

## **USI Corporation and Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2018 and 2017 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders  
USI Corporation

### Introduction

We have reviewed the accompanying consolidated balance sheets of USI Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2018 and 2017, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended and the related notes, including a summary of significant accounting policies (collectively referred to as 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 International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As disclosed in Notes 16 and 17 to the consolidated financial statements, the financial statements of non-significant subsidiaries and joint ventures accounted for using the equity method included in the consolidated financial statements were not reviewed. As of March 31, 2018 and 2017, the combined total assets of these non-significant subsidiaries and investments accounted for using the equity method were NT\$15,671,061 thousand and NT\$12,487,098 thousand, respectively, representing 24.13% and 19.86%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$3,564,966 thousand and NT\$3,780,568 thousand, respectively, representing 12.29% and 12.82%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2018 and 2017, the amounts of combined comprehensive loss of these subsidiaries and share of profit of joint ventures accounted for using the equity method were NT\$(15,860) thousand and NT\$(304,859) thousand, respectively, representing (1.64%) and (102.85%), respectively, of the consolidated total comprehensive income. The additional disclosures in the consolidated financial statements of these non-significant subsidiaries and joint ventures accounted for using the equity method were based on financial statements which were not reviewed by auditors.

## Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and joint ventures accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Group as of March 31, 2018 and 2017 and its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting”.

The engagement partners on the reviews resulting in this independent auditors’ review report are Tzu-Jung Kuo and Shih-Tsung Wu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 11, 2018

### 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 review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors’ review 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’ review report and consolidated financial statements shall prevail.*

# USI CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2018 (Reviewed)		December 31, 2017 (Audited)		March 31, 2017 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 3, 4 and 6)	\$ 8,871,444	14	\$ 8,473,862	13	\$ 12,838,754	20
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 3, 4 and 7)	5,528,759	8	5,315,894	8	5,747,252	9
Financial assets at fair value through other comprehensive income (FVTOCI) - current (Notes 3, 4 and 8)	212,164	-	-	-	-	-
Available-for-sale financial assets - current (Notes 3, 4 and 10)	-	-	214,502	-	231,016	-
Financial assets measured at amortized cost - current (Notes 3, 4, 9 and 40)	424,391	1	-	-	-	-
Debt investments with no active market - current (Notes 3, 4, 11 and 40)	-	-	426,369	1	423,272	1
Notes receivable, net (Notes 3, 4 and 12)	1,020,999	2	1,118,070	2	932,835	2
Accounts receivable, net (Notes 3, 4 and 12)	6,373,234	10	6,950,029	11	5,909,773	9
Other receivables (Notes 3, 4, 12 and 39)	365,608	1	344,305	-	392,972	1
Current tax assets (Notes 4 and 32)	825	-	784	-	1,857	-
Inventories (Note 13)	7,108,402	11	6,857,754	11	7,311,525	12
Prepayments (Note 21)	751,104	1	772,093	1	701,355	1
Other current assets	270,395	-	10,766	-	244,563	-
Total current assets	<u>30,927,325</u>	<u>48</u>	<u>30,484,428</u>	<u>47</u>	<u>34,735,174</u>	<u>55</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 3, 4, 8 and 40)	2,660,971	4	-	-	-	-
Available-for-sale financial assets - non-current (Notes 3, 4, 10 and 40)	-	-	1,863,067	3	2,112,550	3
Financial assets measured at amortized cost - non-current (Notes 3, 4, 9, 40 and 41)	311,620	1	-	-	-	-
Financial assets measured at cost - non-current (Notes 3, 4 and 15)	-	-	676,120	1	797,976	1
Debt investments with no active market - non-current (Notes 3, 4, 11, 40 and 41)	-	-	311,573	1	310,777	1
Investments accounted for using the equity method (Note 17)	5,335,988	8	5,241,747	8	-	-
Property, plant and equipment (Notes 18 and 40)	23,661,561	36	23,758,495	37	22,660,324	36
Investment properties (Notes 19 and 40)	180,189	-	182,216	-	206,724	-
Goodwill (Note 20)	269,026	-	269,026	-	269,026	1
Other intangible assets (Note 20)	80,041	-	93,349	-	134,383	-
Biological assets - non-current	-	-	22,798	-	21,875	-
Deferred tax assets (Notes 4 and 32)	651,380	1	632,062	1	744,136	1
Prepaid investments	-	-	-	-	200,671	-
Long-term prepayments for leases (Notes 21 and 40)	528,293	1	525,845	1	364,160	1
Other non-current assets (Notes 35 and 40)	326,884	1	333,125	1	306,414	1
Total non-current assets	<u>34,005,953</u>	<u>52</u>	<u>33,909,423</u>	<u>53</u>	<u>28,129,016</u>	<u>45</u>
<b>TOTAL</b>	<u>\$ 64,933,278</u>	<u>100</u>	<u>\$ 64,393,851</u>	<u>100</u>	<u>\$ 62,864,190</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 22 and 40)	\$ 3,951,616	6	\$ 3,752,268	6	\$ 5,578,267	9
Short-term bills payable (Note 22)	1,819,514	3	1,684,506	3	2,346,315	4
Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	10,613	-	7,883	-	4,921	-
Notes payable and accounts payable (Note 24)	3,657,686	6	3,965,444	6	3,173,772	5
Other payables (Note 25)	1,476,775	2	1,972,096	3	1,456,392	2
Current tax liabilities (Notes 4 and 32)	484,983	1	370,062	1	461,673	1
Provisions - current (Note 26)	23,044	-	32,205	-	33,314	-
Current portion of long-term borrowings (Notes 22 and 40)	627,000	1	799,600	1	1,362,900	2
Other current liabilities	604,499	1	279,230	-	311,111	-
Total current liabilities	<u>12,655,730</u>	<u>20</u>	<u>12,863,294</u>	<u>20</u>	<u>14,728,665</u>	<u>23</u>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable (Note 23)	5,990,774	9	5,990,167	9	3,993,443	6
Long-term borrowings (Notes 22 and 40)	7,163,138	11	6,903,148	11	6,557,700	11
Deferred tax liabilities (Notes 4 and 32)	1,396,565	2	1,329,710	2	1,329,259	2
Net defined benefit liabilities - non-current (Notes 4 and 27)	1,719,958	3	2,419,897	4	2,805,778	5
Other non-current liabilities (Notes 28 and 36)	78,253	-	79,216	-	80,416	-
Total non-current liabilities	<u>16,348,688</u>	<u>25</u>	<u>16,722,138</u>	<u>26</u>	<u>14,766,596</u>	<u>24</u>
Total liabilities	<u>29,004,418</u>	<u>45</u>	<u>29,585,432</u>	<u>46</u>	<u>29,495,261</u>	<u>47</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 3, 4, 8, 10, 16, 17, 29, 32 and 38)</b>						
Share capital	11,654,544	18	11,654,544	18	11,426,024	18
Capital surplus	238,301	-	238,194	-	216,269	-
Retained earnings						
Legal reserve	2,814,630	4	2,814,630	4	2,695,673	4
Special reserve	375,127	1	375,127	1	411,010	1
Unappropriated earnings	3,875,783	6	3,548,804	6	3,663,372	6
Total retained earnings	7,065,540	11	6,738,561	11	6,770,055	11
Other equity	8,926	-	(31,286)	-	(82,789)	-
Treasury shares	(475,606)	(1)	(475,606)	(1)	(475,606)	(1)
Total equity attributable to owners of the Company	18,491,705	28	18,124,407	28	17,853,953	28
<b>NON-CONTROLLING INTERESTS</b>	<u>17,437,155</u>	<u>27</u>	<u>16,684,012</u>	<u>26</u>	<u>15,514,976</u>	<u>25</u>
Total equity	<u>35,928,860</u>	<u>55</u>	<u>34,808,419</u>	<u>54</u>	<u>33,368,929</u>	<u>53</u>
<b>TOTAL</b>	<u>\$ 64,933,278</u>	<u>100</u>	<u>\$ 64,393,851</u>	<u>100</u>	<u>\$ 62,864,190</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 11, 2018)

## USI CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	<b>For the Three Months Ended March 31</b>			
	<b>2018</b>		<b>2017</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE (Notes 4 and 30)				
Sales	\$ 14,670,146	100	\$ 13,902,569	100
COST OF GOODS SOLD (Notes 13, 18, 20, 27 and 31)	<u>12,824,540</u>	<u>88</u>	<u>11,902,040</u>	<u>85</u>
GROSS PROFIT	<u>1,845,606</u>	<u>12</u>	<u>2,000,529</u>	<u>15</u>
OPERATING EXPENSES (Notes 10, 18, 20, 27, 31 and 39)				
Selling and marketing expenses	495,370	3	449,469	3
General and administrative expenses	347,581	2	269,692	2
Research and development expenses	<u>90,879</u>	<u>1</u>	<u>97,855</u>	<u>1</u>
Total operating expenses	<u>933,830</u>	<u>6</u>	<u>817,016</u>	<u>6</u>
PROFIT FROM OPERATIONS	<u>911,776</u>	<u>6</u>	<u>1,183,513</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 30 and 39)	122,797	1	70,799	-
Other gains and losses (Notes 10, 27, 31 and 43)	15,641	-	(276,671)	(2)
Finance costs (Notes 20, 21 and 31)	(58,656)	-	(57,526)	-
Share of profit of joint ventures accounted for using the equity method (Note 17)	<u>8,935</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>88,717</u>	<u>1</u>	<u>(263,398)</u>	<u>(2)</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,000,493	7	920,115	7
INCOME TAX EXPENSE (Notes 4 and 32)	<u>184,080</u>	<u>1</u>	<u>203,036</u>	<u>2</u>
NET PROFIT FROM CONTINUING OPERATIONS	816,413	6	717,079	5
NET (LOSS) PROFIT FROM DISCONTINUED OPERATIONS (Note 14)	<u>(142)</u>	<u>-</u>	<u>1,677</u>	<u>-</u>
NET PROFIT FOR THE PERIOD	<u>816,271</u>	<u>6</u>	<u>718,756</u>	<u>5</u>

(Continued)

# USI CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	<b>For the Three Months Ended March 31</b>			
	<b>2018</b>		<b>2017</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Items that will not be reclassified subsequently to profit or loss:				
Profit or loss of equity instruments at FVTOCI (Notes 3, 4 and 29)	\$ 90,868	1	\$ -	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 29 and 32)	<u>18,358</u>	-	<u>-</u>	-
	<u>109,226</u>	<u>1</u>	<u>-</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 29)	116,233	-	(670,039)	(5)
Unrealized gain on available-for-sale financial assets (Notes 3, 4 and 29)	-	-	176,203	1
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 29 and 32)	<u>(25,700)</u>	-	<u>71,500</u>	<u>1</u>
	<u>90,533</u>	-	<u>(422,336)</u>	<u>(3)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>199,759</u>	<u>1</u>	<u>(422,336)</u>	<u>(3)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>\$ 1,016,030</u>	<u>7</u>	<u>\$ 296,420</u>	<u>2</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 247,661	2	\$ 295,966	2
Non-controlling interests	<u>568,610</u>	<u>4</u>	<u>422,790</u>	<u>3</u>
	<u>\$ 816,271</u>	<u>6</u>	<u>\$ 718,756</u>	<u>5</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 314,463	2	\$ 127,438	1
Non-controlling interests	<u>701,567</u>	<u>5</u>	<u>168,982</u>	<u>1</u>
	<u>\$ 1,016,030</u>	<u>7</u>	<u>\$ 296,420</u>	<u>2</u>

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# USI CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

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	For the Three Months Ended March 31			
	2018		2017	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 33)				
From continuing and discontinued operations				
Basic	\$ 0.24		\$ 0.28	
Diluted	\$ 0.24		\$ 0.28	
From continuing operations				
Basic	\$ 0.24		\$ 0.28	
Diluted	\$ 0.24		\$ 0.28	

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

(With Deloitte & Touche review report dated May 11, 2018)

(Concluded)

