACME obtained the remaining assets NT\$267 thousand returned by its subsidiary, ACME Electronics (BVI) Corp., which has completed the dissolution and liquidation process in June 2020.

In October 2011, the Board of Directors of China General Plastics Corporation ("CGPC") decided to dissolve and liquidate Continental General Plastics (Zhongshan) Co., Ltd. and CGPC Consumer Products Corporation. However, CGPC leased the idle plants of the discontinued units from 2021 onwards, considering that the operations of the discontinued units are no longer in a state of discontinued operations. Accordingly, it is assessed that the discontinued units will be transferred back to a continuing entity.

In response to the government's green power policy, the Company purchased 100% of the equity from the non-related parties, USIGE, on July 5, 2021 at a purchase price of NT\$34,092 thousand, which was confirmed to the Board of Directors on July 8, 2021. Please refer to Note 27 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.

To improve the financial structure and activate the company's capital utilization, TUVVC 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 TUVVC was NT\$370,000 thousand.

The board of directors of the Company resolved to approve of the establishment of ECGL with APC in February 19, 2014 and indirectly invested Gulai Park, in Zhangzhou City of Fujian Province, China to invest in oil refining and production of petrochemical products such as ethylene. The Company has invested US\$3,131 thousand (around NT\$94,221 thousand)

in it, and the ownership percentage in ECGL is 59.1%, meanwhile the Company reinvested in EVGL and DEIL through ECGL. In addition, the Company reinvested ECGL from January, 2017 to August, 2019, amounting to US\$243,539 thousand (around NT\$7,551,760 thousand). After the capital increases, the ownership percentage is 63.1%. Since the Company did not participate in the cash capital increases of ECGL in March and December, 2020, the ownership percentage after the capital increases decreased from 63.1% to 59.1%. As these transactions did not change the Company's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to increases in capital surplus of NT\$5,558 thousand. Please refer to Note 34 for the details.

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 sales company in Fujian Province, China, with a planned capital of RMB 300,000 thousand (approximately US\$46,000 thousand). The funds are expected to be US\$32,200 thousand and US\$13,800 thousand, respectively invested by Swanlake and APC (BVI) Holding Co.Ltd., and the registration was completed on March 12, 2022.

13. PROPERTY, PLANT AND EQUIPMENT-FOR SELF-USE

	Freehold land	Land improvement	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, 2021	\$ 495,159	\$ 112,594	\$ 1,582,520	\$ 8,626,837	\$ 29,056	\$ 173,415	\$ 512,999	\$11,532,580
Additions	-	-	-	-	-	-	616,890	616,890
Disposal	-	-	(3,894)	(25,520)	(594)	(617)	-	(30,625)
Internal transfer	-	-	7,343	285,019	520	869	(296,793)	(3,042)
Balance as of December 31, 2021	<u>\$ 495,159</u>	<u>\$ 112,594</u>	<u>\$ 1,585,969</u>	<u>\$ 8,886,336</u>	<u>\$ 28,982</u>	<u>\$ 173,667</u>	<u>\$ 833,096</u>	<u>\$12,115,803</u>
<u>Accumulated depreciation</u>								
Balance as of January 1, 2021	\$ -	\$ 106,606	\$ 427,944	\$ 4,332,584	\$ 25,082	\$ 166,741	\$ -	\$ 5,058,957
Depreciation expense	-	1,163	41,575	528,874	2,441	2,389	-	576,442
Disposal	-	-	(3,894)	(25,520)	(594)	(617)	-	(30,625)
Balance as of December 31, 2021	<u>\$ -</u>	<u>\$ 107,769</u>	<u>\$ 465,625</u>	<u>\$ 4,835,938</u>	<u>\$ 26,929</u>	<u>\$ 168,513</u>	<u>\$ -</u>	<u>\$ 5,604,774</u>
Net on December 31, 2021	<u>\$ 495,159</u>	<u>\$ 4,825</u>	<u>\$ 1,120,344</u>	<u>\$ 4,050,398</u>	<u>\$ 2,053</u>	<u>\$ 5,154</u>	<u>\$ 833,096</u>	<u>\$ 6,511,029</u>
<u>Cost</u>								
Balance as of January 1, 2020	\$ 495,159	\$ 112,381	\$ 1,583,473	\$ 8,741,072	\$ 32,025	\$ 170,030	\$ 285,899	\$11,420,039
Additions	-	-	-	-	-	-	419,347	419,347
Disposal	-	-	(1,943)	(318,518)	(2,969)	(2,704)	-	(326,134)
Internal transfer	-	213	990	204,283	-	6,089	(192,247)	19,328
Balance as of December 31, 2020	<u>\$ 495,159</u>	<u>\$ 112,594</u>	<u>\$ 1,582,520</u>	<u>\$ 8,626,837</u>	<u>\$ 29,056</u>	<u>\$ 173,415</u>	<u>\$ 512,999</u>	<u>\$11,532,580</u>
<u>Accumulated depreciation</u>								
Balance as of January 1, 2020	\$ -	\$ 105,283	\$ 387,074	\$ 4,124,768	\$ 25,284	\$ 167,673	\$ -	\$ 4,810,082
Depreciation expense	-	1,323	42,787	522,827	2,767	1,772	-	571,476
Disposal	-	-	(1,917)	(315,011)	(2,969)	(2,704)	-	(322,601)
Balance as of December 31, 2020	<u>\$ -</u>	<u>\$ 106,606</u>	<u>\$ 427,944</u>	<u>\$ 4,332,584</u>	<u>\$ 25,082</u>	<u>\$ 166,741</u>	<u>\$ -</u>	<u>\$ 5,058,957</u>
Net on December 31, 2020	<u>\$ 495,159</u>	<u>\$ 5,988</u>	<u>\$ 1,154,576</u>	<u>\$ 4,294,253</u>	<u>\$ 3,974</u>	<u>\$ 6,674</u>	<u>\$ 512,999</u>	<u>\$ 6,473,623</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 will be expropriated and rezoned in cooperation with the government and is expected to be returned in 2022.

The Company did not make any impairment assessment for the years ended December 31 in 2021 and 2020 since there were no signs of impairment.

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

Freehold Land - land improvements	7-10 years
Buildings and improvements	3-55 years
Machinery and Equipment	3-15 years
Transportation equipment	5-7 years
Other equipment	3-5 years

For the related capitalized interest, please refer to Note 24 (4) finance cost.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount of right-of-use assets		
Buildings	<u>\$ 9,641</u>	<u>\$ 14,091</u>
	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Depreciation expense of right-of-use assets		
Buildings	<u>\$ 4,450</u>	<u>\$ 4,563</u>

The Company leased the office in Taipei and then subleased it to other companies with the way of operating leasing. The related right-of-use assets are accounted for as investment properties (please refer to Note 15). 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.

b. Lease liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount of lease liabilities		
Current	<u>\$ 31,336</u>	<u>\$ 30,974</u>
Non-current	<u>\$ 115,187</u>	<u>\$ 146,523</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Buildings	1.16%	1.16%

c. Material lease-in activities and terms

The Company leases the buildings for using as the offices and research center. The leases terms are 1 to 7 years. When the leases terms expire, the Company has the leasehold option to part of the office's lease.

d. Other lease information

Lease arrangements under operating leases for leasing out of investment properties are set out in Note 15. Other information of the Company as lessee is as follows:

	<u>For the Year Ended December 31, 2021</u>	<u>For the year ended December 31, 2020</u>
Expenses relating to short-term leases	<u>\$ 7,099</u>	<u>\$ 6,334</u>
Expenses relating to low-value asset leases	<u>\$ 99</u>	<u>\$ 385</u>
Total cash (outflow) for leases	<u>(\$ 40,067)</u>	<u>(\$ 39,723)</u>

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

15. INVESTMENT PROPERTIES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Completed investment properties		
Buildings	\$ 29,303	\$ 30,267
Right-of-use assets	<u>130,410</u>	<u>156,491</u>
	<u>\$ 159,713</u>	<u>\$ 186,758</u>

	<u>Buildings</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1 and December 31, 2021	<u>\$ 69,805</u>	<u>\$ 208,655</u>	<u>\$ 278,460</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2021	\$ 39,538	\$ 52,164	\$ 91,702
Depreciation expense	<u>964</u>	<u>26,081</u>	<u>27,045</u>
Balance as of December 31, 2021	<u>\$ 40,502</u>	<u>\$ 78,245</u>	<u>\$ 118,747</u>
Net on December 31, 2021	<u>\$ 29,303</u>	<u>\$ 130,410</u>	<u>\$ 159,713</u>
<u>Cost</u>			
Balance as of January 1 and December 31, 2020	<u>\$ 69,805</u>	<u>\$ 208,655</u>	<u>\$ 278,460</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2020	\$ 38,534	\$ 26,082	\$ 64,616
Depreciation expense	<u>1,004</u>	<u>26,082</u>	<u>27,086</u>
Balance as of December 31, 2020	<u>\$ 39,538</u>	<u>\$ 52,164</u>	<u>\$ 91,702</u>
Net on December 31, 2020	<u>\$ 30,267</u>	<u>\$ 156,491</u>	<u>\$ 186,758</u>

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.

The Company leases the investments properties with the way of operating leasing and the total future leases payments which it will receive are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Year 1	\$ 22,310	\$ 20,776
Year 2	19,627	17,190
Year 3	11,642	12,303
Year 4	6,116	7,258
Year 5	-	5,786
	<u>\$ 59,695</u>	<u>\$ 63,313</u>

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	5-8 years

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, 2021 and 2020 were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Fair Value	<u>\$ 464,756</u>	<u>\$ 389,007</u>

16. INTANGIBLE ASSETS

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Computer software	\$ 40	\$ 155
Technology royalties and patent right	-	-
	<u>\$ 40</u>	<u>\$ 155</u>

	<u>Technology royalties and patent right</u>	<u>Computer software</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2021	\$ 174,850	\$ 648	\$ 175,498
Disposal	-	(113)	(113)

Balance as of December 31, 2021	<u>\$ 174,850</u>	<u>\$ 535</u>	<u>\$ 175,385</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2021	\$ 174,850	\$ 493	\$ 175,343
Amortization expense	-	115	115
Disposal	-	(113)	(113)
Balance as of December 31, 2021	<u>\$ 174,850</u>	<u>\$ 495</u>	<u>\$ 175,345</u>
Net on December 31, 2021	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 40</u>
<u>Cost</u>			
Balance as of January 1, 2020	\$ 174,850	\$ 535	\$ 175,385
Independent acquisition	-	113	113
Balance as of December 31, 2020	<u>\$ 174,850</u>	<u>\$ 648</u>	<u>\$ 175,498</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2020	\$ 174,850	\$ 202	\$ 175,052
Amortization expense	-	291	291
Balance as of December 31, 2020	<u>\$ 174,850</u>	<u>\$ 493</u>	<u>\$ 175,343</u>
Net on December 31, 2020	<u>\$ -</u>	<u>\$ 155</u>	<u>\$ 155</u>

Except for the recognition of amortization expense, no impairment assessment was performed periodically as there was no indication of impairment on the Company's intangible assets for the years ended December 31, 2021 and 2020.

The said intangible assets of limited services lives are depreciated on a straight-line basis over their estimated useful lives as follows:

Technology royalties and patent right	3 to 7 Years
Computer software	3 years

17. BORROWINGS

a. Short-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Unsecured borrowings</u>		
- Line of credit borrowings	<u>\$ -</u>	<u>\$ 499,000</u>
Range of Interest Rates	-	0.77%-0.80%

b. Long-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
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<u>Unsecured borrowings</u>		
Credit borrowings	\$ 34,310	\$ 2,300,000

Range of Interest Rates		
Credit borrowings	0.30%	0.74%-0.90%

The Company entered into medium- and long-term loan contracts with banks to increase working capital. The contracts will be effective up to August 2024 with a total credit limit of NT\$4,692,000 thousand, which is used cyclically during the validity period. As of December 31, 2021, none had been borrowed.

According to the part loan contracts of the financial report of the Company, the current ratio, bank loan ratio, debt ratio, and interest protection multiples should not be less than the specified percentage. The Company should provide improvements to the bank if the requirements were not met. As of December 31, 2021, the Company did not violate the requirements.

The Company has obtained a special low-interest bank loan line of NT\$1,204,800 thousand in accordance with the "Action Plan for Accelerated Investment by Domestic Corporations" in 2021, and has used NT\$34,800 thousand as of December 31, 2021, recognized and measured the loan at the market interest rate of 0.8%. The difference between the market interest rate and the actual preferential repayment rate of 0.3% is treated as government subsidy.

18. BONDS PAYABLE

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Domestic unsecured bonds 104-1-B issuance on February 12, 2015, 7 years, total amount NT\$1,000,000 thousand, coupon rate 1.90%, bullet repayment	\$ 1,000,000	\$ 1,000,000
Domestic unsecured bonds 105-1 - issuance on October 28, 2016, 5 years, total amount NT\$2,000,000 thousand, coupon rate 0.80%, bullet repayment	-	2,000,000
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	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 110-1-A issuance on June 23 2021, 5 years, total amount NT\$1,000,000 thousand, coupon rate 0.63%, bullet repayment, repaid NT\$500,000 in the 4th and 5th	1,000,000	-

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
years respectively from the issuance date		
Domestic unsecured bonds 110-1-B issuance on June 23 2021, 7 years, total amount NT\$1,000,000 thousand, coupon rate 0.73%, bullet repayment, repaid NT\$500,000 in the 6th and 7th years respectively from the issuance date	\$ 1,000,000	\$ -
Domestic unsecured bonds 110-2 -A 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	-
Domestic unsecured bonds 110-2 -B 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> 9,000,000	<u>-</u> 7,000,000
Discounts on bonds payable	(<u>11,028</u>) 8,988,972	(<u>5,698</u>) 6,994,302
Less: Portion due within one year	(<u>2,999,199</u>) <u>\$ 5,989,773</u>	(<u>1,999,233</u>) <u>\$ 4,995,069</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 NT\$1,000,000 thousand due in February 2020.

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 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.

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, which are expected to be issued before the end of 2022.