**USI CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company												Non-controlling Interests (Notes 3 and 29)	Total Equity
	Share Capital (Note 29)	Capital Surplus			Retained Earnings			Other Equity			Treasury Shares (Note 29)	Total		
		Treasury Share Transactions (Note 29)	Shares of Changes in Capital Surplus of Associates (Note 29)	Others (Note 29)	Legal Reserve (Note 29)	Special Reserve (Note 29)	Unappropriated Earnings (Notes 3, 4, and 29)	Exchange Differences on Translating Foreign Operations (Notes 29 and 32)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 3, 4, 10, 29 and 32)	Unrealized Gain (Loss) on Financial Assets at FVTOCI (Notes 3, 4, 8, 29 and 32)				
BALANCE AT JANUARY 1, 2017	\$ 11,426,024	\$ 204,289	\$ 129	\$ 11,717	\$ 2,695,673	\$ 411,010	\$ 3,367,821	\$ 8,204	\$ 77,535	\$ -	\$ (475,606)	\$ 17,726,796	\$ 14,292,690	\$ 32,019,486
Net profit for the three months ended March 31, 2017	-	-	-	-	-	-	295,966	-	-	-	-	295,966	422,790	718,756
Other comprehensive income (loss) for the three months ended March 31, 2017, net of income tax	-	-	-	-	-	-	-	(289,795)	121,267	-	-	(168,528)	(253,808)	(422,336)
Total comprehensive income (loss) for the three months ended March 31, 2017	-	-	-	-	-	-	295,966	(289,795)	121,267	-	-	127,438	168,982	296,420
Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	134	-	-	-	(415)	-	-	-	-	(281)	281	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	1,053,023	1,053,023
BALANCE, MARCH 31, 2017	\$ 11,426,024	\$ 204,289	\$ 263	\$ 11,717	\$ 2,695,673	\$ 411,010	\$ 3,663,372	\$ (281,591)	\$ 198,802	\$ -	\$ (475,606)	\$ 17,853,953	\$ 15,514,976	\$ 33,368,929
BALANCE AT JANUARY 1, 2018	\$ 11,654,544	\$ 222,710	\$ 996	\$ 14,488	\$ 2,814,630	\$ 375,127	\$ 3,548,804	\$ (190,880)	\$ 159,594	\$ -	\$ (475,606)	\$ 18,124,407	\$ 16,684,012	\$ 34,808,419
Effects of retrospective application	-	-	-	-	-	-	21,341	-	(159,594)	190,426	-	52,173	44,007	96,180
Reclassified balance at January 1, 2018	11,654,544	222,710	996	14,488	2,814,630	375,127	3,570,145	(190,880)	-	190,426	(475,606)	18,176,580	16,728,019	34,904,599
Net profit for the three months ended March 31, 2018	-	-	-	-	-	-	247,661	-	-	-	-	247,661	568,610	816,271
Other comprehensive income for the three months ended March 31, 2018, net of income tax	-	-	-	-	-	-	9,392	25,623	-	31,787	-	66,802	132,957	199,759
Total comprehensive income for the three months ended March 31, 2018	-	-	-	-	-	-	257,053	25,623	-	31,787	-	314,463	701,567	1,016,030
Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	107	-	-	-	555	-	-	-	-	662	1,186	1,848
Disposal of equity instruments at FVTOCI	-	-	-	-	-	-	48,030	-	-	(48,030)	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	6,383	6,383
BALANCE, MARCH 31, 2018	\$ 11,654,544	\$ 222,710	\$ 1,103	\$ 14,488	\$ 2,814,630	\$ 375,127	\$ 3,875,783	\$ (165,257)	\$ -	\$ 174,183	\$ (475,606)	\$ 18,491,705	\$ 17,437,155	\$ 35,928,860

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

(With Deloitte &amp; Touche review report dated May 11, 2018)

# USI CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax from continuing operations	\$ 1,000,493	\$ 920,115
(Loss) income before income tax from discontinued operations	(142)	1,677
Income before income tax	1,000,351	921,792
Adjustments for:		
Depreciation expenses	485,986	450,461
Amortization expenses	23,719	24,537
Expected credit loss reversed on accounts receivable	(2,438)	-
Impairment loss reversed on accounts receivable	-	(10,440)
Net (gain) loss on fair value change of financial assets and liabilities as at FVTPL	(31,564)	41,914
Finance costs	64,792	60,283
Interest income	(22,656)	(24,497)
Share of profit of joint ventures accounted for using the equity method	(8,935)	-
Gain on disposal of property, plant and equipment	(1,884)	(3,315)
Gain on disposal of investment properties	-	(24,314)
Inventory write-downs recognized (reversed)	27,303	(8,707)
Impairment loss recognized on non-financial assets	2,060	2,471
Amortization of long-term prepayments for leases	5,105	15,096
Recognition of provisions	2,122	12,061
Changes in operating assets and liabilities		
(Increase) decrease in financial assets held for trading	(178,571)	807,994
Decrease (increase) in notes receivable	97,071	(23,810)
Decrease in accounts receivable	579,233	241,712
Increase in other receivables	(21,351)	(134,287)
Increase in inventories	(277,951)	(644,841)
Decrease in biological assets	22,798	1,259
Decrease in prepayments	18,929	4,755
Increase in other current assets	(259,629)	(232,198)
Decrease in notes payable	(269)	(321)
Decrease in accounts payable	(307,489)	(406,943)
Decrease in other payables	(360,141)	(384,066)
Decrease in provisions	(11,283)	(1,788)
Decrease in net defined benefit liabilities	(699,939)	(181,344)
Increase in other current liabilities	325,269	37,427
Cash generated from operations	470,638	540,891
Interest received	22,622	25,425
Interest paid	(80,707)	(80,665)
Income tax paid	(28,923)	(36,157)
Net cash generated from operating activities	383,630	449,494

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# USI CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2018	2017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of available-for-sale financial assets	\$ -	\$ 39,914
Proceeds from sale of financial assets at FVTOCI	66,626	-
Proceeds from sale of debt investments with no active market	-	3,829
Proceeds from sale of financial assets measured at amortized cost	1,931	-
Net cash inflow on acquisition of subsidiaries	-	999,132
Payments for property, plant and equipment	(345,275)	(568,441)
Proceeds from disposal of property, plant and equipment	14,474	4,322
(Increase) decrease in refundable deposits	(2,504)	18
Payments for other intangible assets	(2,177)	(2,645)
Decrease (increase) in other non-current assets	<u>228</u>	<u>(79,331)</u>
Net cash (used in) generated from investing activities	<u>(266,697)</u>	<u>396,798</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	199,348	629,099
Increase (decrease) in short-term bills payable	135,008	(125,753)
Proceeds from long-term borrowings	6,130,000	2,700,000
Repayments of long-term borrowings	(6,042,610)	(2,712,600)
Decrease in guarantee deposits received	(1,290)	(1,027)
Increase (decrease) in other current liabilities	327	(3,095)
Change in non-controlling interests	<u>6,383</u>	<u>(188)</u>
Net cash generated from financing activities	<u>427,166</u>	<u>486,436</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HOLD IN FOREIGN CURRENCIES</b>		
	<u>(146,517)</u>	<u>(418,277)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	397,582	914,451
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>8,473,862</u>	<u>11,924,303</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 8,871,444</u>	<u>\$ 12,838,754</u>

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

(With Deloitte & Touche review report dated May 11, 2018)

(Concluded)

# USI CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 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 became 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 approved and issued by the Company’s board of directors on May 7, 2018.

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

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

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group’s accounting policies:

#### IFRS 9 “Financial Instruments” and related amendments

IFRS 9 “Financial Instruments” supersedes IAS 39 “Financial Instruments: Recognition and Measurement” and makes related amendments to IFRS 7 “Financial Instruments: Disclosure” and other standards. IFRS 9 includes requirements for the classification, measurement and impairment of financial assets and for general hedge accounting. Refer to Note 4 for the related accounting policies.

The requirements for the classification, measurement and impairment of financial assets and hedging costs have been applied retrospectively starting from January 1, 2018, and the other requirements for hedge accounting have been applied prospectively. IFRS 9 is not applicable to items that have already been derecognized as of December 31, 2017.

## Classification, measurement and impairment of financial assets

On the basis of the facts and circumstances that existed as of January 1, 2017, the Group has performed an assessment of the classification of recognized financial assets and has elected not to restate prior reporting periods. The following table shows the original measurement categories and carrying amounts under IAS 39 and the new measurement categories and carrying amounts under IFRS 9 for each class of the Group's financial assets and financial liabilities as of January 1, 2018.

Financial Assets	Measurement Category		Carrying Amount		Remark
	IAS 39	IFRS 9	IAS 39	IFRS 9	
Cash and cash equivalents	Loans and receivables	Amortized cost	\$ 8,473,862	\$ 8,473,862	1)
Derivatives	Held-for-trading	Mandatorily at fair value through profit or loss (i.e. FVTPL)	4,189	4,189	
Equity investments	Available-for-sale	Fair value through other comprehensive income (i.e. FVTOCI) - equity instruments	2,753,689	2,849,869	2)
Mutual funds	Held-for-trading	Mandatorily at FVTPL	257,962	257,962	
	Held-for-trading	Mandatorily at FVTPL	3,064,633	3,064,633	
Beneficiary securities	Held-for-trading	Mandatorily at FVTPL	1,989,110	1,989,110	
Pledged time deposits	Loans and receivables	Amortized cost	737,942	737,942	1)
Notes receivable, trade receivables and other receivables	Loans and receivables	Amortized cost	8,412,404	8,412,404	1)
Refundable deposits	Loans and receivables	Amortized cost	140,530	140,530	1)

  

Financial Assets	IAS 39 Carrying Amount as of January 1, 2018	Reclassifications	Remeasurements	IFRS 9 Carrying Amount as of January 1, 2018	Retained Earnings Effect on January 1, 2018	Other Equity Effect on January 1, 2018	Non-controlling Interests Effect on January 1, 2018	Remark
FVTPL	\$ 5,315,894	\$ -	\$ -	\$ 5,315,894	\$ -	\$ -	\$ -	
FVTOCI	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	
Add: Reclassification from available-for-sale (IAS 39)	-	2,753,689	96,180	2,849,869	21,341	30,832	44,007	2)
	-	2,753,689	96,180	2,849,869	21,341	30,832	44,007	
Amortized cost	-	-	-	-	-	-	-	
Add: Reclassification from loans and receivables (IAS 39)	-	17,764,738	-	17,764,738	-	-	-	1) and 3)
	-	17,764,738	-	17,764,738	-	-	-	
	\$ 5,315,894	\$ 20,518,427	\$ 96,180	\$ 25,930,501	\$ 21,341	\$ 30,832	\$ 44,007	

- 1) Cash and cash equivalents, pledged time deposits, notes receivable, accounts receivable, other receivables and refundable deposits previously classified as loans and receivables under IAS 39 are classified as measured at amortized cost under IFRS 9 and assess for expected credit losses.
- 2) The Group elected to classify all of its investments in equity securities previously classified as available-for-sale under IAS 39 as at FVTPL and FVTOCI under IFRS 9, because these investments are not held for trading. As a result, the related other equity - unrealized gain (loss) on available-for-sale financial assets of \$159,594 thousand was reclassified to other equity - unrealized gain (loss) on financial assets at FVTOCI.

Investments in unlisted shares previously measured at cost under IAS 39 have been classified as at FVTPL and designated as at FVTOCI under IFRS 9 and were remeasured at fair value. Consequently, an increase of \$96,180 thousand was recognized in both financial assets at FVTOCI and other equity - unrealized gain (loss) on financial assets at FVTOCI on January 1, 2018.

The Group recognized under IAS 39 the impairment loss on certain investments in equity securities previously classified as measured at cost, and the loss was accumulated in retained earnings. Since those investments were designated as at FVTOCI under IFRS 9 and no impairment assessment is required, an adjustment was made that resulted in a decrease of \$21,341 thousand in other equity - unrealized gain (loss) on financial assets at FVTOCI and an increase of \$21,341 thousand in retained earnings on January 1, 2018.

- 3) Pledged time deposits previously classified as debt investments with no active market and measured at amortized cost under IAS 39 were classified as measured at amortized cost with an assessment of expected credit losses under IFRS 9, because as of January 1, 2018, the contractual cash flows were solely payments of principal and interest on the principal outstanding and these investments were held within a business model whose objective is to collect contractual cash flows.
- b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 “Prepayment Features with Negative Compensation”	January 1, 2019 (Note 2)
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 16 “Leases”	January 1, 2019 (Note 3)
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”	January 1, 2019 (Note 4)
Amendments to IAS 28 “Long-term Interests in Associates and Joint Ventures”	January 1, 2019
IFRIC 23 “Uncertainty Over Income Tax Treatments”	January 1, 2019

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

Note 2: The FSC permits the election for early adoption of the amendments starting from January 1, 2018.

Note 3: On December 19, 2017, the FSC announced that IFRS 16 will take effect starting from January 1, 2019.

Note 4: The Group shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

1) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating leases under IAS 17 to low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Group as lessor.