19. ACCOUNTS PAYABLE

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Accounts payable</u>		
Operating	<u>\$ 1,019,778</u>	<u>\$ 712,367</u>
<u>Accounts payable - related party (Note 31)</u>		
Operating	<u>\$ 394,449</u>	<u>\$ 188,290</u>

The average credit period of the Company is between 1 and 3 months. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER PAYABLES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-related party		
Payables for salaries and bonuses	\$286,340	\$172,126
Payables for utilities	50,005	59,847
Payables for interests	43,834	37,775
Payables for purchases of equipment	43,234	10,810
Payables for fares	40,809	23,387
Payable for annual leave	24,348	23,322
Others	<u>43,750</u>	<u>36,831</u>
	<u>\$532,320</u>	<u>\$364,098</u>
Related party (Note 31)	<u>\$ 16,195</u>	<u>\$ 11,906</u>

21. RETIREMENT BENEFIT PLANS

- a. Defined contribution plans

The pension plan under the "Labor Pension Act" of ROC (the "LPA") is considered as a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts in Bureau of Labor Insurance at 6% of monthly salaries and wages.

b. Defined benefit plans

The Company with the pension mechanism under the "Labor Standards Act" is considered as defined benefit plans under government administration. These pension plans provide benefits based on an employee's length of service and average six-month salary prior to retirement. 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, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the names of the Committee in the Bank of Taiwan. Entities are required to contribute the difference in one appropriation to the Funds before the end of next March when the balance of the Funds is insufficient to pay employees who will meet the retirement eligibility criteria within next year. The plan assets are held in a commingled fund which is operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the funds.

The amounts included in the accompanying balance sheets arising from the Company's obligation in respect of its defined benefit plans were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of funded defined benefit obligation	(\$ 530,808)	(\$ 577,615)
Fair value of plan assets	<u>358,131</u>	<u>364,007</u>
Net defined benefit liabilities - non-current	(\$ <u>172,677</u>)	(\$ <u>213,608</u>)

Movements in the net defined benefit liabilities – non-current were as follows:

	Present Value of Funded Defined Benefit Obligation	Fair value of plan assets	Net Defined Benefit Liabilities
January 1, 2020	(\$ 642,262)	\$ 367,327	(\$ 274,935)
Current service cost	(4,326)	-	(4,326)
Interest revenue (expense)	(3,789)	2,261	(1,528)
Amounts recognized in profit or loss	(8,115)	2,261	(5,854)
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	13,150	13,150
Actuarial losses recognized from changes in financial assumptions	(10,015)	-	(10,015)

Actuarial losses recognized from experience adjustments	(<u>4,724</u>)	<u>-</u>	(<u>4,724</u>)
Amounts recognized in other comprehensive income	(<u>14,739</u>)	<u>13,150</u>	(<u>1,589</u>)
Contributions from employer	\$ -	\$ 51,853	\$ 51,853
Benefits paid	70,584	(70,584)	-
Payment for provisions	<u>16,917</u>	<u>-</u>	<u>16,917</u>
December 31, 2020	(<u>\$ 577,615</u>)	<u>\$ 364,007</u>	(<u>\$ 213,608</u>)
January 1, 2021	(<u>\$ 577,615</u>)	<u>\$ 364,007</u>	(<u>\$ 213,608</u>)
Current service cost	(4,025)	-	(4,025)
Interest revenue (expense)	(<u>1,889</u>)	<u>1,152</u>	(<u>737</u>)
Amounts recognized in profit or loss	(<u>5,914</u>)	<u>1,152</u>	(<u>4,762</u>)
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	5,484	5,484
Actuarial losses recognized from changes in demographic assumptions	(11,778)	-	(11,778)
Actuarial gains recognized from changes in financial assumptions	4,388	-	4,388
Actuarial gains recognized from experience adjustments	<u>7,726</u>	<u>-</u>	<u>7,726</u>
Amounts recognized in other comprehensive income	<u>336</u>	<u>5,484</u>	<u>5,820</u>
Contributions from employer	-	25,251	25,251
Benefits paid	37,763	(37,763)	-
Payment for provisions	<u>14,622</u>	<u>-</u>	<u>14,622</u>
December 31, 2021	(<u>\$ 530,808</u>)	<u>\$ 358,131</u>	(<u>\$ 172,677</u>)

The Company 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: The calculation of the present value of defined benefit obligation is in reference to the plan participants' future salary. 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 Company was calculated by the independent actuary. The principal assumptions on the measurement date were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	0.500%	0.375%
Expected rates of salary increase	2.25%	2.25%

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, 2021</u>	<u>December 31, 2020</u>
Discount rate		
0.25% increase	(<u>\$ 8,795</u>)	(<u>\$ 10,016</u>)
0.25% decrease	<u>\$ 9,064</u>	<u>\$ 10,331</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 8,751</u>	<u>\$ 9,960</u>
0.25% decrease	(<u>\$ 8,537</u>)	(<u>\$ 9,708</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, 2021</u>	<u>December 31, 2020</u>
The expected contributions to the plan for the next year	<u>\$ 16,685</u>	<u>\$ 34,414</u>
The average duration of the defined benefit obligation	7.0 years	7.3 years

22. EQUITY

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Share capital	\$ 11,887,635	\$ 11,887,635
Capital surplus	366,185	321,798
Retained earnings	13,599,427	9,497,146
Other equity	84,358	(240,195)
Treasury shares	(<u>475,606</u>)	(<u>475,606</u>)
	<u>\$ 25,461,999</u>	<u>\$ 20,990,778</u>

a. Share capital

	<u>December 31, 2021</u>	<u>December 31, 2020</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>

	<u>December 31, 2021</u>	<u>December 31, 2020</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. The capital surplus arising from employee stock option may not be used for any purposes.

c. Retained earnings and dividends policy

In accordance with the dividends policy as set forth in the Company's Articles of Incorporation, where the Company made 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 24(7).

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, if the distributable earnings of the year are less than NT\$0.1 per share, it shall not be distributed.

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, 2020 and 2019 as approved in the shareholders' meetings on July 26, 2021 and June 12, 2020, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2020	For the year ended December 31, 2019
Legal reserve	\$ 233,461	\$ 129,872		
Special reserve (reversed)	(405,932)	350,533		
Cash dividends	<u>1,188,763</u>	<u>594,382</u>	\$ 1.0	\$ 0.5
	<u>\$ 1,016,292</u>	<u>\$ 1,074,787</u>		

The appropriations of earnings for the year ended December 31, 2021 had been proposed by the Company's Board of Directors on March 10, 2022. The appropriations were as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>
Legal reserve	\$ 529,104	
Cash dividends	<u>2,615,280</u>	\$ 2.2
	<u>\$ 3,144,384</u>	

The appropriations of earnings for the year ended December 31, 2021 are subject to the resolution of the shareholders' meeting planned to be held on May 31, 2022.

d. Other equity

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

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Balance at January 1	(\$ 583,855)	(\$ 602,871)
Recognized during the period		
Exchange differences on translating the financial statements of foreign operations	(90,466)	11,182
Related income tax of the profits and losses on translating the financial statements of foreign operations	18,093	(2,236)
Share from subsidiaries for using the equity method	(54,745)	10,300
Disposal of subsidiaries' equity	<u>-</u>	<u>(230)</u>
Balance at December 31	<u>(\$ 710,973)</u>	<u>(\$ 583,855)</u>

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

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Balance at January 1	\$ 343,660	(\$ 178,187)
Recognized during the period		
Unrealized gains (losses)		
Equity instruments	(29,190)	107,870
Share from subsidiaries for using the equity method	581,315	335,899
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposals		
Equity instrument - produced in that year	-	1,865
Share from subsidiaries for using the equity method	(100,454)	76,213
Balance at December 31	<u>\$ 795,331</u>	<u>\$ 343,660</u>

e. 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, 2021</u>				
Transfer from shares 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, 2020</u>				
Transfer from shares 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 (NT\$ thousands)	Market Price (NT\$ thousands)
<u>December 31, 2021</u>			
APC	101,356	\$ 1,377,381	\$ 3,197,772
TTC	15,110	81,875	476,717
		\$ 1,459,256	\$ 3,674,489
<u>December 31, 2020</u>			
APC	101,356	\$ 1,377,381	\$ 2,290,638
TTC	15,110	81,875	341,484
		\$ 1,459,256	\$ 2,632,122

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, 2021 and 2020. The carrying amounts of investments accounted for using the equity method and the gain on financial assets at FVTOCI were NT\$733,685 thousand and NT\$390,637 thousand, respectively.

23. REVENUE

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Product sales revenue		
Plastic materials	\$ 16,034,251	\$ 10,172,220

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

a. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes and accounts receivable (including related parties) (Notes 10 and 31)	\$ 2,189,954	\$ 1,522,542	\$ 1,393,032
Contract liabilities (presented in other current liabilities)			
Merchandise sales	\$ 184,368	\$ 73,628	\$ 64,503

b. Please refer to Statement 18 for the breakdown of income.

24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations includes the following:

a. Interest income

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Bank deposits	\$ 4,042	\$ 4,628
Beneficiary securities	1,112	1,328
Financial assets measured at amortized cost	467	578
Others	<u>327</u>	<u>70</u>
	<u>\$ 5,948</u>	<u>\$ 6,604</u>

b. Other income

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Dividend income	\$ 99,744	\$ 50,630
Rental income	47,696	51,056
Management service revenue	38,093	39,398
Others	<u>17,046</u>	<u>11,220</u>
	<u>\$202,579</u>	<u>\$152,304</u>

c. Other gains and losses

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Gain (loss) on disposal of property, plant and equipment	\$ 2,794	(\$ 161)
Loss on disposal of investment	-	(527)
Net foreign exchange losses	(14,621)	(1,696)
Net gain on financial assets at FVTPL	108,217	118,981
Net loss on financial liabilities at FVTPL	(15,000)	(25,883)
Depreciation expense of investment properties (Note 15)	(27,045)	(27,086)
Other expenses	<u>(15,615)</u>	<u>(20,961)</u>
	<u>\$ 38,730</u>	<u>\$ 42,667</u>

d. Finance costs

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Interest on bonds payable	\$ 86,901	\$ 80,898
Interest on bank loans	8,513	24,325
Other interest expense	43	65
Interest on lease liabilities	1,895	2,252
Less: Capitalized interest (presented under construction in progress)	<u>(2,606)</u>	<u>(2,499)</u>
	<u>\$ 94,746</u>	<u>\$105,041</u>

Information about capitalized interest is as follows:

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Capitalized interest	\$ 2,606	\$ 2,499
Capitalization rate	0.9281%~1.1379%	1.1379%~1.2272%

e. Depreciation and amortization

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Property, plant and equipment	\$ 576,442	\$ 571,476
Right-of-use assets	4,450	4,563
Investment properties	27,045	27,086
Intangible assets	115	291
Others	<u>13,337</u>	<u>13,958</u>
	<u>\$ 621,389</u>	<u>\$ 617,374</u>
Summary of depreciation by function		
Operating costs	\$ 556,664	\$ 552,269
Operating expenses	24,228	23,770
Other gains and losses	<u>27,045</u>	<u>27,086</u>
	<u>\$ 607,937</u>	<u>\$ 603,125</u>
Summary of amortization by function		
Operating costs	\$ 13,337	\$ 13,958
General and administrative expenses	<u>115</u>	<u>291</u>
	<u>\$ 13,452</u>	<u>\$ 14,249</u>

f. Employee benefits expense

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Post-employment benefits (Note 21)		
Defined contribution plans	\$ 23,317	\$ 19,824
Defined benefit plans	<u>4,762</u>	<u>5,854</u>
	28,079	25,678
Other employee benefits	<u>844,745</u>	<u>649,384</u>
Total employee benefits expenses	<u>\$ 872,824</u>	<u>\$ 675,062</u>
Summary of employee benefits expense by function		
Operating costs	\$ 666,411	\$ 482,569
Operating expenses	<u>206,413</u>	<u>192,493</u>
	<u>\$ 872,824</u>	<u>\$ 675,062</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, 2021 and 2020 were resolved by the Company's board of directors on March 10, 2022 and March 8, 2021, respectively, as follows:

Accrual rates

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.05%	0.12%

Amount

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Employees' compensation	\$ 59,332	\$ 25,892
Remuneration of directors	3,000	3,000

If there is a change in the amounts after the annual accompanying 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, 2020 and 2019 paid and the amounts recognized in the accompanying financial statements for the years ended December 31, 2020 and 2019.

Information on the employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 resolved by the Company's board of directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	<u>For the Year Ended December 31, 2021</u>	<u>For the year ended December 31, 2020</u>
Foreign exchange gains	\$ 82,695	\$ 67,929
Foreign exchange losses	(97,316)	(69,625)
Net loss	(\$ 14,621)	(\$ 1,696)

25. 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, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Current tax		
In respect of the current year	\$690,471	\$154,245
Surtax on undistributed earnings	65,919	11,243
Subsidiary repatriation of profits	-	5,180
Adjustments for previous years	(17,343)	(13,094)
	<u>739,047</u>	<u>157,574</u>

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Deferred tax		
In respect of the current year	(\$ 59,600)	\$ 3,330
The impact on income tax for the deferred subsidiary repatriation of profits	<u>-</u>	<u>(10,360)</u>
	<u>(59,600)</u>	<u>(7,030)</u>
Income tax expense recognized in profit or loss	<u>\$679,447</u>	<u>\$150,544</u>

The adjustment of accounting income and income tax expenses is as follows:

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Net profit before tax for the year	<u>\$ 5,870,841</u>	<u>\$ 2,560,322</u>
Income tax expense of net profit before tax calculated at statutory tax rate (20%)	\$ 1,174,168	\$ 512,064
Non-deductible expenses	275	439
Tax-free income	(41,147)	(32,457)
Financial asset evaluation loss	1,346	1,980
The share of profits and losses of domestic subsidiaries recognized by using equity method	(489,362)	(321,884)
The invested company's capital reduction and liquidation loss	(14,763)	(2,875)
Surtax on undistributed earnings	65,919	11,243
Adjustments of current income tax expenses for prior year	(17,343)	(13,094)
Subsidiary repatriation of profits	-	(5,180)
Others	<u>354</u>	<u>308</u>
Income tax expense recognized in profit or loss	<u>\$ 679,447</u>	<u>\$ 150,544</u>

b. Income tax recognized in other comprehensive income

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
<u>Deferred tax</u>		
In respect of the current year		
- Translation of foreign operations	\$ 18,093	(\$ 2,236)
- Re-measurements of defined benefit plan	<u>(1,164)</u>	<u>318</u>
Income tax benefits (expenses) recognized in other comprehensive income	<u>\$ 16,929</u>	<u>(\$ 1,918)</u>

c. Current income tax assets and liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current income tax liabilities		

Income tax payable	<u>\$779,227</u>	<u>\$196,426</u>
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d. Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

For the Year Ended December 31, 2021

	<u>Balance at January 1</u>	<u>Amounts recognized in profit or loss</u>	<u>Amounts recognized in other comprehensive income</u>	<u>Balance at December 31</u>
<u>Deferred income tax assets</u>				
Temporary difference				
Allowance for inventory valuation and obsolescence losses	\$ 7,288	\$ 4,587	\$ -	\$ 11,875
Defined benefit retirement plan Pension expenditures due to fiscal and taxation difference	26,576	-	(1,164)	25,412
Payable for annual leave	287	(287)	-	-
Unrealized sales profits	4,665	205	-	4,870
Impairment loss on financial assets measured at fair value through profit and loss	1,119	13,753	-	14,872
Amortization of intangible assets due to fiscal and taxation difference over amortization period	6,095	-	-	6,095
Amortization of depreciation due to fiscal and taxation difference over amortization period	3,640	(1,200)	-	2,440
Unrealized evaluation gains or losses of financial assets measured at fair value through profit and loss	785	-	-	785
Exchange differences on translating the financial statements of foreign operations	2,305	(2,079)	-	226
	<u>58,145</u>	<u>-</u>	<u>18,093</u>	<u>76,238</u>
	<u>\$ 110,905</u>	<u>\$ 14,979</u>	<u>\$ 16,929</u>	<u>\$ 142,813</u>
<u>Deferred income tax liabilities</u>				
Temporary difference				
Pension expenditures due to fiscal and taxation difference	\$ -	\$ 6,735	\$ -	\$ 6,735
The share of profits of foreign subsidiaries recognized by using equity method	99,412	(50,078)	-	49,334
Unrealized exchange gains	2,398	(1,278)	-	1,120
Land revaluation surplus	43,580	-	-	43,580
	<u>\$ 145,390</u>	<u>(\$ 44,621)</u>	<u>\$ -</u>	<u>\$ 100,769</u>

For the year ended December 31, 2020

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Balance at December 31
<u>Deferred income tax assets</u>				
Temporary difference				
Allowance for inventory valuation and obsolescence losses	\$ 2,605	\$ 4,683	\$ -	\$ 7,288
Defined benefit retirement plan	26,258	-	318	26,576
Pension expenditures due to fiscal and taxation difference	12,871	(12,584)	-	287
Payable for annual leave	4,711	(46)	-	4,665
Unrealized sales profits	1,607	(488)	-	1,119
Impairment loss on financial assets measured at fair value through profit and loss	6,095	-	-	6,095
Amortization of intangible assets due to fiscal and taxation difference over amortization period	7,817	(4,177)	-	3,640
Amortization of depreciation due to fiscal and taxation difference over amortization period	785	-	-	785
Unrealized evaluation gains or losses of financial assets measured at fair value through profit and loss	216	2,089	-	2,305
Exchange differences on translating the financial statements of foreign operations	60,381	-	(2,236)	58,145
Unrealized exchange loss	<u>1,224</u>	<u>(1,224)</u>	<u>-</u>	<u>-</u>
	<u>\$ 124,570</u>	<u>(\$ 11,747)</u>	<u>(\$ 1,918)</u>	<u>\$ 110,905</u>
<u>Deferred income tax liabilities</u>				
Temporary difference				
The share of profits of foreign subsidiaries recognized by using equity method	\$ 120,587	(\$ 21,175)	\$ -	\$ 99,412
Unrealized exchange gains	-	2,398	-	2,398
Land revaluation surplus	<u>43,580</u>	<u>-</u>	<u>-</u>	<u>43,580</u>
	<u>\$ 164,167</u>	<u>(\$ 18,777)</u>	<u>\$ -</u>	<u>\$ 145,390</u>

e. Income tax assessments

The Company's income tax returns through 2019 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Basic earnings per share	<u>\$ 4.84</u>	<u>\$ 2.25</u>
Diluted earnings per share	<u>\$ 4.83</u>	<u>\$ 2.24</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

NET PROFIT FROM CONTINUING OPERATIONS

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Net profit from continuing operations used in the computation of basic and diluted earnings per share	<u>\$ 5,191,394</u>	<u>\$ 2,409,778</u>

Number of Shares

Unit: In Thousands of Shares

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</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>2,100</u>	<u>1,376</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,074,398</u>	<u>1,073,674</u>

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

27. ACQUISITION OF INVESTMENTS IN SUBSIDIARIES - ACQUISITION OF CONTROL OF A BUSINESS

	<u>Main operating activities</u>	<u>Acquisition date</u>	<u>Voting ownership interest/Acquisition proportion (%)</u>	<u>Transfer consideration</u>
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. For the explanation of acquiring USIGE, please refer to Note 32 to the Company's 2021 Consolidated Financial Statements.

28. CASH FLOW INFORMATION

a. Non-cash transactions

In the year 2021 and 2020, the Company entered into the following non-cash investing and financing activities:

1) As of December 31, 2021 and 2020, the amounts of payables for purchases of equipment were NT\$43,234 thousand and NT\$10,810 thousand, respectively.

2) As of December 31, 2021 and 2020, the amounts of payables for dividends declared but not issued were NT\$4,840 thousand and NT\$4,864 thousand, respectively.

b. Changes in liabilities arising from financing activities

	January 1, 2021	Cash Flows	Non-cash Changes			December 31, 2021
			New Leases	Amortization of Finance Costs	Others	
Short-term borrowings	\$ 499,000	(\$ 499,000)	\$ -	\$ -	\$ -	\$ -
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)	2,300,000	(2,265,200)	-	-	(490)	34,310
Guarantee deposits received	6,046	591	-	-	-	6,637
Lease liabilities (including those due within 1 year)	177,497	(30,974)	-	1,895	(1,895)	146,523
	<u>\$ 9,976,845</u>	<u>(\$ 803,315)</u>	<u>\$ -</u>	<u>\$ 5,297</u>	<u>(\$ 2,385)</u>	<u>\$ 9,176,442</u>

	January 1, 2020	Cash Flows	Non-cash Changes			December 31, 2020
			New Leases	Amortization of Finance Costs	Others	
Short-term borrowings	\$ 500,000	(\$ 1,000)	\$ -	\$ -	\$ -	\$ 499,000
Bonds payable (including those due within 1 year)	7,991,283	(1,000,000)	-	3,019	-	6,994,302
Long-term borrowings (including those due within 1 year)	1,950,000	350,000	-	-	-	2,300,000
Guarantee deposits received	5,860	186	-	-	-	6,046
Lease liabilities (including those due within 1 year)	208,249	(30,752)	-	2,252	(2,252)	177,497
	<u>\$ 10,655,392</u>	<u>(\$ 681,566)</u>	<u>\$ -</u>	<u>\$ 5,271</u>	<u>(\$ 2,252)</u>	<u>\$ 9,976,845</u>

29. CAPITAL MANAGEMENT

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

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

Key management personnel of the Company 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 Company may adjust the amount of dividends paid to shareholders, and the amount of new debt issued or existing debt redeemed.

30. FINANCIAL INSTRUMENTS

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

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	\$ 8,988,972	\$ -	\$ 9,012,663	\$ -	\$ 9,012,663

December 31, 2020

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Domestic corporate bonds	\$ 6,994,302	\$ -	\$ 7,029,198	\$ -	\$ 7,029,198

Expect for the above, the management of the Company considers that the carrying amounts of financial assets and financial liabilities 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, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 1,364	\$ -	\$ 1,364
Domestic listed shares and over-the-counter shares	166,392	-	-	166,392
Fund beneficiary certificates	2,367,571	-	-	2,367,571
Beneficiary securities	60,554	-	-	60,554
	<u>\$ 2,594,517</u>	<u>\$ 1,364</u>	<u>\$ -</u>	<u>\$ 2,595,881</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed shares and over-the-counter shares	\$ 757,831	\$ -	\$ -	\$ 757,831
- Domestic unlisted shares and emerging market shares	-	-	164,720	164,720
	<u>\$ 757,831</u>	<u>\$ -</u>	<u>\$ 164,720</u>	<u>\$ 922,551</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 2,492	\$ -	\$ 2,492

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares and over-the-counter shares	\$ 175,884	\$ -	\$ -	\$ 175,884
Fund beneficiary certificates	1,859,260	-	-	1,859,260
Beneficiary securities	61,556	-	-	61,556
	<u>\$ 2,096,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,096,700</u>
<u>Financial assets at FVTOCI</u>				

	Level 1	Level 2	Level 3	Total
Investments in equity instruments				
- Domestic listed shares and over-the-counter shares	\$ 697,187	\$ -	\$ -	\$ 697,187
- Domestic unlisted shares and emerging market shares	<u>-</u>	<u>-</u>	<u>275,452</u>	<u>275,452</u>
	<u>\$ 697,187</u>	<u>\$ -</u>	<u>\$ 275,452</u>	<u>\$ 972,639</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ 11,522</u>	<u>\$ -</u>	<u>\$ 11,522</u>

There were no transfers between Levels 1 and 2 fair value measurement for Year 2021 and Year 2020.

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

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
<u>Financial assets at FVTOCI</u>		
Balance at January 1	\$ 275,452	\$ 238,354
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	(89,834)	72,727
Disposal	-	(2,784)
Return of capital	<u>(20,898)</u>	<u>(32,845)</u>
Balance at December 31	<u>\$ 164,720</u>	<u>\$ 275,452</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 Company 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 Company 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\$16,472 thousand and NT\$27,545 thousand, respectively, for the years ended December 31, 2021 and 2020.

c. Categories of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 2,595,881	\$ 2,096,700
Financial assets measured at amortized cost (Note 1)	3,993,784	2,799,911
Financial assets at FVTOCI – investments in equity instruments	922,551	972,639
Refundable deposits	49,577	47,630
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	2,492	11,522
Financial liabilities measured at amortized cost (Note 2)	10,986,024	11,069,963
Guarantee deposits received	6,637	6,047

Note 1. Balance is the financial assets measured at amortized cost, including cash and equivalent cash, debt instrument investment, notes receivable and amounts receivable (including related parties), other receivables (including related parties, excluding business tax refund receivable).

Note 2. Balance is the financial liabilities measured at amortized cost, including short- and long-term loan, amounts receivable (including related parties), other receivables (including related parties) and corporation bonds receivable.

d. Financial risk management objectives and policies

The Company's risk control and hedging strategy are influenced by the operational environment. The Company properly monitors and manages the risks related to business nature in accordance with the principle of risk diversification. 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 Company'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 Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had conducted foreign currency sales and purchases, which exposed the Company 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 Company 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 Company's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Company did not enter into or traded foreign exchange contracts for speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are set out in Note 35 and the derivatives exposing the Company to foreign currency risk as of the balance sheet date are set out in 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 Company's functional currency relative to the USD and RMB appreciates/depreciates by 3%, the Company's profit before tax for the year ended December 31, 2021 would have decreased/increased by NT\$56,741 thousand; the profit before tax for the year ended December 31, 2020 would have decreased/increased by NT\$38,680 thousand.

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 Company was exposed to fair value interest rate risk because the Company held financial assets and financial liabilities at fixed rates; the Company was exposed to cash flow interest rate risk because the Company held financial assets and financial liabilities at floating rates. The Company's management monitors the changes in the market rates on a regular basis and adjusts the floating rate financial liabilities to make the Company's rates approach market rates in response to the risk caused by changing market rates.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates on the balance sheet date were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Fair value interest rate risk		
- Financial assets	\$ 1,064,245	\$ 1,029,201
- Financial liabilities	9,135,495	8,671,799
Cash flow interest rate risk		
- Financial assets	136,913	28,626
- Financial liabilities	34,310	1,299,000

Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Company'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 Company's profit before tax for the years ended December 31, 2021 and 2020 would have decreased/increased by NT\$513 thousand and NT\$6,352 thousand, respectively.

c) Other price risks

The Company was exposed to equity price risk through its investments in equity securities listed domestically and overseas and beneficiary certificates. The Company manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Company 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, since the fund beneficiary

certificates held by the Company are mainly money market funds and its risk of price fluctuations is very low, they are not included in sensitivity analysis.

If the equity price had increased/decreased by 5%, the pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by NT\$11,347 thousand and NT\$11,872 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL (excluding mutual fund beneficiary certificates); The pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by NT\$46,128 thousand and NT\$48,632 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 resulting in a financial loss to the Company. As of the balance sheet date, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation, could be equal to the total of the following:

a) The carrying amount of the financial assets recognized in the balance sheets.

b) The maximum amount payable by the Company due to financial guarantees provided by the Company.

The Company adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. In addition, the financial guarantee provided by the Company is customs duties and endorsement guarantee for the loan of the subsidiary. As of December 31, 2021 and 2020, the amounts for endorsement guarantee are NT\$3,108,400 thousand and NT\$4,204,800 thousand. Based on the expectation of the balance sheet, the subsidiaries are in good operation, so there are few possibilities to pay endorsement guarantee amounts due to the subsidiary's default.

The counterparties of the Company's trade receivables cover a wide range of customers distributed in different districts, and are not centered on a single client or location. Besides this, ongoing credit evaluations are performed on the financial condition of counterparties of the trade receivables, so the Company's credit risk is limited. On the balance sheet date, the Company's maximum exposure to credit risk

approximates the carrying amounts of the respective recognized financial assets as stated on the balance sheet.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

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

December 31, 2021

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 1,962,742	\$ -	\$ -
Lease liabilities	1.16	32,869	117,844	-
Fixed interest rate liabilities	0.63~1.90	3,000,000	3,700,000	2,300,000
Floating interest rate liabilities	0.30	-	34,800	-
		<u>\$ 4,995,611</u>	<u>\$ 3,852,644</u>	<u>\$ 2,300,000</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 32,869</u>	<u>\$ 117,844</u>	<u>\$ -</u>

December 31, 2020

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 1,276,661	\$ -	\$ -
Lease liabilities	1.16	32,869	122,655	28,058
Fixed interest rate liabilities	0.80~1.90	2,000,000	6,500,000	-
Floating interest rate liabilities	0.74~0.83	<u>499,000</u>	<u>800,000</u>	<u>-</u>

\$ 3,808,530 \$ 7,422,655 \$ 28,058

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 32,869</u>	<u>\$ 122,655</u>	<u>\$ 28,058</u>

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

The following table details the liquidity analysis for derivative financial instruments and the undiscounted gross cash inflows and outflows on those derivatives that require gross settlement. 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, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
- Inflows	\$ 341,103	\$ 805,228	\$ -
- Outflows	(342,387) (\$ 1,284)	(807,512) (\$ 2,284)	- \$ -

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
- Inflows	\$ 187,799	\$ 470,813	\$ 97,258
- Outflows	(192,052)	(479,688)	(99,081)

-
)
(\$ 4,253) (\$ 8,875) (\$ 1,823)

c) Financing facilities

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bank loan facilities		
- Amount unused	<u>\$10,559,370</u>	<u>\$ 8,587,293</u>

31. RELATED PARTY TRANSACTIONS

Besides information disclosed elsewhere in other notes, details of transactions between the Company and related parties are disclosed as follows.

a. Name of the related party and their relationship

<u>Name of the related party</u>	<u>Relationship with the Company</u>
USIFE Investment Co., Ltd.	Subsidiary
Swanson Plastics Corporation (SPC)	Subsidiary
Acme Electronics Corp. (ACME)	Subsidiary
Chong Loong Trading Co., Ltd. (CLTC)	Subsidiary
Swanlake Traders Ltd.	Subsidiary
Union Polymer International Investment Corporation (UPIIC)	Subsidiary
USI (Hong Kong) Company Limited (USI (Hong Kong))	Subsidiary
USI Management Consulting Corp. (UM)	Subsidiary
Forever Young Company Limited (Forever Young)	Subsidiary
Swanson Technologies Corporation	Subsidiary
Taiwan United Venture Management Corp. (TUVVM)	Subsidiary
China General Plastics Corporation (CGPC)	Subsidiary
Taita Chemical Company, Limited (TTC)	Subsidiary
Asia Polymer Corporation (APC)	Subsidiary
Taiwan VCM Corporation (TVCM)	Subsidiary
CGPC Polymer Corporation	Subsidiary
China General Terminal & Distribution Corporation (CGTD)	Subsidiary
INOMA Corporation	Subsidiary
USIG (Shanghai) Co., Ltd.	Subsidiary
Forum Pacific Trading Ltd.	Subsidiary
USI International Corp.	Subsidiary
USI Trading (Shanghai) Co., Ltd. (USI Trading (Shanghai))	Subsidiary
APC Investment Corporation	Subsidiary
USI Optronics Corporation	Subsidiary

<u>Name of the related party</u>	<u>Relationship with the Company</u>
Dynamic Ever Investments Limited (DEIL)	Subsidiary
USI Green Energy Corporation (USIGE)	Subsidiary
USI Educational Foundation (USIF)	Other related parties
Fujian Gulei Petrochemical Co., Ltd. (Gulei)	Joint ventures

b. Sale

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary	<u>\$ 640,802</u>	<u>\$ 412,433</u>

As of the end of 2021 and 2020, the deferred unrealized gross profit to subsidiaries is NT\$1,175 thousand and NT\$1,247 thousand, respectively.