When IFRS 16 becomes effective, the Group may elect to apply this standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this standard recognized on the date of initial application.

2) Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”

The amendments stipulate that, if a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets). In addition, the amendments clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The amendment shall be applied prospectively.

Except for the above impact, 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

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, or other regulations and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, biological assets which are measured at fair value less costs to sell, 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;
- 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. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the 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.

See Note 16, Table 6, and Table 7 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the accounting policies for financial instruments, revenue recognition and the following, for the other accounting policies followed in these consolidated financial statements refer to the summary of significant accounting policies of the consolidated financial statements for the year ended December 31, 2017.

1) Financial instruments

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

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

a) Financial assets

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

i. Measurement categories

2018

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

i) Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 38.

ii) Financial assets measured at amortized cost

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

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

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

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

- Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such a financial asset; and
- Financial assets that have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such a financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition and 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 at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

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

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

2017

Financial assets are classified into the following categories: Financial assets at FVTPL, available-for-sale financial assets and loans and receivables.

i) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are held for trading.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 38.

ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets (relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method) and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when such investments are disposed of or are determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets measured at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

iii) Loans and receivables

Loans and receivables (including cash and cash equivalents, notes receivable, accounts receivable, debt investments with no active market and other receivables) are measured using the effective interest method at amortized cost less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalents include time deposits and 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.

ii. Impairment of financial assets

2018

The Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (i.e. ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a 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.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the respective financial asset.

2017

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected.

For financial assets measured at amortized cost, such as trade receivables and other receivables, are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience with collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets measured at amortized cost, the amount of the impairment loss recognized is the difference between such an asset's carrying amount and the present value of its estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment (at the date on which the impairment is reversed) does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of a security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for those financial assets because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss is not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

For financial assets measured at cost, the amount of the impairment loss is measured as the difference between such an asset's carrying amount and the present value of its estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets, with the exception of trade receivables, other receivables and overdue receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable, other receivable or overdue receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectable trade receivables, other receivables and overdue receivables that are written off against the allowance account.

### iii. 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.

Before 2017, on derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. Starting from 2018, on derecognition of a financial asset measured 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. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

### b) Equity instruments

Debt and equity instruments issued by a group entity 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 entity are recognized at the proceeds received, net of direct issue costs.

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

### c) Financial liabilities

#### i. Measurement category

Except financial liabilities at FVTPL, all the financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on such financial liabilities. Fair value is determined in the manner described in Note 38.

#### ii. Derecognition of financial liabilities

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

### d) Derivative financial instruments

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

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Before 2017, derivatives embedded in non-derivative host contracts were treated as separate derivatives when they met the definition of a derivative; their risks and characteristics were not closely related to those of the host contracts; and the contracts were not measured at FVTPL. Starting from 2018, derivatives embedded in hybrid contracts, which contain financial asset hosts within the scope of IFRS 9, are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

## 2) Revenue recognition

### 2018

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

#### a) Sale of goods

Revenue from the sale of goods mainly comes from the sale of PE and other related plastic products. Sales of PE and other related plastic products are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently.

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

#### b) Service income

Service income comes from commission for performing the storage and transportation of any items of petrochemical raw materials. The related revenue is recognized when services are rendered.

### 2017

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar provisions. Provisions for sales returns and liabilities for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

#### a) Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- i. The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

- ii. The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. The amount of revenue can be measured reliably;
- iv. It is probable that the economic benefits associated with the transaction will flow to the Group; and
- v. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of the risks and rewards of the ownership of the materials.

b) Service income

Revenue from services is based on the actual operations related to petrochemical raw materials and the amount of delivery. Such revenue is recognized monthly.

c) Dividend and interest income

Dividend income from investments is recognized when a shareholders' right to receive payment has been established and provided that it is probable that the economic benefits will flow to the Group and that the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

3) Employee benefits retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements or other significant one-off events.

4) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence and is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

## **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The same critical accounting judgments and key sources of estimation uncertainty as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2017 have been followed in these consolidated financial statements.

## 6. CASH AND CASH EQUIVALENTS

	March 31, 2018	December 31, 2017	March 31, 2017
Cash on hand and petty cash	\$ 138,640	\$ 111,586	\$ 171,819
Checking accounts and demand deposits	2,019,757	1,984,425	2,246,256
Cash equivalents			
Time deposits	6,288,610	6,305,341	9,843,648
Repurchase agreements collateralized by bonds	<u>424,437</u>	<u>72,510</u>	<u>577,031</u>
	<u>\$ 8,871,444</u>	<u>\$ 8,473,862</u>	<u>\$ 12,838,754</u>

At the end of the reporting period, the range of the market rates for bank deposits and repurchase agreements collateralized by bonds were as follows:

	March 31, 2018	December 31, 2017	March 31, 2017
Bank deposits	0.10%-4.50%	0.01%-3.96%	0.01%-7.25%
Repurchase agreements collateralized by bonds	0.37%-1.80%	0.61%-1.20%	0.30%-0.45%

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

	March 31, 2018	December 31, 2017	March 31, 2017
<u>Financial assets held for trading</u>			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ -	\$ 4,189	\$ 2,147
Non-derivative financial assets			
Domestic listed shares and over-the-counter shares	-	256,891	274,960
Mutual funds	-	3,064,633	4,538,617
Beneficiary securities	-	1,989,110	930,056
Overseas listed shares	-	<u>1,071</u>	<u>1,472</u>
	-	<u>5,311,705</u>	<u>5,745,105</u>
<u>Financial assets mandatorily at FVTPL</u>			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	<u>5,662</u>	-	-
Non-derivative financial assets			
Domestic listed shares and over-the-counter shares	281,265	-	-
Mutual funds	3,202,117	-	-
Beneficiary securities	2,038,760	-	-
Overseas listed shares	<u>955</u>	-	-
	<u>5,523,097</u>	-	-
	<u>\$ 5,528,759</u>	<u>\$ 5,315,894</u>	<u>\$ 5,747,252</u>

(Continued)

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ <u>10,613</u>	\$ <u>7,883</u>	\$ <u>4,921</u> (Concluded)

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
<u>March 31, 2018</u>			
Sell	RMB/NTD	2018.04.03-2018.06.20	RMB166,700/NTD760,796
Sell	USD/MYR	2018.06.29-2018.08.02	USD300/MYR1,562
Sell	USD/NTD	2018.04.03-2018.06.22	USD21,290/NTD625,670
Sell	NTD/USD	2018.04.02-2018.05.30	NTD527,380/USD18,080
Sell	EUR/MYR	2018.04.30-2018.05.31	EUR62/MYR297
<u>December 31, 2017</u>			
Sell	RMB/NTD	2018.01.04-2018.03.29	RMB193,200/NTD870,415
Sell	JPY/USD	2018.01.19-2018.01.26	JPY40,000/USD354
Sell	USD/MYR	2018.03.30	USD170/MYR725
Sell	USD/NTD	2018.01.03-2018.04.03	USD44,190/NTD1,319,154
Buy	NTD/USD	2018.01.02-2018.01.26	NTD249,743/USD8,340
Sell	EUR/USD	2018.01.26-2018.02.26	EUR340/USD405
Sell	EUR/MYR	2018.04.30-2018.05.31	EUR101/MYR484
Sell	AUD/USD	2018.01.26-2018.03.23	AUD600/USD461
<u>March 31, 2017</u>			
Sell	RMB/USD	2017.04.10-2017.05.24	RMB130,000/USD18,828
Sell	JPY/USD	2017.04.07-2017.04.10	JPY40,000/USD354
Sell	USD/NTD	2017.04.11-2017.05.08	USD13,910/NTD423,191
Sell	EUR/USD	2017.04.13-2017.04.24	EUR400/USD426
Sell	AUD/USD	2017.04.10-2017.05.08	AUD550/USD423
Buy	NTD/USD	2017.04.26	NTD74,923/USD2,420

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.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - 2018

March 31, 2018

### Current

#### Investments in equity instruments at FVTOCI

##### Domestic investments

Domestic listed shares and over-the-counter shares \$ 212,164

### Non-current

#### Investments in equity instruments at FVTOCI

##### Domestic investments

Listed shares and over-the-counter shares \$ 1,892,696

Emerging market shares 8,346

Unlisted shares 584,307

2,485,349

##### Overseas investments

Listed shares and over-the-counter shares 12,588

Unlisted shares 163,034

175,622

\$ 2,660,971

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes. These investments in equity instruments were classified as available-for-sale financial assets and financial assets measured at cost under IAS 39. Refer to Notes 3, 10 and 15 for information relating to their reclassification and comparative information for 2017.

The Group sold 1,014 thousand shares of Vanguard International Semiconductor Corporation as of March 31, 2018, and the Group transferred a gain of \$48,030 thousand from other equity to retained earnings.

Refer to Note 40 for the information related to financial assets at FVTOCI pledged as security.

## 9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST - 2018

March 31, 2018

### Current

Pledged time deposits \$ 424,391

### Non-current

Pledged time deposits \$ 311,620

As of March 31, 2018, the interest rates for pledged time deposits ranged from 0.09% to 1.045%. Pledged time deposits were classified as debt investments with no active market under IAS 39. Refer to Notes 3 and 11 for information relating to their reclassification and comparative information for 2017.

Refer to Note 40 for the information related to financial assets measured at amortized cost at FVTOCI pledged as collateral for long-term borrowings.

#### 10. AVAILABLE-FOR-SALE FINANCIAL ASSETS - 2017

	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Domestic listed shares and over-the-counter shares	\$ 2,052,768	\$ 2,320,674
Overseas listed shares and over-the-counter shares	17,212	16,321
Domestic emerging market shares	<u>7,589</u>	<u>6,571</u>
	<u>\$ 2,077,569</u>	<u>\$ 2,343,566</u>
Current	\$ 214,502	\$ 231,016
Non-current	<u>1,863,067</u>	<u>2,112,550</u>
	<u>\$ 2,077,569</u>	<u>\$ 2,343,566</u>

The Group sold 500 thousand shares of Vanguard International Semiconductor Corporation as of March 31, 2017, and the gain on the disposal of the investments was \$21,203 thousand.

The Group sold 500 thousand shares of Wafer Works Corporation as of March 31, 2017, the gain on the disposal of the investments was \$3,111 thousand.

Refer to Notes 22 and 40 for the information related to available-for-sale financial assets - non-current pledged as collateral for long-term borrowings.

#### 11. DEBT INVESTMENTS WITH NO ACTIVE MARKET - 2017

	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Restricted deposits	<u>\$ 737,942</u>	<u>\$ 734,049</u>
Current	\$ 426,369	\$ 423,272
Non-current	<u>311,573</u>	<u>310,777</u>
	<u>\$ 737,942</u>	<u>\$ 734,049</u>

Restricted deposits are as collateral for purchasing materials, outward documentary bill, long-term and short-term financing needs. Refer to Notes 22 and 40.

## 12. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2018	December 31, 2017	March 31, 2017
<u>Notes receivable (a)</u>			
Operating	\$ <u>1,020,999</u>	\$ <u>1,118,070</u>	\$ <u>932,835</u>
<u>Accounts receivable (a)</u>			
At amortized cost			
Gross carrying amount	\$ 6,483,640	\$ 7,063,620	\$ 5,996,738
Less: Allowance for impairment loss	<u>(110,406)</u>	<u>(113,591)</u>	<u>(86,965)</u>
	\$ <u>6,373,234</u>	\$ <u>6,950,029</u>	\$ <u>5,909,773</u>
<u>Other receivables (b)</u>			
Tax refund receivables	\$ 281,767	\$ 221,711	\$ 295,919
Claims receivable	-	54,654	28,328
Securities transaction receivables	20,163	13,099	-
Others	<u>63,678</u>	<u>54,841</u>	<u>68,725</u>
	\$ <u>365,608</u>	\$ <u>344,305</u>	\$ <u>392,972</u>

### a. Notes and accounts receivable

#### For the three months ended March 31, 2018

The average credit period of sales of goods was 10 to 150 days. No interest was charged on the trade 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 at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk is significantly reduced.

The Group applies the simplified approach to the recognition of allowances for expected credit losses during the reporting period as prescribed by IFRS 9, which permits the use of a lifetime expected losses allowance for all trade receivables. 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 in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit losses experience does not show significantly different loss patterns for different customer segments, the loss allowance, which is based on the past due status of receivables, is not further distinguished according to different segments of the Group's customer base.

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 trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, they are recognized in profit or loss.

The following table details the loss allowance of trade receivable based on the Group's allowance matrix.