There are no great differences in sale condition, sale price and payment condition between the Company and the related parties and unrelated parties.

c. Purchase

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
APC	\$ 1,673,947	\$ 662,705
Gulei	99,704	-
Others	<u>85,128</u>	<u>67,698</u>
	<u>\$ 1,858,779</u>	<u>\$ 730,403</u>

d. Allotment of ethylene outside

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
TVCM	\$ 179,692	\$ 81,299
APC	<u>141,915</u>	<u>143,669</u>
	<u>\$ 321,607</u>	<u>\$ 224,968</u>

e. Allotment of ethylene inside

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
TVCM	\$ 275,888	\$ 18,215
APC	<u>137,203</u>	<u>12,707</u>
	<u>\$ 413,091</u>	<u>\$ 30,922</u>

f. Rental receipt (accounting for other revenue)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
SPC	\$ 7,174	\$ 7,179
TTC	4,722	5,535
CGPC	4,591	5,110
ACME	2,980	3,026
Others	<u>8,011</u>	<u>9,006</u>
	<u>\$ 27,478</u>	<u>\$ 29,856</u>

The Company lease parts of the floors of the office building in Neihu to the subsidiaries and the rent is calculated on a monthly basis based on the contract. At the termination of the lease term, the subsidiaries have no right of first refusal of the leased office.

g. Management services income (classified as other revenue)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
DEIL	\$ 19,579	\$ 19,790
APC	8,747	8,471
SPC	5,191	5,078
CGPC	3,883	3,768
Others	<u>693</u>	<u>2,291</u>
	<u>\$ 38,093</u>	<u>\$ 39,398</u>

In response to management needs and integrating the corporate resources, the Company signed a resource support contract with UM, a subsidiary, in July 2002. UM would coordinate resources and services of the Group's common service department. The fees are calculated and charged based on the contract.

In response to management needs, the Company signed a management service contract with DEIL in May 2015, and the Company would provide the service of management consultation. The fees are calculated and charged based on the contract.

h. Management service fees – investment (classified as other gain and loss)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
TUVM	<u>\$ 177</u>	<u>\$ 268</u>

i. Management service fees – management (accounting for expense of management and research and development)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
UM	\$ 134,113	\$ 122,603

Others	<u>5,362</u>	<u>5,160</u>
	<u>\$ 139,475</u>	<u>\$ 127,763</u>

j. Rent expense (classified as operating expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
APC	\$ 3,024	\$ 3,032
TTC	<u>910</u>	<u>910</u>
	<u>\$ 3,934</u>	<u>\$ 3,942</u>

Based on the rental contract between the Company and the related parties, the rents refer to the market rents of the neighboring building and are calculated based on the square feet and service proportion. The rents are paid on the monthly basis.

k. Commissions expense (accounting for selling and marketing expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
USI Trading (Shanghai)	<u>\$ 956</u>	<u>\$ 513</u>

l. Storage tank operation expense (classified as cost of goods sold)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
CGTD	<u>\$ 30,260</u>	<u>\$ 47,818</u>

m. Donation expenses (classified as general & administrative expenses)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Other related parties		
USI Education Foundation	<u>\$ 4,000</u>	<u>\$ 3,000</u>

n. Other expenses (classified as operating expenses, research and development expenses, and other gain and loss)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary	<u>\$ 221</u>	<u>\$ 2,304</u>

o. Revenue from selling raw materials (classified as other revenues)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
APC	\$ 213,766	\$ 72,862
Others	<u>1,165</u>	<u>270</u>

\$ 214,931

\$ 73,132

p. Revenue from survey fee of importing ethylene (classified as other revenues)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
CGTD	\$ 832	\$ 704
Others	<u>20</u>	<u>-</u>
	<u>\$ 852</u>	<u>\$ 704</u>

q. Gains on disposals of property, plant and equipment (classified as other gain and loss)

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
USI (Hong Kong)	<u>\$ 889</u>	<u>\$ 889</u>

The Hong Kong branch of the Company sold property, plant and equipment to USI (Hong Kong) in August 2005 for NT\$18,049 thousand (HKD4,180 thousand). As of the end of 2021 and 2020, the unrealized gain is NT\$3,257 thousand and NT\$4,146 thousand, respectively, which have been deferred and are reversed and recognized based on the equipment estimated duration life.

r. Accounts receivable

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		
USI Trading (Shanghai)	\$ 46,493	\$ 33,203
Forever Young	24,324	28,645
USI (Hong Kong)	23,142	24,644
SPC	12,498	7,512
Others	<u>11</u>	<u>76</u>
	<u>\$ 106,468</u>	<u>\$ 94,080</u>

No collateral has been received for the accounts receivable outstanding from related parties. No allowance for losses was provided for the accounts receivable for the years ended 2021 and 2020.

s. Other receivables

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		
APC	\$ 228,869	\$ 58,712
TVCM	227,039	96,071
USI (Hong Kong)	-	51,190
Others	<u>12,945</u>	<u>14,216</u>

\$ 468,853

\$ 220,189

Other receivables from USI (Hong Kong) accounted are the receivables for surplus repatriation. The Company's application subject to the Management, Utilization and Taxation for Patriated Offshore Funds Act was approved to repatriate the funds by the Ministry of Finance in January 2021 and deposited the net value after tax to foreign exchange deposit account, which was accounted for financial assets measured at amortized cost. Please refer to Note 9.

t. Accounts payable

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		
APC	\$ 390,410	\$ 185,681
SPC	<u>4,039</u>	<u>2,609</u>
	<u>\$ 394,449</u>	<u>\$ 188,290</u>

No collateral has been received for the accounts payable outstanding from related parties.

u. Other payables

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		
UM	\$ 6,743	\$ 5,010
CGTD	5,971	5,340
SPC	2,085	-
Others	<u>1,396</u>	<u>1,556</u>
	<u>\$ 16,195</u>	<u>\$ 11,906</u>

v. Other unearned revenue (classified as other current liabilities)

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary	<u>\$ 284</u>	<u>\$ 284</u>

w. Loans to related parties (classified as other receivables)

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		
USIGE	<u>\$ 125,000</u>	<u>\$ -</u>

Interest income

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Subsidiary		
USIGE	<u>\$ 271</u>	<u>\$ -</u>

The Company's funds loaned to USIGE were unsecured loans at interest rates similar to market rates. Such loans are expected to be recovered within one year, and there is no expected credit loss after assessment.

x. Endorsement and Guarantees (customs and bank loans)

<u>Related Party Category/Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary		
UPIIC	\$ 2,600,000	\$ 3,900,000
CLTC	308,400	304,800
USIGE	<u>200,000</u>	<u>-</u>
	<u>\$ 3,108,400</u>	<u>\$ 4,204,800</u>

y. Compensation of key management personnel

The aggregate amounts of the remuneration of directors and other members of key management personnel were as follows:

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Short-term employee benefits	\$ 49,562	\$ 41,718
Retirement benefits	<u>491</u>	<u>324</u>
	<u>\$ 50,053</u>	<u>\$ 42,042</u>

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

32. COLLATERALIZED ASSETS

The following assets of the Company were provided as guarantees for the purchase payment and outward documentary bill:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Time deposits		
- classified as financial assets		
measured at amortized cost - current	\$ 61,149	\$ 60,893
- Classified as other non-current assets	<u>21,778</u>	<u>21,612</u>
	<u>\$ 82,927</u>	<u>\$ 82,505</u>

33. SIGNIFICANT CONTINGENT LIABILITY AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

a. As of the years ended December 31, 2021 and 2020, the letter of credit which the Company issued and was unused amounted to NT\$1,251,196 thousand and NT\$1,033,822 thousand, respectively. The margins of endorsement of the related parties amounted to NT\$3,108,400 thousand and NT\$4,204,800 thousand, respectively. Please see the note 30 and note 31.

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.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015 to pledge certificates of bank deposits of NT\$227,540 thousand (including interest) to Kaohsiung City Government as collateral for the losses 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 28, 2022, the provisionally attached properties were worth NT\$12,472 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.

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 28, 2022, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against CGTD, LCY Chemical Corp. and CPC 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\$1,341,128 thousand)

have been gradually announced starting from June 22, 2018. The proportion of fault-based liabilities of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most of the case judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants are liable for was approximately NT\$401,979 thousand, of which the court ruled an exemption for CGTD in the amount of NT\$6,194 thousand. 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\$2,012,493 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 upper limit of 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.

34. SIGNIFICANT CONTRACTS

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. (2) DEIL and Fujian Petrochemical Chemical Co., Ltd. ("FPCL") jointly established a company to operate the target business of the joint venture (hereinafter referred to as "Gulei") in Gulei Industrial Park, Zhangzhou, Fujian Province 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.

As of December 31, 2021, the Company and APC cumulatively invested US\$246,670 thousand (approximately NT\$7,645,981 thousand) and US\$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.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies and aggregated by foreign currencies other than functional currencies and the related exchange rates. Assets and liabilities with significant impact recognized in foreign currencies are as follows:

Unit: each foreign currency/carrying amounts are
in thousands

	December 31, 2021		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 41,774	27.68	\$ 1,156,058
RMB	325,789	4.34	1,414,490
<u>Non-monetary items</u>			
Joint ventures accounted for using the equity			
USD	299,996	27.68	8,303,880
HKD	17,942	3.55	63,676
RMB	30,005	4.34	130,269
Derivatives			
USD Sell	4,260	27.68	624
RMB Sell	86,600	4.34	740

	December 31, 2021		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	24,537	27.68	679,192
<u>Non-monetary items</u>			
Derivatives			
RMB Sell	151,100	4.34	2,492
	December 31, 2020		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 23,057	28.48	\$ 656,654
RMB	217,015	4.36	947,226
<u>Non-monetary items</u>			
Joint ventures accounted for using the equity			
USD	307,852	28.48	8,767,625
HKD	18,375	3.67	67,491
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	11,045	28.48	314,559
JPY	8,975	0.28	2,480
<u>Non-monetary items</u>			
Derivatives			
RMB Sell	176,600	4.36	11,522

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange losses were NT\$14,621 thousand and NT\$1,696 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

36. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. Information on 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 accumulative costs/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:

As of the end of year of 2021, the related information of the Company and the subsidiaries which applied the forward exchange transaction is as follows:

<u>December 31, 2021</u>	<u>Currencies</u>	<u>Expiration date</u>	<u>Contract amount (in thousands)</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

10) Information on investees. (Table 7)

c. Information on investments in mainland China

1) Information on investee company in mainland China, including the name, principal 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 area. (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 substantial shareholders: Name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%. (Table 9)

USI CORPORATION AND INVESTEE COMPANIES
FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 (Note 3)	Actual Borrowing Amount (Note 3)	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
													Name	Value			
0	USI CORPORATION	USI Green Energy Corporation	Other receivables - related parties	Yes	\$ 400,000	\$ 200,000	\$ 125,000	0.80	2	\$ -	Business turnover	\$ -	-	-	\$ 10,184,800	\$ 10,184,800	

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, 2021.

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

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

USI CORPORATION AND INVESTEE COMPANIES
Acme Electronics Corporation
FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 1-1

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period (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
													Name	Value			
0	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Other receivables from related parties	Yes	\$ 278,500 (USD10,000 thousand)	\$ -	\$ -	1.12675%~2.82663%	2	\$ -	Business turnover	\$ -	-	-	\$ 534,016	\$ 534,016	

Note 1. Total financing amounts provided to others shall not exceed 40% of ACME's net value, and the highest aggregate financing limits were calculated by the net value as of December 31, 2021.

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 amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES
Swanson Plastics Corporation
FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 December 31 (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
													Name	Value			
1	Forever Young Company Limited	Swanson International Ltd.	Other receivables	Yes	\$ 88,601	\$ 41,529	\$ 41,529	-	2	\$ -	Business turnover	\$ -	-	-	\$ 69,670	\$ 104,504	
2	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables	Yes	219,009	164,977	164,977	3.85	2	-	Business turnover	-	-	-	516,104	516,104	
3	Swanson Plastics (Singapore) Pte., Ltd.	PT. Swanson Plastics Indonesia	Other receivables	Yes	14,268	-	-	-	2	-	Business turnover	-	-	-	350,871	350,871	

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 amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES
 ENDORSEMENTS/GUARANTEES PROVIDED
 FOR THE YEAR ENDED DECEMBER 31, 2021

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
		Company Name	Relationship										
0	USI CORPORATION	Union Polymer Int'l Investment Corp.	Subsidiary which directly held more than 50% of ordinary shares	\$ 12,731,000	\$ 3,900,000	\$ 2,600,000	\$ 685,000	\$ -	10.21	\$ 15,277,199	Yes	No	No
0	USI CORPORATION	USI Green Energy Corporation	Subsidiary which directly held more than 50% of ordinary shares	12,731,000	200,000	200,000	-	-	0.79	15,277,199	Yes	No	No
0	USI CORPORATION	Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	12,731,000	308,400 (USD5,000 thousand) (NTD170,000 thousand)	308,400 (USD5,000 thousand) (NTD170,000 thousand)	76,863	-	1.21	15,277,199	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, 2021.

Note 2. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2021

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)	\$ 2,002,562	\$ 486,500 (USD17,500 thousand)	\$ 484,400 (USD17,500 thousand)	\$ 207,600 (USD7,500 thousand)	-	36.28%	\$ 2,670,082	No	No	Yes	
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	2,002,562	83,400 (USD3,000 thousand)	83,040 (USD3,000 thousand)	-	-	6.22%	2,670,082	No	No	Yes	
		ACME Electronics (Cayman) Corp.	Subsidiary of Acme Electronics Corporation	2,002,562	222,400 (USD8,000 thousand)	221,440 (USD8,000 thousand)	221,400 (USD8,000 thousand)	-	16.59%	2,670,082	No	No	No	

Note 1. The rate was calculated by the equity of ACME as of December 31, 2021.

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, 2021.

Note 3. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2021

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 Collaterals	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	\$ 5,290,204	\$ 51,078	\$ 49,547	\$ -	\$ -	1.87	\$ 6,612,755	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsidiary	5,290,204	34,242	33,216	-	-	1.26	6,612,755	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsidiary	5,290,204	85,605	83,040	-	-	3.14	6,612,755	No	No	Yes	
0	Swanson Plastics Corporation	Swanson Technologies Corporation	Subsidiary	5,290,204	219,796	155,008	50,000	-	5.86	6,612,755	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Tianjin) Co., Ltd.	Sub-subsidiary	5,290,204	28,535	27,680	-	-	1.05	6,612,755	No	No	Yes	
0	Swanson Plastics Corporation	PT. Swanson Plastics Indonesia	Subsidiary	5,290,204	57,070	55,360	-	-	2.09	6,612,755	No	No	No	
0	Swanson Plastics Corporation	Forever Young Co., Ltd.	Subsidiary	5,290,204	1,438,419	1,414,448	-	-	53.47	6,612,755	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 amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2021

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	\$ 6,697,786	\$ 2,450,000	\$ 1,000,000	\$ -	\$ -	8.96	\$ 11,162,977	No	No	No	

Note 1. The ratio was calculated by the equity of CGPC as of December 31, 2021.

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 INVESTEE COMPANIES
Taita Chemical Company, Ltd.
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021

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	\$ 7,661,813	\$ 876,800 (USD10,000 thousand) (NTD600,000 thousand)	\$ 166,080 (USD6,000 thousand)	\$ -	\$ -	2.17	\$ 11,492,720	No	No	No	
0	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Subsidiaries that the Company's subsidiaries hold 100% of common equity directly	7,661,813	564,395 (RMB130,000 thousand)	564,395 (RMB130,000 thousand)	-	-	7.37	11,492,720	No	No	Yes	

Note 1. The amount was calculated based on the spot exchange rate as of December 31, 2021.

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 INVESTEE COMPANIES
MARKETABLE SECURITIES HELD
DECEMBER 31, 2021

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, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI CORPORATION	Shares							
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income - non-current	15,130,656	\$ 562,860	1.98	\$ 562,860	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	9,954,950	164,720	11.20	164,720	
	AU Optronics Corporation	-	Financial assets at fair value through other comprehensive income - non-current	8,514,006	194,971	0.09	194,971	
	United Microelectronics Corporation	-	Financial assets at fair value through profit or loss - current	150,000	9,750	-	9,750	
	Evergreen Marine Corporation	-	Financial assets at fair value through profit or loss - current	473,251	67,438	-	67,438	
	UPC Technology Corporation	-	Financial assets at fair value through profit or loss - current	700,000	15,120	-	15,120	
	Quanta Computer Incorporated	-	Financial assets at fair value through profit or loss - current	200,000	18,940	-	18,940	
	ShunSin Technology Holdings Limited	-	Financial assets at fair value through profit or loss - current	80,000	7,440	-	7,440	
	China Steel Corporation	-	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978	
	Tungsho Steel Corporation	-	Financial assets at fair value through profit or loss - current	368,500	24,726	-	24,726	
	Teratech Corp.	-	Financial assets at fair value through profit or loss - non-current	110,000	-	-	-	
	Fund beneficiary certificates							
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,642,877	60,019	-	60,019	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	15,516,171	240,055	-	240,055	
Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,235,979	80,000	-	80,000		
Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,031,543	230,055	-	230,055		
CTBC Hwa-Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,595,506	40,008	-	40,008		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,942,704	\$ 134,012	-	\$ 134,012	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	20,046,518	329,156	-	329,156	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	16,379,377	235,051	-	235,051	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,136,287	100,004	-	100,004	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,508,754	120,548	-	120,548	
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	971,287	175,042	-	175,042	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,245,740	263,255	-	263,255	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	16,702,410	250,321	-	250,321	
	SinoPac TWD Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,833,977	110,045	-	110,045	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	3,340,000	\$ 60,554	-	\$ 60,554	
Union Polymer Investment Corp.	Int'l Shares (Asia Polymer Corporation)	Investments accounted for using the equity method	Financial assets at fair value through other comprehensive income - non-current	22,182,486	812,988	3.74	812,988	
	China General Plastics Corporation	Investments accounted for using the equity method	Financial assets at fair value through other comprehensive income - non-current	4,469,307	155,085	0.77	155,085	
	Taita Chemical Company, Ltd.	Investments accounted for using the equity method	Financial assets at fair value through other comprehensive income - non-current	434,527	15,013	0.11	15,013	
Swanlake Traders Ltd.	Shares							
	SOHOWare Inc.	—	Financial assets at fair value through other comprehensive income - non-current	1,150,000	-	1.05	-	Note 2
	TGF Linux Communications Inc.	—	Financial assets at fair value through other comprehensive income - non-current	300,000	-	2.14	-	Note 2
	Neurosky Inc. Preferred Stock D	—	Financial assets at fair value through other comprehensive income - non-current	2,397,364	-	0.70	-	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USIFE Investment Co., Ltd.	Shares							
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - current	1,266,061	\$ 28,993	0.01	\$ 28,993	
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - non-current	1,266,061	28,993	0.01	28,993	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - non-current	1,502,433	128,458	0.28	128,458	
	Solargiga Energy Holdings Limited	—	Financial assets at fair value through other comprehensive income - non-current	11,876,111	17,491	0.37	17,491	
	Dah Chung Bills Finance Corp.	—	Financial assets at fair value through other comprehensive income - non-current	482,757	7,430	0.10	7,430	
	Swanson Plastics Corporation	Same chairman	Financial assets at fair value through other comprehensive income - non-current	9,198,980	134,029	5.96	134,029	
	USI Optronics Corporation	Same chairman	Financial assets at fair value through other comprehensive income - non-current	165,279	205	0.25	205	
	Digimax Inc.	—	Financial assets at fair value through other comprehensive income - non-current	23,234	-	0.05	-	
	Silicon Technology Investment (Cayman) Corp.	—	Financial assets at fair value through other comprehensive income - non-current	911,849	50,562	1.77	50,562	
	China General Plastics Corporation	Same chairman	Financial assets at fair value through profit or loss - current	550,722	19,110	0.09	19,110	
	(Asia Polymer Corporation)	Same chairman	Financial assets at fair value through profit or loss - current	1,714,180	62,825	0.29	62,825	
	Taita Chemical Company, Ltd.	Same chairman	Financial assets at fair value through profit or loss - current	1,338,240	46,236	0.35	46,236	
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss - current	500,000	10,800	0.04	10,800	
China Steel Corporation	—	Financial assets at fair value through profit or loss - current	325,000	11,489	-	11,489		
Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	150,750	10,115	0.02	10,115		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan United Venture Capital Corp.	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	60,000	\$ 3,900	-	\$ 3,900	
	Evergreen Marine Corporation	—	Financial assets at fair value through profit or loss - current	158,416	22,574	-	22,574	
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	25,000	2,325	0.02	2,325	
	Acme Electronics Corporation	Same chairman	Financial assets at fair value through profit or loss - current	500,000	26,750	0.27	26,750	
	Superactive Group Company Limited	—	Financial assets at fair value through profit or loss - current	678,000	464	-	464	
	Beneficiary certificates							
	Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,907,988	80,837	-	80,837	
	Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	3,440,659	50,113	-	50,113	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,844,200	73,396	-	73,396	
	Beneficiary certificates							
	Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	3,399,556	49,514	-	49,514	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,391,849	55,156	-	55,156	
	Shares							
	Innovation & Infinity Global Corp.	—	Financial assets at fair value through profit or loss - non-current	720,804	-	0.73	-	
	Teratech Corp.	—	Financial assets at fair value through profit or loss - non-current	90,000	-	0.58	-	
	MiTAC Holdings Corporation	—	Financial assets at fair value through other comprehensive income - current	2,062,000	72,582	0.17	72,582	
Chitec Technology Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	407,072	21,677	1.37	21,677		
Leadwell Cnc Machines Mfg., Corp.	—	Financial assets at fair value through other comprehensive income - non-current	419,753	10,603	0.68	10,603		
Digimax Inc.	—	Financial assets at fair value through other comprehensive income - non-current	518,898	-	1.18	-		
Orgchem Technologies, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	594,594	6,243	1.09	6,243		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Hexawave Inc.	—	Financial assets at fair value through other comprehensive income - non-current	109,109	\$ 817	0.27	\$ 817	
	Uranus Chemicals Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	14,021	379	0.03	379	
	Neuro Sky, Inc. Preferred Stock A	—	Financial assets at fair value through other comprehensive income - non-current	10,000,000	-	1.42	-	
	Neuro Sky, Inc. Preferred Stock B	—	Financial assets at fair value through other comprehensive income - non-current	12,595,523	-	1.78	-	
	Neuro Sky, Inc. Preferred Stock C	—	Financial assets at fair value through other comprehensive income - non-current	4,532,823	-	0.64	-	
Taiwan United Venture Management Corporation	Beneficiary certificates Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	91,730	\$ 1,336	-	\$ 1,336	
INOMA Corporation	Beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	446,739	6,111	-	6,111	
USI Optronics Corporation	Beneficiary certificates Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,016,620	15,236	-	15,236	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	887,541	12,140	-	12,140	
	Yuanta De-Bao Money Market Fund	—	Financial assets at fair value through profit or loss - current	498,596	6,048	-	6,048	
USI Management Consulting Corporation	Beneficiary certificates Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	2,747,092	40,011	-	40,011	

Note 1. All securities in the table include stocks, bonds, 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 INVESTEE COMPANIES

China General Plastics Corporation

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

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, 2021				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 fair value through profit or loss - current	2,898,000	\$ 52,541	-	\$ 52,541	Note 1
	Fund beneficiary certificates							
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,172,035	80,018	-	80,018	Note 1
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,981,272	50,000	-	50,000	Note 1
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,740,627	45,000	-	45,000	Note 1
	Shares							
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978	Note 1
	Quanta Computer Incorporated	—	Financial assets at fair value through profit or loss - current	125,000	11,837	-	11,837	Note 1
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	167,500	11,239	-	11,239	Note 1
United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	120,000	7,800	-	7,800	Note 1	
ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	51,000	4,743	-	4,743	Note 1	
KHL IB Venture Capital Co., Ltd.	—	Financial assets at FVTOCI - non-current	4,977,475	82,377	5.95	82,377	Note 1	
Taiwan VCM Corporation	Shares (Asia Polymer Corporation)	With the same main shareholders as CGPC	Financial assets at FVTOCI - non-current	130,244	4,774	0.02	4,774	Note 1
CGPC Polymer Corporation	Fund beneficiary certificates							
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,774,597	144,075	-	144,075	Note 1
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,464,876	100,020	-	100,020	Note 1
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,968,690	100,003	-	100,003	Note 1
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,384,646	70,118	-	70,118	Note 1
Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,386,606	60,003	-	60,003	Note 1	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
CGPC (BVI) Holding Co., Ltd.	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,715,381	57,000	-	57,000	Note 1
	Taiwan Cooperative Bank Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,437,835	25,000	-	25,000	Note 1
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	971,782	16,006	-	16,006	Note 1
	Shares Teratech Corporation	—	Financial assets at fair value through profit or loss - non-current	112,000	\$ -	0.67	\$ -	Notes 1 and 3
	SOHOware, Inc - preferred shares	—	Financial assets at fair value through profit or loss - non-current	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 and net worth.

Note 3. As of the year ended December 31, 2021, 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 INVESTEE COMPANIES

Taita Chemical Company, Ltd.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

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, 2021				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	Shares USI CORPORATION	Parent company	Financial assets at fair value through other comprehensive income - non-current	15,109,901	\$ 476,718	1.27	\$ 476,718	Note 1
	Harbinger Venture Capital Corp.	—	Financial assets at fair value through other comprehensive income - non-current	990	7	0.50	7	Note 3
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss - current	700,000	15,120	0.05	15,120	Note 1
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978	Note 1
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	167,500	11,239	0.02	11,239	Note 1
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	120,000	7,800	-	7,800	Note 1
	Quanta Computer Incorporated	—	Financial assets at fair value through profit or loss - current	125,000	11,837	-	11,837	Note 1
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	48,000	4,464	0.04	4,464	Note 1
	Fund beneficiary certificates FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	554,887	100,000	-	100,000	Note 2
	UPAMC James Bond Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,963,490	50,001	-	50,001	Note 2
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,777,217	62,020	-	62,020	Note 2
	Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,036,468	50,012	-	50,012	Note 2
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,136,099	100,001	-	100,001	Note 2
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,310,690	100,000	-	100,000	Note 2
	KGI Victory Money Market Fund	—	Financial assets at fair value through profit or loss - current	8,552,784	100,000	-	100,000	Note 2
	Beneficiary securities Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	3,280,000	59,466	-	59,466	Note 1
	TAITA (BVI) Holding Co., Ltd.	Shares Budworth Investment Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	20,219	6 (US\$ - thousand)	2.22	6 (US\$ - thousand)
Teratech Corporation		—	Financial assets at fair value through profit or loss - non-current	112,000	-	0.73	-	Note 4
Sohoware Inc. - Preferred Shares		—	Financial assets at fair value through profit or loss - non-current	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 2021.

Note 2.The fair value was calculated based on the net asset value on the last trading day of December 2021.

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 the year ended December 31, 2021, TTC evaluated the fair value of the equity investment as NT\$0.