March 31, 2018

Based on the number of days past due

	<b>Up to 60 Days</b>	<b>61-90 Days</b>	<b>Over 90 Days</b>	<b>Total</b>
Gross carrying amount	\$ 2,534,366	\$ 69,964	\$ 73,535	\$ 2,677,865
Loss allowance (lifetime ECLs)	<u>(4,234)</u>	<u>-</u>	<u>(16,543)</u>	<u>(20,777)</u>
Amortized cost	<u>\$ 2,530,132</u>	<u>\$ 69,964</u>	<u>\$ 56,992</u>	<u>\$ 2,657,088</u>

Based on credit quality

	<b>Credit Rating A</b>	<b>Credit Rating B</b>	<b>Credit Rating C</b>	<b>Other</b>	<b>Total</b>
Gross carrying amount	\$ 535,683	\$ 1,123,274	\$ 930,164	\$ 2,237,653	\$ 4,826,774
Loss allowance (lifetime ECLs)	<u>(4,367)</u>	<u>(6,438)</u>	<u>(17,351)</u>	<u>(61,473)</u>	<u>(89,629)</u>
Amortized cost	<u>\$ 531,316</u>	<u>\$ 1,116,836</u>	<u>\$ 912,813</u>	<u>\$ 2,176,180</u>	<u>\$ 4,737,145</u>

The aging schedule of notes and accounts receivable were as follows:

	<b>March 31, 2018</b>
Not past due	\$ 4,816,064
Up to 60 days	9,725
Over 60 days	<u>985</u>
	<u>\$ 4,826,774</u>

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

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

	<b>For the Three Months Ended March 31, 2018</b>
Balance at January 1, 2018	\$ 113,591
Less: Impairment losses reversed	(2,438)
Less: Amounts written off during the period as uncollectible	(646)
Foreign exchange translation gains and losses	<u>(101)</u>
Balance at March 31, 2018	<u>\$ 110,406</u>

For the three months ended March 31, 2017

The Group applied the same credit policy in 2018 and 2017. In determining the recoverability of an account receivable, the Group considers any change in the credit quality of the account receivable since the date credit was initially granted to the end of the reporting period. The Group's accounts receivable mainly stem from long-term customers with whom the Group has historical experience, and no significant past default experience was observed. Thus, the irrecoverable ratio due to overdue receivables is not high.

Before accepting a new customer, the Group takes both the past credit survey and client evaluation results generated by the internal system into consideration to measure the potential customer's credit quality and define the customer's credit limit. Customer credit limits and ratings are reviewed periodically.

The concentration of credit risk is limited because the customer base of the Group is wide and the customers are unrelated to each other.

For the notes receivable balances that were not past due at December 31, 2017 and March 31, 2017, the Group did not recognize an allowance for impairment loss. For the accounts receivable balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss, because there was no significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements for these balances. In addition, the Group did not have the legal right of offset the accounts receivable and payable against the respective counterparties.

The aging schedule of notes and accounts receivable were as follows:

	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Not overdue	\$ 7,906,939	\$ 6,789,159
Up to 60 days	143,806	51,244
61-90 days	123,407	27,103
Over 90 days	<u>7,538</u>	<u>62,067</u>
	<u>\$ 8,181,690</u>	<u>\$ 6,929,573</u>

The aging schedule of accounts receivable that were past due but not impaired was as follows:

	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Up to 60 days	\$ 128,462	\$ 49,942
61-90 days	78,448	21,470
Over 90 days	<u>14,333</u>	<u>2,290</u>
	<u>\$ 221,243</u>	<u>\$ 73,702</u>

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

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

	<b>Individually Assessed for Impairment</b>	<b>Collectively Assessed for Impairment</b>	<b>Total</b>
Balance at January 1, 2017	\$ 63,589	\$ 34,817	\$ 98,406
Less: Impairment losses reversed	(1)	(10,439)	(10,440)
Foreign exchange translation gains and losses	<u>(410)</u>	<u>(591)</u>	<u>(1,001)</u>
Balance at March 31, 2017	<u>\$ 63,178</u>	<u>\$ 23,787</u>	<u>\$ 86,965</u>

The Group recognized an impairment loss on notes and accounts receivable which were individually assessed, and the Group did not hold any collateral over those notes and accounts receivable.

b. Other receivables

Other receivables mainly consisted of tax refund receivables, claims receivable, sale of securities 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. There were no overdue other receivables with an unrecognized allowance for doubtful accounts in the Group as of March 31, 2018, December 31, 2017 and March 31, 2017.

### 13. INVENTORIES

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Finished goods	\$ 4,294,331	\$ 4,155,186	\$ 4,202,844
Work in progress	515,078	546,028	610,333
Raw materials	2,028,859	1,833,604	2,276,272
Supplies	234,741	306,265	222,076
Inventory in transit	<u>35,393</u>	<u>16,671</u>	<u>-</u>
	<u>\$ 7,108,402</u>	<u>\$ 6,857,754</u>	<u>\$ 7,311,525</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2018 and 2017, was \$12,824,540 thousand and \$11,902,040 thousand, respectively.

The cost of goods sold included inventory write-downs of \$27,303 thousand and reversal of inventory write-down of \$8,707 thousand as of March 31, 2018 and 2017, respectively. Previous write-downs were reversed as a result of increased selling prices in certain markets.

#### 14. DISCONTINUED OPERATIONS

On October 24, 2011, the board of directors of China General Plastics Corporation (“CGPC”) approved to dispose of CGPC (Zhong Shan) Co., Ltd. and CGPC Consumer Products Corporation. The details of the profit (loss) from discontinued operations and the related cash flow information were as follows:

The operating performance of the discontinued operations included in the consolidated statements of comprehensive income were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Administrative expenses	\$ (9,557)	\$ (6,878)
Loss from operations	(9,557)	(6,878)
Non-operating income	<u>9,415</u>	<u>8,555</u>
Net (loss) profit from discontinued operations	<u>\$ (142)</u>	<u>\$ 1,677</u>

For the three months ended March 31, 2018 and 2017, the cash flows which can be attributed to the discontinued operations were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Net cash (used in) generated from operating activities	\$ (722)	\$ 3,481
Net cash generated from investing activities	-	736
Effect of exchange rate changes	<u>1,016</u>	<u>(1,833)</u>
Net cash inflow	<u>\$ 294</u>	<u>\$ 2,384</u>

#### 15. FINANCIAL ASSETS MEASURED AT COST - 2017

	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Domestic unlisted shares	\$ 534,333	\$ 617,817
Overseas unlisted shares	<u>141,787</u>	<u>180,159</u>
	<u>\$ 676,120</u>	<u>\$ 797,976</u>
Classified according to financial asset measurement categories		
Available-for-sale financial assets	<u>\$ 676,120</u>	<u>\$ 797,976</u>

Management believes that the above unlisted equity investments held by the Group have fair values that cannot be reliably measured because the range of reasonable fair value estimates was so significant; therefore, they were measured at cost less impairment at the end of reporting period.

The Group assessed the operating and financial status of Teratech Corp. and NeuroSky, Inc. and confirmed an impairment of its investment value; thereafter, the Group recognized an impairment loss of \$14,643 thousand and \$17,565 thousand, respectively, for the year ended December 31, 2017.

The investee, KHL IB Venture Capital Co., Ltd., announced a reduction of capital in September 2017, and the Group got \$45,000 thousand back at its ownership percentage.

The investee, Harbinger Venture Capital, announced a reduction of capital in August 2017, and the Group got \$2,993 thousand back at its ownership percentage.

## 16. SUBSIDIARIES

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

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			March 31, 2018	December 31, 2017	March 31, 2017	
The Company	USIFE Investment Co., Ltd. ("USIF")	Investment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Swanlake Traders Ltd. ("Swanlake")	Trading and investment	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	USI Far East (HK) Co., Ltd.	Trading and investment	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	USI Management Consulting Corp. ("UM")	Providing management services	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Chong Loong Trading Co., Ltd. ("CLT")	Engaging in import and export trade	<u>99.9</u>	<u>99.9</u>	<u>99.9</u>	
	Union Polymer Int'l Investment Corp. ("UPIIC")	Investment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Cypress Epoch Limited	Inoma Corporation ("INOMA")	Investment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Cypress Epoch Limited	Usig (Shanghai) Co., Ltd.	Engaging in optical products and fireproof materials	<u>93.2</u>	<u>93.2</u>	<u>89.2</u>	1)
		Import and distribution of various chemical raw materials and products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
The Company	Thintec Materials Corporation	Reinforced plastic products manufacturing	30.4	30.4	30.4	
Taita Chemical Company, Ltd.	China General Plastics Corporation	Asia Polymer Corporation	10.0	10.0	10.0	
China General Plastics Corporation			10.0	10.0	10.0	
Asia Polymer Corporation			30.4	30.4	30.4	
Taiwan United Venture Capital Corp.			15.0	15.0	15.0	
			<u>95.8</u>	<u>95.8</u>	<u>95.8</u>	
The Company	Taiwan United Venture Capital Corp. ("TUVCC")	Venture capital	70.0	70.0	70.0	
Asia Polymer Corporation ("APC")			8.3	8.3	8.3	
			<u>78.3</u>	<u>78.3</u>	<u>78.3</u>	
The Company	Swanson Plastics Corp. ("SPC")	Production and marketing of stretch film, embossed film and industrial-use multi-layer wrap	40.6	40.6	40.6	
Asia Polymer Corporation	USIFE Investment Co., Ltd.		8.0	8.0	8.0	
USIFE Investment Co., Ltd.			<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	
			<u>48.7</u>	<u>48.7</u>	<u>48.7</u>	
The Company	Acme Electronics Corp. ("ACME")	Production and marketing of manganese-zinc soft ferrite powder	27.0	27.0	27.0	
China General Plastics Corporation	USIFE Investment Co., Ltd.	Asia Polymer Corporation	1.8	1.8	1.8	
USIFE Investment Co., Ltd.			9.3	9.3	9.3	
Asia Polymer Corporation			3.3	3.3	3.3	
Taita Chemical Company, Ltd.			2.4	2.4	2.4	
APC Investment Corporation			<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
			<u>44.8</u>	<u>44.8</u>	<u>44.8</u>	7)
The Company	USI Optronics Corporation ("USIO")	Manufacture and marketing of sapphire crystal	50.9	50.9	-	
Acme Electronics Corp.	USIFE Investment Co., Ltd.		34.0	34.0	84.0	
Asia Polymer Corporation			9.2	9.2	-	
USIFE Investment Co., Ltd.			<u>0.2</u>	<u>0.2</u>	<u>0.7</u>	
			<u>94.3</u>	<u>94.3</u>	<u>84.7</u>	6)
Acme Electronics Corp.	ACME Electronics (Cayman) Corp.	Reinvestment business	51.3	51.3	51.3	
APC (BVI) Holding Co., Ltd.			16.6	16.6	16.6	
Swanlake Traders Ltd.			11.2	11.2	11.2	
TAITA (BVI) Holding Co., Ltd.			<u>5.4</u>	<u>5.4</u>	<u>5.4</u>	
			<u>84.5</u>	<u>84.5</u>	<u>84.5</u>	
Acme Electronics Corp.	Golden Amber Enterprises Limited	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
ACME Electronics (Cayman) Corp.	ACME Electronics (BVI) Corp.	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	ACME Components (Malaysia) Sdn. Bhd.	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Golden Amber Enterprises Limited	Acme Electronics (Guang-Zhou) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			March 31, 2018	December 31, 2017	March 31, 2017	
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	36.1	
China General Terminal & Distribution Co.			0.9	0.9	0.9	
USIFE Investment Co., Ltd.			0.3	0.3	0.3	
Taiwan VCM Corporation			-	-	-	
			<u>37.3</u>	<u>37.3</u>	<u>37.3</u>	7)
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd. ("APC (BVI)")	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Asia Polymer Corporation	USI International Corp.	Reinvestment business	70.0	70.0	70.0	
APC (BVI) Holding Co., Ltd.			<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Asia Polymer Corporation	APC Investment Corporation	Investment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd. ("TTC")	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glasswool insulation products and plastic materials	36.8	36.8	36.8	
China General Terminal & Distribution Co.			0.6	0.6	0.6	
USIFE Investment Co., Ltd.			<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	
			<u>37.8</u>	<u>37.8</u>	<u>37.8</u>	7)
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd. ("TAITA (BVI)")	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
TAITA (BVI) Holding Co., Ltd.	Taita Chemical (Zhong Shan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
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	25.0	
Asia Polymer Corporation			8.1	8.1	8.1	
Taita Chemical Company, Ltd.			2.0	2.0	2.0	
China General Terminal & Distribution Co.			0.5	0.5	0.5	
USIFE Investment Co., Ltd.			<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	
			<u>35.7</u>	<u>35.7</u>	<u>35.7</u>	7)
China General Plastics Corporation	Taiwan VCM Corporation ("TVCM")	Manufacture and marketing of vinyl chloride monomer and related petrochemical products	<u>87.2</u>	<u>87.2</u>	<u>87.2</u>	
	CGPC (BVI) Holding Co., Ltd.	Reinvestment business	<u>100.0</u>	<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>	<u>100.0</u>	
	Krystal Star International Corporation	Marketing of PVC two- or three-time processed products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	CGPC Polymer Corporation ("CGPCP")	Manufacture and marketing of PVC powder	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
CGPC (BVI) Holding Co., Ltd.	CGPC (Chung Shan) Co., Ltd. ("CGPC (CS)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	3)
	Chung Shan CGPC Polymer Co., Ltd. ("Chung Shan (GPCP)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	3)
China General Plastics Corporation	China General Terminal & Distribution Co.	Warehousing petrochemical raw materials	33.3	33.3	33.3	
Taita Chemical Company, Ltd.			33.3	33.3	33.3	
Asia Polymer Corporation			<u>33.4</u>	<u>33.4</u>	<u>33.4</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
USIFE Investment Co., Ltd.	Taiwan United Venture Management Corp. ("TUVVM")	Business management consulting	<u>100.0</u>	<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>	<u>100.0</u>	
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd. ("ACME Ferrite")	Manufacture and marketing of soft ferrite core	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	Engaging in import and export trade	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Swanson Plastics Corp.	Curtana Company Ltd.	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Forever Young Company Ltd.	Import and export agency services	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Swanson Plastics Company Ltd. (Singapore)	Production and marketing of plastic products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Swanson International Ltd.	Engaging in import and export trade	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			March 31, 2018	December 31, 2017	March 31, 2017	
Swanson Plastics Corp.	Swanson Plastics Company Ltd. (Nantong) ("SPC (Nantong)")	Production and marketing of vest bags, garbage bags and diapers	95.5	95.5	95.5	
Curtana Company Ltd.			<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	4)
Swanson Plastics Corp.	PT. Swanson Plastics Indonesia Ltd.	Manufacture and marketing of plastic products	1.0	1.0	1.0	
Swanson Plastics Company Ltd. (Singapore)			<u>99.0</u>	<u>99.0</u>	<u>99.0</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Swanson Plastics Corp.	Swanson Technologies Corporation	Production, marketing and development of EVA packaging film and other value added plastic products	70.0	70.0	70.0	
APC Investment Corporation			<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	
USIFE Investment Co., Ltd.			<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Swanson Plastics Company Ltd. (Singapore)	Swanson Plastics (Malaysia) Sdn. Bhd.	Manufacture and marketing of plastic products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Swanson Plastics (India) Private Limited	Manufacture and marketing of plastic products	<u>100.0</u>	<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>	<u>100.0</u>	
Swanson International Ltd.	A.S. Holdings (UK) Limited	Reinvestment	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Swanson Plastics (Kunshan) Corp.	Production, marketing and development of multi-functional film and light-solution film	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
A.S. Holdings (UK) Limited	API-Swanson (Kunshan) Co., Ltd.	Management PE release film and other release products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
The Company	Ever Conquest Global Limited ("ECGL")	Investment	62.6	62.6	61.7	
Asia Polymer Corporation			<u>37.4</u>	<u>37.4</u>	<u>38.3</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	5)
Ever Conquest Global Limited	Ever Victory Global Limited ("EVGL")	Investment	<u>67.9</u>	<u>67.9</u>	<u>66.4</u>	5)
Ever Victory Global Limited	Dynamic Ever Investments Limited ("DEIL")	Investment	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	5)