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

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

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, 2021				Remark
				Share/Unit	Carrying amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	Shares							
	Harbinger Venture Capital Corp.	—	Financial assets at fair value through other comprehensive income - non-current	2,377	\$ 17	1.20	\$ 17	
	Riselink Venture Capital Corp.	—	Financial assets at fair value through other comprehensive income - non-current	2,632	221		221	
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	9,954,950	164,755	1.67 11.90	164,755	
	USI CORPORATION	Parent company	Financial assets at fair value through other comprehensive income - non-current	101,355,673	3,197,772	8.53	3,197,772	
	CTCI Corporation	—	Financial assets at fair value through other comprehensive income - non-current	14,446,107	537,395	1.89	537,395	
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - non-current	9,618,516	220,264	0.10	220,264	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - current	518,668	44,346	0.10	44,346	
	Quanta Computer Incorporated	—	Financial assets at fair value through profit or loss - current	200,000	18,940	0.01	18,940	
	Evergreen Marine Corporation	—	Financial assets at fair value through profit or loss - current	473,251	67,438	0.01	67,438	
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss - current	150,000	9,750	-	9,750	
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss - current	368,500	24,726	0.05	24,726	
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	650,000	22,978	-	22,978	
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss - current	70,000	6,510	0.07	6,510	
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss - current	700,000	15,120	0.05	15,120	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	3,316,000	60,119	-	60,119	
Beneficiary certificates								
Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,095,391	64,597	-	64,597		
Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	20,955,933	314,069	-	314,069		
Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,509,725	40,134	-	40,134		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Remark
				Share/Unit	Carrying amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,388,163	\$ 60,024	-	\$ 60,024	
	CTBC Hwa-Win Money Market Fund	—	Financial assets at fair value through profit or loss – current	5,392,241	60,000	-	60,000	
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss – current	6,466,507	100,045	-	100,045	
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss – current	14,478,773	175,021	-	175,021	
	Shares Budworth Investment Ltd.	—	Financial assets at fair value through other comprehensive income – non-current	40,467	8	4.45	8	
	Silicon Technology Investment (Cayman) Corp. – Preferred Shares	—	Financial assets at fair value through other comprehensive income – non-current	1,139,776	63,199	2.21	63,199	
	Neurosky Inc. – Preferred Stock D	—	Financial assets at fair value through other comprehensive income – non-current	2,397,364	-	0.37	-	Note 1
	Solargiga Energy Holdings Ltd.	—	Financial assets at fair value through other comprehensive income – non-current	15,863,333	\$ 23,364	0.48	\$ 23,364	
	Teratech Corp.	—	Financial assets at fair value through other comprehensive income – non-current	112,000	-	0.67	-	Note 1
	TGF Linux Communication, Inc. – Preferred Shares	—	Financial assets at fair value through profit or loss – non-current	300,000	-	-	-	Note 1
Sohoware Inc. – Preferred Shares	—	Financial assets at fair value through profit or loss – non-current	450,000	-	-	-	Note 1	
Boldworks, Inc. – Preferred Shares	—	Financial assets at fair value through profit or loss – non-current	689,266	-	-	-	Note 1	
APC Investment Corporation	Shares USI CORPORATION	Parent company	Financial assets at fair value through profit or loss – current	44,808	1,414	-	1,414	
	United Microelectronics Corporation	—	Financial assets at fair value through profit or loss – current	60,000	3,900	-	3,900	
	Evergreen Marine Corporation	—	Financial assets at fair value through profit or loss – current	158,416	22,574	-	22,574	
	UPC Technology Corporation	—	Financial assets at fair value through profit or loss – current	500,000	10,800	0.04	10,800	
	China Steel Corporation	—	Financial assets at fair value through profit or loss – current	325,000	11,489	-	11,489	
	Tungho Steel Corporation	—	Financial assets at fair value through profit or loss – current	150,750	10,115	0.02	10,115	
	ShunSin Technology Holdings Limited	—	Financial assets at fair value through profit or loss – current	25,000	2,325	0.02	2,325	
	Beneficiary certificates Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss – current	1,292,518	16,233	-	16,233	

Note 1. As a result of the recognition of investment losses over the years, the book value 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 INVESTEE COMPANIES

China General Terminal & Distribution Co.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

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, 2021				Remark
				Share/Unit	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 fair value through other comprehensive income – non-current	5,290,482	\$ 193,896	0.89	\$ 193,896	Note 1
	China General Plastics Corporation	Investee Companies Using Equity Method for CGTD	Financial assets at fair value through other comprehensive income – non-current	2,940,788	102,045	0.51	102,045	Note 1
	Taita Chemical Company, Ltd.	Investee Companies Using Equity Method for CGTD	Financial assets at fair value through other comprehensive income – non-current	2,169,731	74,964	0.57	74,964	Note 1
	China Steel Corporation	—	Financial assets at fair value through profit or loss – current	499,552	17,659	-	17,659	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 INVESTEE COMPANIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 4

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
USI CORPORATION	Beneficiary certificates													
	FSITC Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	372,668	\$ 67,000	1,526,966	\$ 275,000	928,347	\$ 167,114	\$ 167,000	\$ 114	971,287	\$ 175,000
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	3,969,627	61,000	40,295,984	623,000	28,749,440	444,505	444,000	505	15,516,171	240,000
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	-	-	55,760,130	940,000	47,817,426	806,264	806,000	264	7,942,704	134,000
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	16,662,140	273,000	93,409,004	1,532,000	90,024,626	1,476,294	1,476,000	294	20,046,518	329,000
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	5,884,596	71,000	73,284,778	885,000	60,137,831	726,186	726,000	186	19,031,543	230,000
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	-	-	9,118,948	150,000	9,118,948	150,110	150,000	110	-	-
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss – current	-	—	12,815,912	200,000	1,921,574	30,000	14,737,486	230,041	230,000	41	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	7,379,140	120,000	14,123,876	230,000	15,366,731	250,140	250,000	140	6,136,287	100,000
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	16,833,145	249,200	16,702,410	250,000	16,833,145	251,765	249,200	2,565	16,702,410	250,000
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	20,116,313	288,000	29,641,446	425,000	33,378,382	478,143	478,000	143	16,379,377	235,000
	SinoPac TWD Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	-	-	14,958,057	210,000	7,124,080	100,007	100,000	7	7,833,977	110,000
	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	9,003,412	100,000	76,924,890	855,000	82,332,796	915,166	915,000	166	3,595,506	40,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	5,497,139	75,000	24,155,195	330,000	10,406,596	142,030	142,000	30	19,245,740	263,000
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss – current	-	—	-	-	18,836,125	310,000	15,193,248	250,037	250,000	37	3,642,877	60,000

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,164,746	140,000	11,164,746	140,021	140,000	21	-	-
	Deutsche Far Eastern DWS Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,007,434	130,000	11,007,434	130,011	130,000	11	-	-
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	55,054,836	564,000	55,054,836	564,083	564,000	83	-	-
USIFE Investment Co., Ltd.	Beneficiary certificates Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,870,081	30,284	3,037,907	50,000	-	-	-	-	4,907,988	80,284
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,451,207	42,238	2,392,993	30,000	-	-	-	-	5,844,200	72,238
Taiwan United Venture Capital Corp.	Beneficiary certificates Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	4,391,849	55,000	-	-	-	-	-	-	4,391,849	55,000
USI Optronics Corporation	Beneficiary certificates Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,016,620	\$ 15,000	-	\$ -	-	\$ -	\$ -	\$ -	\$ 1,016,620	\$ 15,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,257,350	17,000	-	-	369,809	5,048	5,000	48	887,541	12,000
INOMA Corporation	Beneficiary certificates Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	595,654	8,000	-	-	148,915	2,035	2,000	35	446,739	6,000

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

USI CORPORATION AND INVESTEE COMPANIES

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

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 4-1

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			December 31, 2021 (Note)			
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount	
China General Plastics Corporation	Beneficiary certificates														
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	3,109,635	\$ 560,000	3,109,635	\$ 560,061	\$ 560,000	\$ 61	-	\$ -	
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	27,031,631	418,000	21,859,596	338,047	338,000	47	5,172,035	80,000	
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	2,670,433	45,000	2,670,433	45,005	45,000	5	-	-	
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	27,133,187	445,000	24,392,560	400,077	400,000	77	2,740,627	45,000	
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,721,963	190,000	15,721,963	190,017	190,000	17	-	-	
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,012,916	247,000	15,012,916	247,019	247,000	19	-	-	
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	6,407,463	100,000	7,046,540	110,000	13,454,003	210,019	210,000	19	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,140,847	100,000	6,140,847	100,032	100,000	32	-	-	
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,677,975	100,000	6,677,975	100,040	100,000	40	-	-	
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	4,190,295	60,000	40,879,691	586,000	45,069,986	646,101	646,000	101	-	-
	SinoPac TWD Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,121,696	100,000	7,121,696	100,010	100,000	10	-	-	
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss - current	-	-	-	4,501,666	50,000	46,771,745	520,000	51,273,411	570,046	570,000	46	-	-
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	7,255,248	99,000	13,909,262	190,000	21,164,509	289,085	289,000	85	-	-
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	24,661,509	406,000	24,661,509	406,049	406,000	49	-	-	
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,967,178	100,000	3,985,906	50,002	50,000	2	3,981,272	50,000	
Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,718,808	120,000	11,718,808	120,018	120,000	18	-	-		
Taiwan VCM Corporation	Beneficiary certificates														
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	278,042	50,000	-	-	278,042	50,018	50,000	18	-	-
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	3,240,147	50,000	25,887,463	400,000	29,127,610	450,075	450,000	75	-	-

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			December 31, 2021 (Note)			
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount	
CGPC Polymer Corporation	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	11,872,783	200,000	11,872,783	200,012	200,000	12	-	-	
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	610,344	10,000	12,200,702	200,000	12,811,046	210,025	210,000	25	-	-	
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	8,284,524	100,000	8,284,524	100,013	100,000	13	-	-	
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	2,561,689	40,000	2,561,689	40,006	40,000	6	-	-	
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	4,611,100	\$ 75,000	5,529,478	\$ 90,000	10,140,578	\$ 165,036	\$ 165,000	\$ 36	-	\$ -	
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	669,954	10,000	-	-	669,954	10,029	10,000	29	-	-	
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	6,983,874	100,000	22,338,288	320,000	29,322,162	420,059	420,000	59	-	-	
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss - current	—	—	-	-	8,999,199	100,000	8,999,199	100,004	100,000	4	-	-	
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	3,664,588	50,000	5,128,431	70,000	8,793,018	120,044	120,000	44	-	-	
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	6,079,434	100,000	6,079,434	100,009	100,000	9	-	-	
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	14,647,150	150,000	14,647,150	150,009	150,000	9	-	-	
	Beneficiary certificates		—	—											
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	250,312	45,000	1,999,224	360,000	2,249,535	405,209	405,000	209	-	-	
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	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	Financial assets at fair value through profit or loss - current	—	—	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	Financial assets at fair value through profit or loss - current	—	—	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	Financial assets at fair value through profit or loss - current	—	—	-	-	7,288,364	120,000	6,316,582	104,027	104,000	27	971,782	16,000	
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	—	—	1,601,866	25,000	2,625,640	41,000	4,227,506	66,027	66,000	27	-	-	
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	11,991,180	195,000	-	-	11,991,180	195,224	195,000	224	-	-	
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	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	Financial assets at fair value through profit or loss - current	—	—	-	-	7,121,442	100,000	7,121,442	100,011	100,000	11	-	-		
Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	15,393,455	210,000	17,554,152	240,000	28,561,000	390,140	390,000	140	4,386,606	60,000		

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	3,040,475	50,000	3,040,475	50,002	50,000	2	-	-
	Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	3,986,923	50,000	3,986,923	50,037	50,000	37	-	-
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	50,169,944	514,000	47,732,109	489,062	489,000	62	2,437,835	25,000

Note: The beginning and ending amount denote the original acquisition cost.

USI CORPORATION AND INVESTEE COMPANIES

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

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 4-2

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit	Amount
Taita Chemical Company, Ltd.	Beneficiary certificates													
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	554,887	\$ 100,000	-	\$ -	\$ -	\$ -	554,887	\$ 100,000
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	16,171,818	250,000	16,171,818	250,052	250,000	52	-	-
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	21,822,997	368,000	18,859,507	318,049	318,000	49	2,963,490	50,000
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	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 Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,962,057	84,000	37,264,857	450,000	44,226,914	534,088	534,000	88	-	-
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,193,275	250,000	12,156,807	200,081	200,000	81	3,036,468	50,000
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,225,881	85,000	18,423,866	300,000	17,513,648	285,109	285,000	109	6,136,099	100,000
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,022,043	45,000	5,208,229	78,000	8,230,272	123,212	123,000	212	-	-
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	10,118,419	145,000	10,118,419	145,066	145,000	66	-	-
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss - current	-	-	-	-	33,288,910	370,000	33,288,910	370,034	370,000	34	-	-
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	12,439,228	170,000	5,128,538	70,019	70,000	19	7,310,690	100,000
	Nomura Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	3,040,475	50,000	3,040,475	50,008	50,000	8	-	-
	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	24,986,010	256,000	24,986,010	256,018	256,000	18	-	-

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

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

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 4-3

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				December 31, 2021 (Note)	
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
Asia Polymer Corporation	Beneficiary certificates	Financial assets at fair value through profit or loss - current	—	—	-	\$ -	833,164	\$ 150,000	833,164	\$ 150,024	\$ 150,000	\$ 24	-	\$ -
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	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	Financial assets at fair value through profit or loss - current	—	—	-	-	21,349,174	360,000	21,349,174	360,027	360,000	27	-	-
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	9,145,357	150,000	9,145,357	150,040	150,000	40	-	-
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	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	Financial assets at fair value through profit or loss - current	—	—	-	-	3,645,688	60,000	3,645,688	60,001	60,000	1	-	-
	Shin Kong Chi-Shin Money-Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	640,365	10,000	640,365	10,001	10,000	1	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	2,152,072	35,000	1,843,035	30,000	3,995,106	65,026	65,000	26	-	-
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	16,818,904	249,600	4,137,029	62,000	-	-	-	-	20,955,933	311,600
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	26,519,389	380,000	26,519,389	380,063	380,000	63	-	-
	CTBC Hwa-Win Money Market Fund Account	Financial assets at fair value through profit or loss - current	—	—	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	Financial assets at fair value through profit or loss - current	—	—	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	Financial assets at fair value through profit or loss - current	—	—	-	-	1,520,237	25,000	1,520,237	25,003	25,000	3	-	-
	Deutsche Far Eastern DWS Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	19,485,559	230,000	19,485,559	230,039	230,000	39	-	-

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal			December 31, 2021 (Note)		
					Unit/Share	Amount	Unit/Share	Amount	Unit/Share	Selling price	Carrying Cost	Gain on disposal	Unit/Share	Amount
APC Investment Corporation	Taiwan Cooperative Bank Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	4,880,811	50,000	4,880,811	50,003	50,000	3	-	-
	Beneficiary certificates Cathay Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	6,115	2,392,993	30,000	1,600,000	20,083	19,977	106	1,292,518	16,138