(Concluded)

- 1) In order to improve its financial structure and to meet the needs of operating capital, INOMA was continually in the research and developed stage, it experienced subsequent operating losses. On June 26, 2017, the shareholders' meeting of INOMA approved a capital reduction project for to make up for losses in the amount of \$67,500 thousand and canceled 6,750 thousand shares, a capital reduction accounting for 53.81% of its paid-in capital. The shareholders' meeting also approved the issuance of 4,000 thousand shares. The paid-in capital of INOMA is 97,950 thousand after the above reduction and issuance of shares. The Group subscribed for the 3,955 thousand shares and owned 93.18% of the outstanding shares. Until March 31, 2018, there has been no significant operating income.
- 2) CGPC disposed of CGPC-Hong Kong as approved in the meeting of the board of directors in June 2013. CGPC-Hong Kong retrieved the residual property in April 2016 and completed the liquidation process on March 17, 2017.
- 3) CGPC disposed of CGPC (CS) and CGPCP as approved in the meeting of the board of directors in October 2011. CGPC (CS) and CGPCP has not completed the process of the liquidation as of March 31, 2018.
- 4) The economic recession caused SPC (Nantong) to suffer a sustained loss. In consideration of its whole operations, SPC disposed of SPC (Nantong) as agreed in the meeting of the board of directors held in April 2016. SPC (Nantong) has not completed the liquidation process as of March 31, 2018.

- 5) The Company and APC invested additional capital of US\$37,572 thousand (around \$1,200,087 thousand) and US\$23,086 thousand (around \$739,424 thousand) in ECGL in January 2017, respectively, and reinvested in EVGL via ECGL as well as in DEIL. The ownership percentage of ECGL in EVGL increased from 31.75% to 66.4% after the capital increase, and ECGL gained control over EVGL so that ECGL identifies EVGL as its subsidiary. Moreover, the Company and APC invested additional capital of US\$36,643 thousand (around \$1,113,427 thousand) and US\$21,013 thousand (around \$638,499 thousand) in ECGL in July 2017, respectively. The ownership percentage of ECGL in EVGL increased to 67.9% after the capital increase. For more explanation, refer to Note 35.
- 6) In order to improve its financial structure and cover losses of \$966,795 thousand, USIO performed a capital reduction by cancelling 96,680 thousand shares, accounting for 80.18% of its paid-in capital, on May 24, 2017, as approved in the shareholders' meeting held on April 7, 2017. USIO performed a capital increase of 41,000 thousand shares with a par value of \$10 on June 8, 2017. The Company, APC, and ACME subscribed for 33,000 thousand shares, 5,792 thousand shares, and 2,000 thousand shares, respectively, and the paid-in capital of USIO was \$649,017 thousand.
- 7) This is a subsidiary of a material non-controlling interest.

Expect for the financial statements of significant subsidiaries of CGPC, TTC and UPIIC and partial non-significant subsidiaries of ACME, ACME (Cayman), TVCM, CGPCP, APC, TAITA (ZS) and TAITA (TJ), other non-significant subsidiaries included in the consolidated financial statements were not reviewed by the auditors.

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	December 31,		
	March 31, 2018	2017	March 31, 2017
CGPC	64.3%	64.3%	64.3%
TTC	62.2%	62.2%	62.2%
ACME	55.2%	55.2%	55.2%
APC	62.7%	62.7%	62.7%
EVGL	32.1%	32.1%	-

See Table 6 for the information on places of incorporation and principal places of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests		
	For the Three Months Ended March 31		March 31,	December 31,	March 31,
	2018	2017	2018	2017	2017
CGPC	\$ 356,035	\$ 248,605	\$ 5,278,018	\$ 4,922,344	\$ 4,894,049
TTC	\$ 120,100	\$ 57,711	\$ 2,563,884	\$ 2,421,807	\$ 2,128,676
ACME	\$ (14,810)	\$ (40,345)	\$ 750,199	\$ 751,522	\$ 744,018
APC	\$ 55,976	\$ 101,074	\$ 6,187,852	\$ 6,147,712	\$ 6,067,176
EVGL	\$ 2,823	\$ -	\$ 1,815,726	\$ 1,787,820	\$ -

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

CGPC and CGPC's subsidiaries

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Current assets	\$ 6,132,824	\$ 5,993,631	\$ 7,290,793
Non-current assets	6,700,838	6,679,590	6,106,634
Current liabilities	(1,663,478)	(1,785,947)	(2,298,840)
Non-current liabilities	<u>(2,374,887)</u>	<u>(2,686,426)</u>	<u>(2,953,793)</u>
Equity	<u>\$ 8,795,297</u>	<u>\$ 8,200,848</u>	<u>\$ 8,144,794</u>
Equity attributable to:			
Owners of CGPC	\$ 3,080,656	\$ 2,883,997	\$ 2,828,444
Non-controlling interests of CGPC	5,278,018	4,922,344	4,894,049
Non-controlling interests of CGPC's subsidiaries	<u>436,623</u>	<u>394,507</u>	<u>422,301</u>
	<u>\$ 8,795,297</u>	<u>\$ 8,200,848</u>	<u>\$ 8,144,794</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2018</b>	<b>2017</b>
Revenue		<u>\$ 4,144,200</u>	<u>\$ 3,691,270</u>
Net profit from continuing operations		\$ 583,780	\$ 418,406
Net (loss) profit from discontinued operations		<u>(142)</u>	<u>1,677</u>
Profit for the period		583,638	420,083
Other comprehensive loss for the period		<u>(5,749)</u>	<u>(31,109)</u>
Total comprehensive income for the period		<u>\$ 577,889</u>	<u>\$ 388,974</u>
Profit attributable to:			
Owners of CGPC		\$ 185,467	\$ 129,504
Non-controlling interests of CGPC		356,035	248,605
Non-controlling interests of CGPC's subsidiaries		<u>42,136</u>	<u>41,974</u>
		<u>\$ 583,638</u>	<u>\$ 420,083</u>
Total comprehensive income attributable to:			
Owners of CGPC		\$ 185,629	\$ 144,742
Non-controlling interests of CGPC		350,144	202,266
Non-controlling interests of CGPC's subsidiaries		<u>42,116</u>	<u>41,966</u>
		<u>\$ 577,889</u>	<u>\$ 388,974</u>

(Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Net cash inflow (outflow) from:		
Operating activities	\$ 311,976	\$ 66,212
Investing activities	(138,262)	(87,253)
Financing activities	748	26,774
Effects of exchange rate changes	<u>(3,997)</u>	<u>(9,071)</u>
Net cash outflow	<u>\$ (170,465)</u>	<u>\$ (3,338)</u> (Concluded)

TTC and TTC's subsidiaries

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Current assets	\$ 5,543,668	\$ 5,313,224	\$ 5,068,600
Non-current assets	3,476,109	3,498,211	3,490,278
Current liabilities	(3,441,623)	(3,132,553)	(3,330,005)
Non-current liabilities	<u>(1,466,694)</u>	<u>(1,773,332)</u>	<u>(1,814,008)</u>
Equity	<u>\$ 4,111,460</u>	<u>\$ 3,905,550</u>	<u>\$ 3,414,865</u>
Equity attributable to:			
Owners of TTC	\$ 1,547,576	\$ 1,483,743	\$ 1,286,189
Non-controlling interests of TTC	<u>2,563,884</u>	<u>2,421,807</u>	<u>2,128,676</u>
	<u>\$ 4,111,460</u>	<u>\$ 3,905,550</u>	<u>\$ 3,414,865</u>

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Revenue	<u>\$ 4,842,167</u>	<u>\$ 4,518,603</u>
Profit for the period	\$ 189,651	\$ 91,131
Other comprehensive income (loss) for the period	<u>13,566</u>	<u>(55,384)</u>
Total comprehensive income for the period	<u>\$ 203,217</u>	<u>\$ 35,747</u>
Profit attributable to:		
Owners of TTC	\$ 69,551	\$ 33,420
Non-controlling interests of TTC	<u>120,100</u>	<u>57,711</u>
	<u>\$ 189,651</u>	<u>\$ 91,131</u>
Total comprehensive income attributable to:		
Owners of TTC	\$ 66,817	\$ 12,095
Non-controlling interests of TTC	<u>136,400</u>	<u>23,652</u>
	<u>\$ 203,217</u>	<u>\$ 35,747</u> (Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Net cash inflow (outflow) from:		
Operating activities	\$ (314,874)	\$ (544,810)
Investing activities	(30,842)	(27,996)
Financing activities	614,651	481,950
Effects of exchange rate changes	<u>1,893</u>	<u>(5,128)</u>
Net cash inflow (outflow)	<u>\$ 270,828</u>	<u>\$ (95,984)</u> (Concluded)

ACME and ACME's subsidiaries

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Current assets	\$ 2,018,267	\$ 1,741,583	\$ 2,163,245
Non-current assets	1,934,724	1,965,852	2,051,219
Current liabilities	(1,411,290)	(1,172,072)	(1,791,910)
Non-current liabilities	<u>(614,640)</u>	<u>(613,731)</u>	<u>(497,924)</u>
Equity	<u>\$ 1,927,061</u>	<u>\$ 1,921,632</u>	<u>\$ 1,924,630</u>
Equity attributable to:			
Owners of ACME	\$ 609,814	\$ 611,551	\$ 599,626
Non-controlling interests of ACME	750,199	751,522	744,018
Non-controlling interests of ACME's subsidiaries	<u>567,048</u>	<u>558,559</u>	<u>580,986</u>
	<u>\$ 1,927,061</u>	<u>\$ 1,921,632</u>	<u>\$ 1,924,630</u>

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Revenue	<u>\$ 575,404</u>	<u>\$ 561,096</u>
Loss for the period	\$ (32,975)	\$ (79,406)
Other comprehensive income (loss) for the period	<u>38,404</u>	<u>(90,387)</u>
Total comprehensive income (loss) for the period	<u>\$ 5,429</u>	<u>\$ (169,793)</u>
Loss attributable to:		
Owners of ACME	\$ (11,888)	\$ (32,391)
Non-controlling interests of ACME	(14,810)	(40,345)
Non-controlling interests of ACME's subsidiaries	<u>(6,277)</u>	<u>(6,670)</u>
	<u>\$ (32,975)</u>	<u>\$ (79,406)</u> (Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Total comprehensive income (loss) attributable to:		
Owners of ACME	\$ (873)	\$ (59,432)
Non-controlling interests of ACME	(2,187)	(74,026)
Non-controlling interests of ACME's subsidiaries	<u>8,489</u>	<u>(36,335)</u>
	<u>\$ 5,429</u>	<u>\$ (169,793)</u>
Net cash inflow (outflow) from:		
Operating activities	\$ (39,265)	\$ 15,056
Investing activities	293,291	(27,921)
Financing activities	10,976	(28,715)
Effects of exchange rate changes	<u>22,017</u>	<u>(29,333)</u>
Net cash inflow (outflow)	<u>\$ 287,019</u>	<u>\$ (70,913)</u> (Concluded)

APC and APC's subsidiaries

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Current assets	\$ 5,194,221	\$ 5,136,436	\$ 5,470,723
Non-current assets	9,666,064	9,739,565	9,160,148
Current liabilities	(1,860,422)	(2,338,563)	(2,247,703)
Non-current liabilities	<u>(3,176,957)</u>	<u>(2,720,968)</u>	<u>(2,738,162)</u>
Equity	<u>\$ 9,822,906</u>	<u>\$ 9,816,470</u>	<u>\$ 9,645,006</u>
Equity attributable to:			
Owners of APC	\$ 3,635,054	\$ 3,668,758	\$ 3,577,830
Non-controlling interests of APC	<u>6,187,852</u>	<u>6,147,712</u>	<u>6,067,176</u>
	<u>\$ 9,822,906</u>	<u>\$ 9,816,470</u>	<u>\$ 9,645,006</u>

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Revenue	\$ <u>1,326,214</u>	\$ <u>1,531,129</u>
Profit for the period	\$ 82,741	\$ 149,403
Other comprehensive loss for the period	<u>(125,814)</u>	<u>(2,017)</u>
Total comprehensive (loss) income for the period	<u>\$ (43,073)</u>	<u>\$ 147,386</u>
Profit attributable to:		
Owners of APC	\$ 26,765	\$ 48,329
Non-controlling interests of APC	<u>55,976</u>	<u>101,074</u>
	<u>\$ 82,741</u>	<u>\$ 149,403</u> (Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Total comprehensive income (loss) attributable to:		
Owners of APC	\$ (47,655)	\$ 33,645
Non-controlling interests of APC	<u>4,582</u>	<u>113,741</u>
	<u>\$ (43,073)</u>	<u>\$ 147,386</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 14,875	\$ (228,537)
Investing activities	(18,750)	(760,180)
Financing activities	(15)	(471)
Effects of exchange rate changes	<u>(920)</u>	<u>(12,153)</u>
Net cash outflow	<u>\$ (4,810)</u>	<u>\$ (1,001,341)</u> (Concluded)

EVGL and EVGL's subsidiaries

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Current assets	\$ 328,053	\$ 338,317
Non-current assets	5,335,988	5,241,747
Current liabilities	<u>(8,955)</u>	<u>(11,893)</u>
Equity	<u>\$ 5,655,086</u>	<u>\$ 5,568,171</u>
Equity attributable to:		
Owners of EVGL	\$ 3,839,360	\$ 3,780,351
Non-controlling interests of EVGL	<u>1,815,726</u>	<u>1,787,820</u>
	<u>\$ 5,655,086</u>	<u>\$ 5,568,171</u>
		<b>For the Three Months Ended March 31, 2018</b>
Profit for the period		\$ 8,793
Other comprehensive income for the period		<u>78,121</u>
Total comprehensive income for the period		<u>\$ 86,914</u>
Profit attributable to:		
Owners of EVGL		\$ 5,970
Non-controlling interests of EVGL		<u>2,823</u>
		<u>\$ 8,793</u> (Continued)

	<b>For the Three Months Ended March 31, 2018</b>
Total comprehensive loss attributable to:	
Owners of EVGL	\$ 59,008
Non-controlling interests of EVGL	<u>27,906</u>
	<u>\$ 86,914</u>
Net cash inflow (outflow) from:	
Operating activities	\$ 5,071
Effects of exchange rate changes	<u>(7,184)</u>
Net cash outflow	<u>\$ (2,113)</u> (Concluded)

Refer to Notes 22 and 40 for the information related to part of subsidiaries' shares pledged as collateral for long-term bank borrowings.

## 17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### Investments in Joint Venture (March 31, 2017: None)

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Investments in joint ventures		
Associates that are individually material		
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	<u>\$ 5,335,988</u>	<u>\$ 5,241,747</u>

Investments in joint venture are accounted for using the equity method.

The percentage of the Group's ownership and voting rights are 50% of the outstanding shares of Gulei as of March 31, 2018 and December 31, 2017. For more explanation, refer to Note 35.

For the scope of business operations and the location and national information of Gulei's registry of joint venture, refer to Table 7.

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.

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Cash	<u>\$ 9,427,133</u>	<u>\$ 9,870,622</u>
Current assets	\$ 9,574,355	\$ 9,871,825
Non-current assets	1,157,735	677,992
Current liabilities	<u>(60,114)</u>	<u>(66,323)</u>
Equity	10,671,976	10,483,494
Proportion of the Group's ownership	<u>50%</u>	<u>50%</u>
Equity attributable to the Group	<u>\$ 5,335,988</u>	<u>\$ 5,241,747</u>
Carrying amount	<u>\$ 5,335,988</u>	<u>\$ 5,241,747</u>

**For the Three  
Months Ended  
March 31, 2018**

Shares attributable to the Group  
Net profit of the period

\$ 8,935

Gulei had no significant operating income for the three months ended March 31, 2018.

For the three months ended March 31, 2018, investments in joint ventures accounted for using the equity method and the Group's share of profit and other comprehensive income (loss) were not reviewed by the auditors.

**18. PROPERTY, PLANT AND EQUIPMENT**

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Freehold land	\$ 4,726,441	\$ 4,726,441	\$ 4,726,441
Land improvements	12,194	14,721	14,521
Building improvements	4,381,901	4,421,788	4,219,346
Machinery and equipment	11,178,235	11,383,335	10,910,640
Transportation equipment	45,667	45,170	44,954
Other equipment	262,768	269,540	452,279
Construction in progress and equipment under installation	<u>3,054,355</u>	<u>2,897,500</u>	<u>2,292,143</u>
	<u>\$ 23,661,561</u>	<u>\$ 23,758,495</u>	<u>\$ 22,660,324</u>

No impairment assessment was performed for the three months ended March 31, 2018 and 2017 as there was no indication of impairment.

The above items of property, plant and equipment were depreciated on a straight-line basis over their estimated useful lives as follows:

Land improvements	7 to 25 years
Building improvements	
Factories and other machines	15 to 55 years
Main buildings	3 to 60 years
Storage rooms	8 to 45 years
Others	2 to 40 years
Machinery and equipment	2 to 25 years
Transportation equipment	2 to 15 years
Other equipment	2 to 25 years

On March 21, 2013, the board of directors' of the Company decided to invest in constructing a cyclic block copolymer production plant, which cost \$1,000,000 thousand as. On September 23, 2014, the board of directors decided to construct a front-end material production plant and utility system, which cost \$1,000,000 thousand. In addition, the amount of investment to adjust the plant configuration increased by \$700,000 thousand after discussion by the board of directors in its meeting on August 11, 2016, and the total cost was \$2,700,000 thousand. As of March 31, 2018, the Company has paid CTCI of \$1,611,668 thousand. In June 2014, the Company received subsidies amounting to \$160,000 thousand from the Industrial Development Bureau, and as of March 31, 2018, the Company has received \$128,841 thousand. According to the schedule and acceptance situation, the subsidy income had accumulated to \$106,548 thousand.

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 40.

For the related capitalized interest, refer to Note 31 (c).

## 19. INVESTMENT PROPERTIES

	March 31, 2018	December 31, 2017	March 31, 2017
<u>Completed investment properties</u>			
Land	\$ 90,971	\$ 90,971	\$ 90,971
Buildings	<u>89,218</u>	<u>91,245</u>	<u>115,753</u>
	<u>\$ 180,189</u>	<u>\$ 182,216</u>	<u>\$ 206,724</u>

Except for the recognition of the depreciation expense, there were no material additions, disposals and impairments happening for the Group's investment properties for the three months ended March 31, 2018 and 2017.

The investment properties were depreciated using the straight-line method over their estimated useful lives of 3 to 55 years.

Part of the Group's investment properties are located in Toufen Industrial District. Due to the characteristics of the district, the market for comparable properties is inactive and alternative reliable measurements of fair value were not available. Therefore, the Group determined that the fair value of its investment properties is not reliably measurable. For the remaining investment properties, the fair value of the investment properties were \$722,446 thousand at March 31, 2018 and December 31, 2017 and \$736,303 thousand at March 31, 2017, respectively, which did not evaluated by an independent qualified professional valuer. The management of the Group used the valuation model that market participants would use in determining fair value, and the fair value was measured by using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. Were the nearby land price to go up or down by 10%, the fair value of the investment properties of the Group for both the three months ended March 31, 2018 and the year ended December 31, 2017 would have increased or decreased by \$72,245 thousand, and for the three months ended March 31, 2017, the fair value of the Group's investment properties would have increased or decreased by \$73,630 thousand.

All of the Group's investment properties was held under freehold interests. The investment properties pledged as collateral for bank borrowings are set out in Note 40.

## 20. GOODWILL AND OTHER INTANGIBLE ASSETS

	March 31, 2018	December 31, 2017	March 31, 2017
Goodwill (a)	<u>\$ 269,026</u>	<u>\$ 269,026</u>	<u>\$ 269,026</u>
Other intangible assets (b)			
Licenses and franchises	\$ 14,027	\$ 19,159	\$ 36,581
Computer software	8,174	14,287	24,276
Patents	<u>57,840</u>	<u>59,903</u>	<u>73,526</u>
	<u>\$ 80,041</u>	<u>\$ 93,349</u>	<u>\$ 134,383</u>

a. Goodwill

No impairment assessment was performed periodically as there was no indication of impairment on March 31, 2018 and 2017.

b. Other intangible assets

Except for the recognition of amortization expense, there were no significant addition, disposal and impairment on other intangible assets of the Group for the three months ended March 31, 2018 and 2017.

Other intangible assets were depreciated on a straight-line basis over their estimated useful lives as follows:

Licenses and franchises	5 to 7 years
Computer software	1 to 3 years
Patents	5 to 7 years

## 21. PREPAYMENTS FOR LEASES

	March 31, 2018	December 31, 2017	March 31, 2017
Current assets (included in prepayments)	\$ 8,652	\$ 9,973	\$ 8,193
Non-current assets	<u>528,293</u>	<u>525,845</u>	<u>364,160</u>
	<u>\$ 536,945</u>	<u>\$ 535,818</u>	<u>\$ 372,353</u>

The carrying amount of the prepaid lease payments include land use rights located in China and Malaysia.

Part of the carrying amount of prepaid lease payments pledged as collateral for borrowings is disclosed in Notes 22 and 40.