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

USI CORPORATION AND INVESTEE COMPANIES

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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 Trade Receivable (payable) (%)	
USI CORPORATION	Asia Polymer Corporation	Subsidiary	Purchase	\$ 1,673,947	15.99	Within 60 days after purchasing on credit	No significant difference	No significant difference	(\$ 390,410)	(27.61)	
	Asia Polymer Corporation	Subsidiary	Sale	(213,766)	(0.30)	Within 60 days after selling on credit	No significant difference	No significant difference	-	-	
	USI (Hong Kong) Company Ltd.	Subsidiary	Sale	(220,464)	(0.31)	Within 60 days after selling on credit	No significant difference	No significant difference	23,142	1.06	
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sale	(214,853)	(0.30)	Within 60 days after selling on credit	No significant difference	No significant difference	46,493	2.12	
	Forever Young Company Limited	Subsidiary	Sale	(114,343)	(0.16)	Within 60 days after selling on credit	No significant difference	No significant difference	24,324	1.11	
USI (Hong Kong) Company Ltd.	USI CORPORATION	Parent company	Purchase	220,464	2.11	Within 60 days after purchasing on credit	No significant difference	No significant difference	(23,142)	(1.64)	
Forever Young Company Limited	USI Corporation	Parent company	Purchase	114,343	1.09	Within 60 days after purchasing on credit	No significant difference	No significant difference	(24,324)	(1.72)	

USI CORPORATION AND INVESTEE COMPANIES

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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 of GAEL	Purchase (including processing fee)	\$ 429,667	39	55 days	No significant difference	No significant difference	(\$ 88,153)	(40)	
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Sale (including processing fee)	(429,667)	(33)	55 days	No significant difference	No significant difference	88,153	26	
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Sale	(130,997)	(10)	55 days	No significant difference	No significant difference	23,131	7	
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Purchase	130,997	54	55 days	No significant difference	No significant difference	(23,131)	(45)	
Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	Sale	(263,484)	(20)	55 days	No significant difference	No significant difference	59,933	19	
Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics Corporation	Subsidiary of ACME (Cayman)	Purchase	263,484	69	55 days	No significant difference	No significant difference	(59,933)	(73)	
Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Products Sdn. Bhd.	Subsidiary of ACME (Cayman)	Sale	(131,681)	(12)	55 days	No significant difference	No significant difference	20,766	6	
ACME Ferrite Products Sdn. Bhd.	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	Purchase	136,681	41	55 days	No significant difference	No significant difference	(20,766)	(38)	

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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.	Swanson Plastics (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	\$ 197,368	78	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$38,773)	(91)	
Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(339,983)	(33)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$26,315	26	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Purchase	129,538	13	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$14,376)	(7)	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	(368,006)	(36)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$42,871	42	
	PT. Swanson Plastics Indonesia	Have the same ultimate parent company	Sale	(124,689)	(12)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$9,714	10	
	USI Corporation	Ultimate parent company	Purchase	110,630	11	75 days	No significant difference	No significant difference	Accounts payable to related parties (\$13,712)	(7)	
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	339,983	33	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$26,315)	(18)	
	ASK-Swanson (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(140,529)	(12)	60 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$36,280	12	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Yong Company Limited	Have the same ultimate parent company	Sale	(129,538)	(13)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$14,376	9	
	Forever Yong Company Limited	Have the same ultimate parent company	Purchase	368,006	50	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$42,871)	(49)	
	Swanson Plastics (Singapore) Pte. Ltd.	Parent company	Sale	(197,368)	(20)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$38,773	23	
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Purchase	140,529	51	60 days	No significant difference	No significant difference	Accounts payable to related parties (\$36,280)	(77)	
PT. Swanson Plastics Indonesia	Forever Young Company Limited	Have the same ultimate parent company	Purchase	124,689	42	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$9,714)	(38)	

USI CORPORATION AND INVESTEE COMPANIES

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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	Taiwan VCM Corporation	Subsidiary	Purchase	\$ 7,071,763	79	45 days	No significant difference	No significant difference	Accounts payable to related parties (\$1,489,862)	(87)	
	CGPC America Corporation	Subsidiary	Sale	(679,417)	(6)	90 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$189,714	14	
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(7,071,763)	(48)	45 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$1,489,862	47	
	CGPC Polymer Corporation	Fellow company	Sale	(6,585,350)	(45)	75 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$1,361,638	43	
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow company	Purchase	6,585,350	97	75 days	No significant difference	No significant difference	Accounts payable to related parties (\$1,361,638)	(98)	
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchase	679,417	89	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$189,714)	(98)	

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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 (Sales) (%)	Credit Terms	Unit Price	Credit Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable) (%)	
Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Sub-subsiary	Sale	(\$ 1,049,003) (USD37,578 thousand)	(6.67)	30 days	No significant difference	No significant difference	Accounts receivable from related parties NT\$542 (USD20 thousand)	0.03	

USI CORPORATION AND INVESTEE COMPANIES

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

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 5-5

(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) (%)	
Asia Polymer Corporation	USI CORPORATION	Ultimate parent company	Sale	(\$ 1,673,192)	(17.50)	60 days	No significant difference	No significant difference	Accounts receivable – related parties NT\$399,887	28.17	
Asia Polymer Corporation	USI CORPORATION	Ultimate parent company	Purchase	213,752	4.53	30 days	No significant difference	No significant difference	Accounts payable to related parties (\$28,177)	(9.45)	
USI Trading (Shanghai) Co., Ltd.	USI CORPORATION	Ultimate parent company	Purchase	216,155	4.59	30 days	No significant difference	No significant difference	Accounts payable to related parties (\$46,493)	(15.59)	

USI CORPORATION AND INVESTEE COMPANIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021

TABLE 6

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

Company Name	Counterparty	Relationship	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 of the Company	Other receivables - related parties NT\$227,039	-	\$ -	—	\$ 227,039	Note 1
	Asia Polymer Corporation	Subsidiary of the Company	Other receivables - related parties NT\$228,869	-	-	—	228,869	Note 1
	USI Green Energy Corporation	Subsidiary of the Company	Other receivables - related parties NT\$125,001	-	-	—	125,001	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, 2022 to March 10, 2022.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

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

DECEMBER 31, 2021

TABLE 6-1

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

Company Name	Counterparty	Relationship	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.	Fellow company	Others accounts receivable - related parties NT\$165,717 (RMB38,170 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, 2022 to March 8, 2022.

USI CORPORATION AND INVESTEE COMPANIES

China General Plastics Corporation

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

DECEMBER 31, 2021

TABLE 6-2

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

Company Name	Counterparty	Relationship	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 NT\$189,714	4.52	\$ -	—	\$ 84,313	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable - related parties NT\$1,489,862	5.53	-	—	1,489,862	Note 1
	CGPC Polymer Corporation	Fellow company	Accounts receivable - related parties NT\$1,361,638	4.70	-	—	1,361,638	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, 2022 to February 24, 2022.

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

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

DECEMBER 31, 2021

TABLE 6-3

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

Company Name	Counterparty	Relationship	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-subsidiary	Other receivables NT\$ 256,014 (USD9,249 thousand) (Note 1)	-	\$ 256,014	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 9, 2022.

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

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

DECEMBER 31, 2021

TABLE 6-4

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

Company Name	Counterparty	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Asia Polymer Corporation	USI CORPORATION	Parent company	Accounts receivable - related parties NT\$399,887	5.68	\$ -	—	\$ 399,887	Note 1
			Other accounts receivable - related parties NT\$2		-	—	2	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, 2022 to March 9, 2022.

USI CORPORATION AND INVESTEE COMPANIES
INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
USI CORPORATION	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focused on "production, transportation, storage, building, bank, securities investment and trading industry")	\$ 550,000	\$ 550,000	87,250,800	100.00	\$ 1,088,028	\$ 91,531	\$ 91,531	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	1,270,746	11,265	11,265	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	63,676	(1,566)	(1,566)	Subsidiary
	Union Polymer Int'l Investment Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focused on "production and service industry")	3,490,255	3,490,255	746,722,725	100.00	10,447,388	2,301,117	2,263,488	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Venture capital (focused on "high technology industry")	471,800	471,800	25,900,000	70.00	190,601	(2,438)	(1,707)	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Import and export trade	28,323	28,323	5,333,059	99.93	65,330	9,208	10,166	Subsidiary
	Swanson Plastics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of stretch film, embossed film and industrial-use multilayer wrap	171,210	171,210	62,616,299	40.58	1,068,346	224,921	91,268	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	221,513	221,513	49,250,733	26.91	343,972	59,329	15,968	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Optical products and fireproof materials	250,354	250,354	9,243,369	94.37	16,854	(2,703)	(2,551)	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Providing management services	1,000	1,000	671,400	100.00	(1,195)	(2,301)	(2,301)	Subsidiary
	Cypress Epoch Limited	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	Investment	-	150,540	-	-	-	-	-	Note 1
	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	7,019,488	(443,454)	(262,227)	Subsidiary
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of sapphire single crystal	330,000	330,000	33,000,000	50.85	48,168	(41,955)	(21,333)	Subsidiary
	USI Green Energy Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Solar power generation business	70,100,000	-	7,010,000	100.00	106,371	2,885	2,279	Subsidiary
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	11,546,574 (USD417,145 thousand)	11,546,574 (USD417,145 thousand)	417,145,000	67.40	11,870,694 (USD428,855 thousand)	(635,890) (USD-22,838 thousand)		Subsidiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Gargen One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investment	16,299,368 (USD588,850 thousand)	16,299,368 (USD588,850 thousand)	588,850,000	85.00	16,785,159 (USD606,400 thousand)	(749,901) (USD-26,932 thousand)		Sub-subsidiary
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of polystyrene, propylene, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	1,749,212	1,749,212	138,863,816	36.67	3,022,815	1,849,932		Sub-subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
USIFE Investment Co., Ltd.	Asia Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	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	5,501,113	3,101,127	Sub-subsidiary	
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	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	2,831,033	2,631,418	Sub-subsidiary	
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of manganese-zinc soft ferrite powder	\$ 155,632	\$ 155,632	16,424,242	8.98	\$ 129,296	\$ 59,329	Subsidiary	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing of plastic film (bag), industrial plastic products and reinforced plastic products	30,000	30,000	2,250,015	15.00	4,358	(13,183)	Sub-subsidiary	
Swanlake Traders Ltd.	Taiwan United Venture Management Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Corporate management consulting	8,000	8,000	800,000	100.00	15,349	548	Sub-subsidiary	
	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	158,038 (USD5,709 thousand)	97,919 (USD3,538 thousand)	8,318,356	16.65	204,916 (USD7,403 thousand)	62,808 (USD2,252 thousand)	Sub-subsidiary	

Note 1. Cypress Epoch Limited was liquidated on September 28, 2021.

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

USI CORPORATION AND INVESTEE COMPANIES

Acme Electronics Corporation

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 7-1

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	\$605,182 (USD18,336 thousand)	\$605,182 (USD18,336 thousand)	25,621,692	51.27	\$ 629,708	\$ 62,808 (USD2,252 thousand)	\$ 32,780 (USD1,175 thousand)	
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Corporate investments	669,072 (USD20,800 thousand)	669,072 (USD20,800 thousand)	20,800,000	100.00	983,512	90,599	90,599	
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of sapphire single crystal	646,200	646,200	22,064,224	34.00	32,206	(41,955)	(14,263)	
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	331,164 (USD11,891 thousand)	331,164 (USD11,891 thousand)	42,600,000	100.00	622,709 (USD22,497 thousand)	45,230 (MYR6,997 thousand)	45,230 (MYR6,997 thousand)	
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	242,134 (MYR37,964 thousand)	242,134 (MYR37,964 thousand)	9,120,000	100.00	613,060 (MYR96,469 thousand)	45,765 (MYR7,080 thousand)	45,765 (MYR7,080 thousand)	

Note 1. The foreign currency amount was calculated based on the spot exchange rate of December 31, 2021.

Note 2. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2021.

Note 3. Please refer to Table 8-1 for relevant information on mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES

Swanson Plastics Corporation

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021 (Note 1)	December 31, 2020 (Note 1)	Number of Shares (In Thousands of Shares)	Percentage (%)	Carrying Amount			
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	\$ 1,764,808	\$ 118,245	\$ 118,245	Note 2
	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	34,835	5,869	5,869	
	Swanson International Ltd.	Ugland House, P.O.Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	454,134	454,134	14,541	100.00	1,608,235	62,939	62,939	Note 2
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	-	4,850	-	-	-	-	-	Note 3
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Planting agriculture, marketing, research and development of agricultural products, production, sale, and development of EVA packaging films and other high value-added plastic products	105,001	140,000	10,500	70.00	20,335	(13,183)	(9,228)	
	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	7,336	47,876	479	
Swanson Plastics (Singapore) Pte., Ltd.	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	182,505 (USD6,593 thousand)	182,505 (USD6,593 thousand)	20,000	100.00	586,411 (USD21,185 thousand)	86,314 (USD3,082 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Manufacturing and marketing of plastic products	457,020 (USD16,511 thousand)	457,020 (USD16,511 thousand)	107,351	100.00	284,595 (USD10,282 thousand)	2,479 (INR6,527 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Manufacturing and marketing of plastic products	715,252 (USD25,840 thousand)	715,252 (USD25,840 thousand)	25,840	99.00	726,243 (USD26,237 thousand)	47,876 (IDR24,496,752 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	196,364 (USD7,094 thousand)	196,364 (USD7,094 thousand)	3,157	100.00	516,906 (USD18,674 thousand)	29,143 (US\$1,040 thousand)		Note 2

Note 1. Original investment amount and book amounts were calculated using the spot exchange rate of December 31, 2021.

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

Note 3. Curtana Company Ltd. completed its liquidation and dissolution in the first quarter of 2021.

USI CORPORATION AND INVESTEE COMPANIES
China General Plastics Corporation
INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021			Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Investment Loss (Loss) for the Year Ended December 31, 2021	Remark
				December 31, 2021	December 31, 2020	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	\$ 2,930,995	259,591,005	87.27	\$ 4,610,674	\$ 1,510,951	\$ 1,189,448	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of PVC resins	800,000	800,000	80,000,000	100.00	1,503,749	580,982	580,982	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	345,845	(2,505)	(2,505)	Subsidiary
	China General Terminal & Distribution Co.	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	22,009,594	33.33	373,731	63,389	21,129	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	194,709	21,914	21,914	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74	23,171	59,329	1,030	Associate accounted for using the equity method

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

USI CORPORATION AND INVESTEE COMPANIES

Taita Chemical Company, Ltd.