## 22. BORROWINGS

a. Short-term borrowings

	March 31, 2018	December 31, 2017	March 31, 2017
<u>Secured borrowings</u>			
Bank loans	\$ 384,378	\$ 412,768	\$ 629,870
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>3,567,238</u>	<u>3,339,500</u>	<u>4,948,397</u>
	<u>\$ 3,951,616</u>	<u>\$ 3,752,268</u>	<u>\$ 5,578,267</u>
Range of interest rates	0.83%-4.79%	0.83%-4.79%	0.80%-4.35%

b. Short-term bills payable

	March 31, 2018	December 31, 2017	March 31, 2017
Commercial paper	\$ 1,820,000	\$ 1,685,000	\$ 2,347,000
Less: Unamortized discount on bills payable	<u>(486)</u>	<u>(494)</u>	<u>(685)</u>
	<u>\$ 1,819,514</u>	<u>\$ 1,684,506</u>	<u>\$ 2,346,315</u>
Range of interest rates	0.40%-1.25%	0.40%-1.18%	0.49%-1.21%

c. Long-term borrowings

	March 31, 2018	December 31, 2017	March 31, 2017
<u>Bank borrowings</u>			
Far Eastern International Bank			
USIO -			
Loan term: 2015.06-2017.06			
Annual rate: 2017.03.31: 1.23%	\$ -	\$ -	\$ 200,000
Taipei Fubon Commercial Bank Co., Ltd.			
UPIIC -			
Loan term: 2015.09-2019.09;			
Annual rate: 2018.03.31: 1.10%			
2017.12.31: 1.31%			
2017.03.31: 1.09%	500,000	400,000	500,000
APC -			
Credit line: 500,000 thousand			
Loan term: 2018.03-2019.09			
Revolving loan facility, and the principal is paid at maturity.			
Annual rate: 2018.03.31: 1.08%			
2017.12.31: 1.307%			
2017.03.31: 1.306%	450,000	450,000	450,000
SPC -			
Loan term: 2017.12-2020.09			
Revolving loan facility, the annual rate is based on Reuters data prior to the borrowing date, and is calculated at TAIBOR plus 0.75%, and divided by 0.946, with interest payments of \$231 thousand per month, and the principal is paid at maturity.	200,000	200,000	-
O-Bank			
ACME -			
Loan term: 2015.10-2018.10			
Annual rate: 2017.03.31: 1.46%	-	-	200,000
			(Continued)

	March 31, 2018	December 31, 2017	March 31, 2017
TTC - Revolving loan facility, and the principal is paid at maturity. Loan term: 2013.10-2018.10 Annual rate: 2018.03.31: 1.15% 2017.12.31 and 2017.03.31: 1.20%	\$ 100,000	\$ 100,000	\$ 100,000
SPC - Loan term: 2014.07-2019.11 From November 15, 2016, it required three monthly installments of \$40,000 thousand, and it is set for 5 installments. Interest rate is calculated at Reuters 90-day commercial paper on secondary market plus contract interest.	200,000	160,000	200,000
SPC - Loan term: 2013.12-2018.12 From January 15, 2017, it required monthly installments of \$4,200 thousand, and it is set for 24 installments. The last installment is \$3,400 thousand. Interest rate is calculated at a 2-year fixed deposit rate of postal savings funds plus contract interest.	37,000	89,600	87,400
Chang Hwa Commercial Bank			
TTC - Revolving loan facility, and the principal is paid at maturity. Loan term: 2012.11-2018.10 Annual rate: 2018.03.31, 2017.12.31 and 2017.03.31: 1.10%	900,000	900,000	700,000
UPIIC - Loan term: 2017.01-2020.01 Annual rate: 2018.03.31, 2017.12.31 and 2017.03.31: 1.10%	200,000	200,000	200,000
SPC - Loan term: 2015.12-2020.12 From December 2015, the first installment is paid on the day after 54 months expire, and the rest is paid on due of \$51,600 thousand. Interest rate is calculated at 3-month TAIBOR plus a floating rate of 0.57%, and when the loan interest rate is below 1.45%, it is calculated at 1.45%.	103,200	103,200	103,200 (Continued)

	March 31, 2018	December 31, 2017	March 31, 2017
USIO -			
Loan term: 2013.12-2019.12			
Annual rate: 2017.03.31:			
1.65%-1.70%	\$ -	\$ -	\$ 300,000
APC -			
Revolving loan facility, and the principal is paid at maturity.			
Loan term: 2015.11-2018.06			
Annual rate: 2017.03.31: 1.15%	-	-	400,000
KGI Bank			
SPC -			
Loan term: 2017.06-2019.06			
From June 23, 2017, it required four monthly installments of \$37,500, and it is set for 4 installments. Interest rate is calculated based on TAIBOR 1, 2, 3 or 6 month fixed interest rate plus 0.80%. Interest period is 1, 2, 3 or 6 month, and will be updated when expired.			
	250,000	250,000	150,000
CGPCP -			
Loan term: 2015.03-2018.11			
Annual rate: 2018.03.31 and			
2017.03.31: 0.99%			
2017.12.31: 1.04%	500,000	500,000	500,000
CGPCP -			
Loan term: 2016.11-2021.11			
Annual rate: 2018.03.31: 0.99%			
2017.12.31: 1.04%			
2017.03.31: 1.06%	550,000	550,000	550,000
TTC -			
Loan term: 2016.09-2018.09			
Annual rate: 2017.03.31: 1.986%	-	-	200,000
UPIIC -			
Loan term: 2015.03-2020.02			
Annual rate: 2018.03.31 and			
2017.03.31: 0.99%			
2017.12.31: 1.04%	300,000	300,000	300,000
APC-			
Credit line: \$400,000 thousand and \$200,000 thousand, respectively.			
Loan term: 2018.03-2021.03 and 2016.07-2019.04, respectively.			
Annual rate: 2018.03.31:			
0.986%-1.175%			
2017.12.31:			
1.036%-1.175%			
2017.03.31:			
0.98733%-1.175%	600,000	600,000	600,000

(Continued)

		March 31, 2018	December 31, 2017	March 31, 2017
Mega International Commercial Bank				
USIO -				
Loan term:	2014.07-2018.09			
Annual rate is calculated at interest rate on secondary markets plus a floating rate.				
Annual rate:	2017.03.31: 1.55%	\$ -	\$ -	\$ 100,000
ACME -				
Loan term:	2010.06-2018.09			
Annual rate is calculated at interest rate on secondary markets plus a floating rate.				
Annual rate:	2017.03.31: 1.40%-1.55%	-	-	149,800
ACME -				
Loan term:	2013.09-2018.09			
From September 2016, it required six monthly installments and it is set for 5 installments. Interest rate is calculated at Reuters average rate of 90-day Taiwan Bills on secondary market plus a floating rate.				
Annual rate:	2017.03.31: 1.45%-1.50%	-	-	130,200
ACME -				
Loan term:	2017.09-2022.09			
Annual rate:	2018.03.31 and 2017.12.31: 1.30%	270,000	300,000	-
ACME -				
Loan term:	2017.09-2019.06			
Annual rate:	2018.03.31 and 2017.12.31: 1.25%	80,000	50,000	-
UPIIC -				
Loan term:	2014.04-2019.04			
Annual rate:	2018.03.31 and 2017.12.31: 1.10%	100,000	100,000	-
Hua Nan Bank				
UPIIC -				
Loan term:	2017.07-2020.07			
Annual rate:	2018.03.31 and 2017.12.31: 1.10% 2017.03.31: 1.16%	100,000	100,000	500,000
Shin Kong Bank				
APC -				
Loan term:	2015.10-2018.10			
Revolving loan facility, and the principal is paid at maturity.				
Annual rate:	2018.03.31 and 2017.12.31: 1.00% 2017.03.31: 1.25%	450,000	450,000	450,000

(Continued)



## 23. BONDS PAYABLE

	March 31, 2018	December 31, 2017	March 31, 2017
Domestic unsecured bonds 104-1A - issuance on February 12, 2015, 5 years, total amount \$1,000,000 thousand, coupon rate 1.55%, bullet repayment	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Domestic unsecured bonds 104-1B - issuance on February 12, 2015, 7 years, total amount \$1,000,000 thousand, coupon rate 1.90%, bullet repayment	1,000,000	1,000,000	1,000,000
Domestic unsecured bonds 105-1 - issuance on October 28, 2016, 5 years, total amount \$2,000,000 thousand, coupon rate 0.80%, bullet repayment	2,000,000	2,000,000	2,000,000
Domestic unsecured bonds 106-1 - issuance on October 27, 2017, 5 years, total amount \$2,000,000 thousand, coupon rate 1.10%, bullet repayment	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
	6,000,000	6,000,000	4,000,000
Less: Discounts on bonds payable	<u>(9,226)</u>	<u>(9,833)</u>	<u>(6,557)</u>
	<u>\$ 5,990,774</u>	<u>\$ 5,990,167</u>	<u>\$ 3,993,443</u>

The Company applied for issuing the first naked debenture of 2015 with the amount of \$2,000,000 thousand in December 2014 in order to reimburse the due bonds and to increase working capital. The naked debentures were all issued in February 2015.

The Company applied for issuing the first naked debenture of 2016 with the amount of \$2,000,000 thousand in October 2016 in order to reimburse the bank loans, and the naked debentures were issued in October 2016.

The Company applied for issuing the first naked debenture of 2017 with the amount of \$2,000,000 thousand in October 2017 in order to reimburse the bank loans, and the naked debentures were issued in October 2017.

## 24. NOTES AND ACCOUNTS PAYABLE

	March 31, 2018	December 31, 2017	March 31, 2017
<u>Operating</u>			
Notes payable	\$ 91	\$ 360	\$ 183
Accounts payable	<u>3,657,595</u>	<u>3,965,084</u>	<u>3,173,589</u>
	<u>\$ 3,657,686</u>	<u>\$ 3,965,444</u>	<u>\$ 3,173,772</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.

## 25. OTHER PAYABLES

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Payables for salaries and bonuses	\$ 427,284	\$ 755,412	\$ 354,614
Payables for water and electricity	195,401	147,131	173,602
Payables for purchases of equipment	107,357	237,632	130,510
Payables for fares	163,870	104,684	158,187
Payables for interests	22,328	40,219	14,016
Payables for dividends	21,130	21,537	21,067
Payables for insurance	27,539	17,516	23,517
Payables for fuel fees	18,858	19,192	18,081
Others	<u>493,008</u>	<u>628,773</u>	<u>562,798</u>
	<u>\$ 1,476,775</u>	<u>\$ 1,972,096</u>	<u>\$ 1,456,392</u>

## 26. PROVISIONS - CURRENT

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Customer returns and rebates	<u>\$ 23,044</u>	<u>\$ 32,205</u>	<u>\$ 33,314</u>

The movements of the customer returns and rebates were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Balance at January 1	\$ 32,205	\$ 23,041
Additional provisions recognized	2,122	12,061
Actual occurrence	<u>(11,283)</u>	<u>(1,788)</u>
Balance at March 31	<u>\$ 23,044</u>	<u>\$ 33,314</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.

## 27. RETIREMENT BENEFIT PLANS

Related retirement expenses of defined benefit plans for the three months ended March 31, 2018 and 2017 were calculated based on the annual retirement cost rate for the respective year ended December 31, 2017 and 2016 and were recognized as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Operating cost	\$ 8,871	\$ 14,197
Selling and marketing expenses	3,922	1,490

(Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
General and administrative expenses	\$ 2,413	\$ 2,690
Research and development expenses	722	595
Other gains and losses	<u>275</u>	<u>112</u>
	<b><u>\$ 16,203</u></b>	<b><u>\$ 19,084</u></b>

(Concluded)

## 28. GOVERNMENT GRANTS

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 to US\$15,000 thousand; Zhoushizhen People's Government then promised to assist Acme Electronics Corporation (Kunshan) in acquiring land for a new plant. Furthermore, by applying the tax refund, Kunshan Zhoushizhen People's Government subsidized Acme Electronics Corporation (Kunshan)'s acquisition of the land for its new plant with a difference in price of over RMB50 thousand per acre. According to this agreement, Acme Electronics Corporation (Kunshan) raised the capital by cash and share dividends to meet its capital increase requirement for the relocation of the new plant. Acme Electronics Corporation (Kunshan) also recognized RMB10,591 thousand of the subsidy as long-term deferred revenue, which will be amortized along with the land use rights when the new plant is constructed. The related government subsidies were retrieved in January 2014.