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark (Note 1)
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 2,483,948 (USD89,738 thousand)	\$ 2,483,948 (USD89,738 thousand)	89,738,000	100.00	\$ 3,142,621 (USD113,455 thousand)	\$ 211,285 (Profit USD7,532 thousand)	\$ 211,285 (Profit USD7,352 thousand)	Subsidiary
	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	221,245	2,468,676	48,928	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Warehousing of petrochemical raw materials	41,082	41,082	22,009,592	33.33	373,731	63,389	21,130	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	32,429	59,329	1,441	Investments accounted for using the equity method
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	47,056 (USD1,700 thousand)	47,056 (USD1,700 thousand)	2,695,619	5.39	66,405 (USD2,399 thousand)	62,808 (Profit USD2,252 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. Please refer to Table 8-4 for relevant information on mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES

Asia Polymer Corporation

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment business	\$ 381,287 (USD13,774,806)	\$ 381,287 (USD13,774,806)	11,342,594	100.00	\$ 545,802	\$ 27,305	\$ 27,305	Subsidiary
	APC Investment Corporation	Taipei City	Investment	200,000	200,000	20,000,000	100.00	168,090	35,822	35,822	Subsidiary
	USI International Corp.	British Virgin Islands	Reinvestment business	58,128 (USD2,100,000)	58,128 (USD2,100,000)	2,100,000	70.00	62,380	1,047	733	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	900,764	2,468,676	199,203	Investments accounted for using the equity method
	China General Terminal & Distribution Co.	Taipei City	Petrochemical materials storage and transportation operations	41,082	41,082	22,009,593	33.33	373,731	63,389	21,129	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	210,268	224,921	17,880	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	44,186	59,329	1,964	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	22,673	(2,438)	(203)	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	8,718	(41,955)	(3,861)	Investments accounted for using the equity method	
Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment business	4,718,748 (USD170,475,000)	4,718,748 (USD170,475,000)	170,475,000	40.87	4,851,207	(443,454)	(181,227)	Investments accounted for using the equity method	
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment business	145,179 (USD5,244,903 thousand)	145,179 (USD5,244,903)	8,316,450	16.64	204,869	62,703	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment business	24,912 (USD900,000)	24,912 (USD900,000)	900,000	30.00	26,734	1,047	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
APC Investment Corporation	Acme Electronics Corporation	Taipei City	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	14,889	14,889	1,884,548	1.03	13,749	59,329	-	APC Investment Corporation Investments accounted for using the equity method

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Percentage (%)	Carrying Amount			
	Swanson Technologies Corporation	Taipei City	Production and marketing of EVA packaging films	22,500	30,000	2,250,015	15.00	4,357	(13,183)	-	APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment business	11,546,574 (USD417,145,000)	11,546,574 (USD417,145,000)	417,145,000	67.40	11,870,694 (USD428,855 thousand)	(635,890) (USD-22,838 thousand)	-	Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments, Ltd.	Hong Kong	Reinvestment business	16,299,368 (USD588,850,000)	16,299,368 (USD588,850,000)	588,850,000	85.00	16,785,159 (USD606,400 thousand)	(749,901) (USD-26,932 thousand)	-	Ever Victory Global Ltd. Investments accounted for using the equity method

Note 1: Please refer to Table 8-5 for relevant information of mainland investee companies.

USI CORPORATION AND INVESTEE COMPANIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 8

(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, 2021 (Note 6)	Investment Flows for the Year Ended December 31, 2021 (Note 6)		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021 (Note 6)	Net Income (Loss) of the Investee for the Year Ended December 31, 2021 (Note 8)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Notes 7 and 8)	Carrying Amount as of the year ended December 31, 2021 (Note 6)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc soft ferrite core	\$ 850,468 (USD30,725 thousand)	Note 1	\$ 77,989 (USD2,818 thousand)	\$ -	\$ -	\$ 77,989 (USD2,818 thousand)	\$ 45,024 (USD1,616 thousand)	16.65	\$ 7,495 (USD269 thousand)	\$ 137,494 (USD4,967 thousand)	\$ -
USIG (Shanghai) Co., Ltd.	Engage in import and distribution of various types of chemical raw materials and products	138,400 (USD5,000 thousand)	Note 2	138,400 (USD5,000 thousand)	-	-	138,400 (USD5,000 thousand)	2,140 (USD76 thousand)	100.00	2,140 (USD76 thousand)	130,269 (USD4,706 thousand)	-
Fujian Gulei Petrochemical Co., Ltd.	Crude oil processing and petroleum products manufacturing	40,438,468 (RMB9,314,400 thousand)	Note 3	6,323,489 (USD228,450 thousand)	-	-	6,323,489 (USD228,450 thousand)	(1,455,990) (USD-52,302 thousand)	16.94	(246,635) (USD-8,860 thousand)	6,550,610 (USD236,655 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$6,797,392 (USD245,571 thousand)	\$ 8,497,917 (Note 5) (USD307,006 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. 10920403810 on February 11, 2020, 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. The amount was calculated based on the spot exchange rate as of December 31, 2021.

Note 7. 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, Acme Electronics (Kunshan) Co., Ltd., and USIG (Shanghai) Co., Ltd. whose numbers were based on its financial statements reviewed by the Certified Public Accountants of its ROC company.

Note 8. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES
Acme Electronics Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE 8-1

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 7)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 5)	Investment Flows for the Year Ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021 (Note 5)	Net Income (Loss) of Investee for the Year Ended December 31, 2021 (Note 6)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Notes 4 and 6)	Carrying Amount as of the year ended December 31, 2021 (Note 7)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
ACME Electronics (Kunshan)	Manufacturing and marketing of manganese-zinc soft ferrite core	\$ 850,468 (USD30,725 thousand)	Indirect investment via ACME (Cayman).	\$ 374,188 (USD11,144 thousand)	\$ -	\$ -	\$ 374,188 (USD11,144 thousand)	\$ 45,024 (RMB10,406 thousand)	51.27	\$ 23,086 (RMB5,335 thousand)	\$ 423,500 (RMB97,547 thousand)	\$ -
Acme Electronics (Guang-Zhou)	Manufacturing and marketing of manganese-zinc soft ferrite core	531,456 (USD19,200 thousand)	Indirect investment via GAEL.	619,676 (USD19,200 thousand)	-	-	619,676 (USD19,200 thousand)	92,050 (RMB21,222 thousand)	100.00	92,050 (RMB21,222 thousand)	980,424 (RMB225,826 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 839,922 (USD30,344 thousand) (Notes 3 and 7)	\$ 1,014,001 (USD36,633 thousand) (Notes 3 and 7)	\$ -(Note 2)

Note 1. Investment Method II is to reinvest in the mainland companies by establishing a company through investment in the third region.

Note 2. As ACME has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 09704604680 on August 29, 2008, the upper limit on investment in mainland China is not applicable.

Note 3. It includes the capital increase transferred from surplus of Acme Electronics (Kunshan) Co., Ltd., and ACME increased the amount of US\$6,289 thousand at its ownership percentage.

Note 4. 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 5. The calculation was based on the exchange rate of the original investment.

Note 6. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2021.

Note 7. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES
Swanson Plastics Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021	Investment Flows for the Year Ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021	Net Income (Loss) of the Investee for the Year Ended December 31, 2021 (Note 3)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 3)	Carrying Amount as of the year ended December 31, 2021 (Note 4)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional □ film, optical film, etc.	\$ 367,867 (USD13,290 thousand)	Indirect investment via Swanson International Ltd. of British Cayman Islands.	\$ 223,930	\$ -	\$ -	\$ 223,930	\$ 33,986 (USD1,213 thousand)	100.00	\$ 33,986 (USD1,213 thousand)	\$ 1,132,754 (USD40,923 thousand)	\$ -
ASK-Swanson (Kunshan) Co., Ltd.	Production and sales of PE release film and other release products	251,888 (USD9,100 thousand)	Indirect investment in A.S. Holdings (UK) Limited via Swanson International Ltd. of British Cayman Islands.	193,447	-	-	193,447	36,660 (USD1,309 thousand)	100.00	36,660 (USD1,309 thousand)	516,104 (USD18,645 thousand)	64,395 (USD2,327 thousand)
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional □ film, optical film, etc.	296,176 (USD10,700 thousand)	Indirect investment via Swanson (Singapore) Private Ltd. in the third region.	170,754	-	-	170,754	(24) (USD-840 thousand)	100.00	(24) (USD-840 thousand)	74,025 (USD2,674 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 588,131	\$907,510 (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, 2021.

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. The amount is calculated based on the average exchange rate during the period from January 1 and December 31, 2021.

Note 4. The amount was calculated based on the spot exchange rate as of December 31, 2021.

USI CORPORATION AND INVESTEE COMPANIES
China General Plastics Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021 (Note 1)	Investment Flows for the Year Ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021 (Note 1)	Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 5)	Carrying Amount as of the year ended December 31, 2021 (Note 1)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacturing and marketing of PVC film and third-time processed products	\$ 553,600 (USD20,000 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	\$ 553,600 (USD20,000 thousand)	\$ -	\$ -	\$ 553,600 (USD20,000 thousand)	(\$ 2,569) (USD-93 thousand)	100.00	(\$ 2,569) (USD-93 thousand)	\$ 262,303 (USD9,476 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacturing and marketing of PVC third-time processed products	41,520 (USD1,500 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	41,520 (USD1,500 thousand)	-	-	41,520 (USD1,500 thousand)	15 (USD1 thousand)	100.00	15 (USD1 thousand)	13,461 (USD486 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
\$ 749,630 (USD27,082 thousand)	\$ 869,152 (USD31,400 thousand)	\$ -

Note 1. The amount was calculated based on the spot exchange rate as of December 31, 2021.

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. The board of directors of CGPC passed a resolution on October 24, 2011 to dissolve the sub-subsidiaries, CGPC (ZS) and CGPC (CP). CGPC has considered that its discontinued operations was resumed its operating substance, and, therefore, the Company reclassified the discontinued operations as continuing operations since 2021 after an assessment.

Note 5. The investment gain (loss) recognized for the year ended December 31, 2021 was based on the financial statements audited and approved by CPAs of the parent company of CGPC.

USI CORPORATION AND INVESTEE COMPANIES
Taita Chemical Company, Ltd.
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021	Investment Flows for the Year Ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021	Net Income (Loss) of the Investee (Note 5)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 5)	Carrying Amount as of the year ended December 31, 2021 (Note 5)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	\$ 1,280,200 (USD46,250 thousand)	Investment through a holding company registered in a third region	\$ 1,190,240 (USD43,000 thousand)	\$ -	\$ -	\$ 1,190,240 (USD43,000 thousand)	\$ 218,742 (USD7,795 thousand)	100.00	\$ 218,742 (USD7,795 thousand)	\$ 1,817,579 (USD65,664 thousand)	\$ -
TTC Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	(Note 1) 757,048 (USD27,350 thousand)	Investment through a holding company registered in a third region	719,680 (USD26,000 thousand)	-	-	719,680 (USD26,000 thousand)	(10,135) (USD-361 thousand)	100.00	(10,135) (USD-361 thousand)	(114,144) (USD-4,124 thousand)	-
Acme Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	(Note 2) 850,468 (USD30,725 thousand)	Investment through a holding company registered in a third region ACME Electronics (Cayman) Corp	37,479 (USD1,354 thousand)	-	-	37,479 (USD1,354 thousand)	45,024 (USD1,616 thousand)	5.39	2,429 (USD87 thousand)	44,556 (USD1,610 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of the Year Ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,947,399 (USD70,354 thousand)	\$2,098,623 (USD75,817 thousand) (Note 3)	\$ - (Note 4)

Note 1. TAITA (ZS) resolved to increase capital by earnings of US\$3,250 thousand for the year ended December 31, 2007. TAITA (ZS) resolved the Earnings Distribution Proposals for the years from 2007 to 2020 at the board meeting on October 14, 2021, amounting to RMB 306,950 thousand, which is expected to be used for reinvestment projects in Mainland China. As of December 31, 2021, the amount has not actually been allocated.

Note 2. TAITA (TJ) resolved to increase capital by surplus of US\$1,350 thousand for the year ended December 31, 2012. TTC's management has decided to suspend the production of TAITA (TJ) from April 2019.

Note 3. It includes the capital increase transferred from surplus by TAITA (ZS) of USD3,250 thousand, capital increase transferred from surplus by TAITA (TJ) of USD1,350 thousand and capital increase transferred from surplus by ACME (KS) of USD802 thousand.

Note 4. As TTC obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10820415160 on June 6, 2019, the upper limit on investment in Mainland China is not applicable.

Note 5. The calculation is based on the financial statements audited and approved by CPAs of the parent company of TTC.

USI CORPORATION AND INVESTEE COMPANIES
Asia Polymer Corporation
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021	Investment Flows for the year ended December 31, 2021		Accumulated Outward Remittance for Investment from Taiwan as of the year ended December 31, 2021	Net Income (Loss) of the Investee for the Year Ended December 31, 2021	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) for the Year Ended December 31, 2021 (Note 3)	Carrying Amount as of the year ended December 31, 2021 (Note 4)	Accumulated Repatriation of Investment Income as of the year ended December 31, 2021
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacturing and marketing of manganese-zinc ferrite core	\$ 850,468 (USD30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 115,630 (USD4,177 thousand)	\$ -	\$ -	\$ 115,630 (USD4,177 thousand)	\$ 45,024	16.64	\$ 7,493	\$ 137,462	\$ -
USI Trading (Shanghai) Co., Ltd.	Sales of chemical products and equipment, etc.	69,200 (USD2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	84,025 (USD3,036 thousand)	-	-	84,025 (USD3,036 thousand)	16,420	100.00	16,420	136,096	-
Fujian Gulei Petrochemical Co., Ltd.	Crude oil processing and petroleum products manufacturing	40,438,468 (RMB9,314,400 thousand)	(2) Dynamic Ever Investments, Ltd. (Note 2)	4,370,198 (USD157,883 thousand)	-	-	4,370,198 (USD157,883 thousand)	(1,455,990)	11.71	(170,497)	4,533,837	-

Accumulated Outward Remittance for Investment in Mainland China as of the year ended December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 4,703,274 (Note 5) (USD169,916 thousand)	\$ 6,195,770 (USD223,836 thousand)	\$ - (Note 6)

Note 1. Note: Investment are 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, 2021:

- (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 amount was calculated based on the spot exchange rate as of December 31, 2021.

Note 5. APC directly 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. 10800262940 on February 26, 2020, the upper limit on investment is not applicable.

USI CORPORATION AND INVESTEE COMPANIES
INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2021

TABLE 9

Names of Major Shareholders	Shares	
	Number of Shares Held	Percentage of Ownership (%)
Shing Lee Enterprise (Hong Kong) Limited	173,776,546	14.61
Wholegainer 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. If the even 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.