Besides this, Acme Electronics Corporation (Kunshan) arrived at an agreement with Kunshan Zhoushizhen People's Government for an additional subsidy for the external line project for high voltage power during the relocation process. The amount of the subsidy was RMB8,145 thousand in total, which was recognized as long-term deferred revenue by Acme Electronics Corporation (Kunshan) and will be amortized based on the duration of the power equipment.

As of March 31, 2018, December, 31, 2017 and March 31, 2017, the amount of deferred income (accounted for as other current liabilities) that had not been amortized was RMB11,812 thousand (\$54,673 thousand), RMB11,958 thousand (\$54,461 thousand) and RMB12,394 thousand (\$54,486 thousand), respectively.

## 29. EQUITY

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Share capital	\$ 11,654,544	\$ 11,654,544	\$ 11,426,024
Capital surplus	238,301	238,194	216,269
Retained earnings	7,065,540	6,738,561	6,770,055
Other equity items	8,926	(31,286)	(82,789)
Treasury shares	(475,606)	(475,606)	(475,606)
Non-controlling interests	<u>17,437,155</u>	<u>16,684,012</u>	<u>15,514,976</u>
	<b><u>\$ 35,928,860</u></b>	<b><u>\$ 34,808,419</u></b>	<b><u>\$ 33,368,929</u></b>

a. Share capital

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Number of shares authorized (in thousands)	<u>1,342,602</u>	<u>1,342,602</u>	<u>1,342,602</u>
Shares authorized	<u>\$ 13,426,024</u>	<u>\$ 13,426,024</u>	<u>\$ 13,426,024</u>
Number of shares issued and fully paid (in thousands)	<u>1,165,454</u>	<u>1,165,454</u>	<u>1,142,602</u>
Shares issued	<u>\$ 11,654,544</u>	<u>\$ 11,654,544</u>	<u>\$ 11,426,024</u>

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

On June 8, 2017, the Company's regular shareholders' meeting resolved to issue 22,852 thousand ordinary shares as share dividends appropriated from earnings, with a par value of \$10, which increased the share capital issued and fully paid to \$11,654,544 thousand. On June 22, 2017, this transaction was approved by the FSC, and the subscription base date was determined as at August 4, 2017 by the board of directors. The Company finished the change of registration on August 31, 2017.

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 shares issued from new capital, mergers and treasury shares) 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 may not be used for any purpose.

c. Retained earnings and dividends policy

In accordance with the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, 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, refer to "Employees' compensation and remuneration of directors" in Note 31(f).

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 \$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.

Items referred to under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2017 and 2016 approved in the shareholders' meetings on March 13, 2018 and June 8, 2017, respectively, were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>For the Years Ended</b>		<b>For the Years Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Legal reserve	\$ 111,129	\$ 118,957		
Special reserve	-	(35,883)		
Cash dividends	349,636	571,301	\$0.3	\$0.5
Share dividends	<u>233,091</u>	<u>228,520</u>	0.2	0.2
	<u>\$ 693,856</u>	<u>\$ 882,895</u>		

The appropriation of earnings for 2017 are subject to the resolution of the shareholders' meeting to be held on June 5, 2018.

d. Other equity items

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

	<b>For the Three Months Ended</b>	
	<b>2018</b>	<b>2017</b>
Balance at January 1	\$ (190,880)	\$ 8,204
Effect of tax rate changes	(1,948)	-
Recognized during the period		
Exchange differences on translating foreign operations	36,223	(332,161)
Related income tax	<u>(8,652)</u>	<u>42,366</u>
Balance at March 31	<u>\$ (165,257)</u>	<u>\$ (281,591)</u>

2) Unrealized gain (loss) on available-for-sale financial assets

Balance at January 1, 2017	\$ 77,535
Recognized during the period	
Unrealized gain on revaluation of available-for-sale financial assets	144,826
Related income tax	81
Reclassification adjustments	
Disposal of available-for-sale financial assets	<u>(23,640)</u>
Balance at March 31, 2017	<u>\$ 198,802</u>
Balance at January 1, 2018 per IAS 39	\$ 159,594
Adjustment on initial application of IFRS 9	<u>(159,594)</u>
Balance at January 1, 2018 per IFRS 9	<u>\$ -</u>

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

	<b>For the Three Months Ended March 31, 2018</b>
Balance at January 1 per IAS 39	\$ -
Adjustment on initial application of IFRS 9	<u>190,426</u>
Balance at January 1 per IFRS 9	190,426
Effect of tax rate changes	(22)
Recognized during the period	
Unrealized gain	
Equity instruments	32,518
Related income tax	(709)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposals	<u>(48,030)</u>
Balance at March 31	<u>\$ 174,183</u>

e. Non-controlling interests

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Balance at January 1 (IAS 39)	\$ 16,684,012	\$ 14,292,690
Adjustment on initial application of IFRS 9	<u>44,007</u>	<u>-</u>
Balance at January 1 per IFRS 9	16,728,019	14,292,690
Share in profit for the period	568,610	422,790
Other comprehensive income (loss) in the period		
Effect of tax rate changes	7,641	-
Exchange difference on translating foreign operations	80,010	(337,878)
Income tax relating to exchange difference on translating foreign operations	(11,552)	28,883
Unrealized gain on available-for-sale financial assets	-	55,691
Cumulative gain reclassified to profit or loss on sale of available-for-sale financial assets	-	(674)
Income tax relating to unrealized loss on available-for-sale financial assets	-	170
Unrealized gain on financial assets at FVTOCI	58,350	-
Income tax relating to unrealized gain on financial assets at FVTOCI	(1,492)	-
Adjustments relating to changes accounted for using the equity method	1,186	281
Non-controlling interests arising from acquisition of subsidiaries	-	1,053,211
Changes in non-controlling interests	<u>6,383</u>	<u>(188)</u>
Balance at March 31	<u>\$ 17,437,155</u>	<u>\$ 15,514,976</u>

f. Treasury shares

<b>Purpose of Buy-Back</b>	<b>Number of Shares at January 1 (In Thousands of Shares)</b>	<b>Increase During the Period</b>	<b>Decrease During the Period</b>	<b>Number of Shares at March 31 (In Thousands of Shares)</b>
<u>For the three months ended March 31, 2018</u>				
Shares held by subsidiaries	<u>114,182</u>	<u>-</u>	<u>-</u>	<u>114,182</u>
<u>For the three months ended March 31, 2017</u>				
Shares held by subsidiaries	<u>111,943</u>	<u>-</u>	<u>-</u>	<u>111,943</u>

The Company's shares held by its subsidiaries at the end of the reporting period were as follows:

<b>Name of Subsidiary</b>	<b>Number of Shares Held (In Thousands of Shares)</b>	<b>Carrying Amount</b>	<b>Market Price</b>
<u>March 31, 2018</u>			
Asia Polymer Corporation ("APC")	99,368	\$ 1,377,381	\$ 1,445,809
Taita Chemical Company, Limited ("TTC")	14,814	<u>81,875</u>	<u>215,538</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,661,347</u>
<u>December 31, 2017</u>			
Asia Polymer Corporation ("APC")	99,368	\$ 1,377,381	\$ 1,629,640
Taita Chemical Company, Limited ("TTC")	14,814	<u>81,875</u>	<u>242,944</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,872,584</u>
<u>March 31, 2017</u>			
Asia Polymer Corporation ("APC")	97,420	\$ 1,377,381	\$ 1,539,235
Taita Chemical Company, Limited ("TTC")	14,523	<u>81,875</u>	<u>229,466</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,768,701</u>

The Company's shares which subsidiaries hold are view as treasury shares. Investments accounted for using the equity method are reclassified as treasury shares.

APC and TTC holdings of the Company's shares are carried as unrealized gain (loss) on financial assets at FVTOCI and are valued at the closing price of March 31, 2018. The carrying amount of investments accounted for using the equity method and the unrealized gain (loss) on financial assets at FVTOCI were reduced by \$71,151 thousand.

APC and TTC holdings of the Company's shares are carried as available-for-sale financial assets and are valued at the closing price of December 31, 2017 and March 31, 2017. The carrying amount of investments accounted for using the equity method and the unrealized gain (loss) on available-for-sale financial assets were reduced by \$140,670 thousand and \$106,481 thousand, respectively.

### 30. REVENUE

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Product sales revenue		
Plastic materials	\$ 13,962,377	\$ 13,207,269
Electronic materials	575,404	546,844
Others	<u>132,365</u>	<u>148,456</u>
	<u>\$ 14,670,146</u>	<u>\$ 13,902,569</u>

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

### 31. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Owners of the Company	\$ 247,712	\$ 295,367
Non-controlling interests	<u>568,701</u>	<u>421,712</u>
	<u>\$ 816,413</u>	<u>\$ 717,079</u>

Net profit from continuing operations includes the following:

a. Other income

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Interest income		
Bank deposits	\$ 21,569	\$ 23,064
Financial assets at FVTPL	779	757
Repurchase agreements collateralized by bonds	78	337
Others	<u>230</u>	<u>339</u>
	22,656	24,497
Rental income	4,968	9,435
Claims income	42,052	-
Others	<u>53,121</u>	<u>36,867</u>
	<u>\$ 122,797</u>	<u>\$ 70,799</u>

b. Other gains and losses

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Gain on disposal of biological assets	\$ 13,735	\$ -
Gain on disposal of property, plant and equipment	2,498	3,441
Loss on disposal of property, plant and equipment	(614)	(563)
Net gain on disposal of financial instruments	3,176	32,961
Net foreign exchange losses	(4,381)	(227,499)
Net gain(loss) on financial assets at FVTPL	41,205	(19,108)
Net loss on financial liabilities at FVTPL	(9,641)	(22,806)
Impairment losses on financial assets	(2,060)	(2,471)
Other gains and losses	<u>(28,277)</u>	<u>(40,626)</u>
	<u>\$ 15,641</u>	<u>\$ (276,671)</u>

c. Finance costs

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Interest on bank loans	\$ 46,047	\$ 48,474
Interest on bonds payable	18,732	11,682
Other interest expense	13	127
Less: Capitalized interest (included in construction in progress)	<u>(6,136)</u>	<u>(2,757)</u>
	<u>\$ 58,656</u>	<u>\$ 57,526</u>

Information about capitalized interest is as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Capitalized interest	\$ 6,136	\$ 2,757
Capitalization rate	0.95%-1.20%	0.98%-1.76%

d. Depreciation and amortization

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Property, plant and equipment	\$ 482,248	\$ 446,673
Investment properties	728	856
Intangible assets	15,202	16,630
Others	<u>8,517</u>	<u>7,907</u>
	<u>\$ 506,695</u>	<u>\$ 472,066</u>

(Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
An analysis of depreciation by function		
Operating costs	\$ 453,642	\$ 418,879
Operating expenses	25,624	25,869
Other gains and losses	<u>3,710</u>	<u>2,781</u>
	<u>\$ 482,976</u>	<u>\$ 447,529</u>
An analysis of amortization by function		
Operating costs	\$ 7,529	\$ 6,842
General and administrative expenses	10,052	13,830
Research and development expenses	<u>6,138</u>	<u>3,865</u>
	<u>\$ 23,719</u>	<u>\$ 24,537</u>

(Concluded)

e. Employee benefits expense

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Post-employment benefits (Note 27)		
Defined contribution plans	\$ 34,600	\$ 29,249
Defined benefit plans	<u>16,203</u>	<u>19,084</u>
	50,803	48,333
Other employee benefits	<u>1,068,407</u>	<u>990,990</u>
Total employee benefits expense	<u>\$ 1,119,210</u>	<u>\$ 1,039,323</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 758,690	\$ 761,115
Operating expenses	355,582	273,355
Non-operating income and expenses	<u>4,938</u>	<u>4,853</u>
	<u>\$ 1,119,210</u>	<u>\$ 1,039,323</u>

f. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the three months ended March 31, 2018 and 2017, which were accrued by the Company's board of directors as follows:

Accrual rate

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.51%	0.53%

Amount

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Employees' compensation	<u>\$ 2,697</u>	<u>\$ 3,277</u>
Remuneration of directors	<u>\$ 1,375</u>	<u>\$ 1,750</u>

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.

The employees' compensation and remuneration of directors for the years ended December 31, 2017 and 2016, which were approved by the Company's board of directors on March 13, 2018 and March 16, 2017, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2017</b>	<b>2016</b>
Employees' compensation	<u>\$ 12,247</u>	<u>\$ 13,026</u>
Remuneration of directors	<u>\$ 5,500</u>	<u>\$ 7,000</u>

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2017 and 2016.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2018 and 2017 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gain or loss on foreign currency exchange

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Foreign exchange gains	\$ 127,830	\$ 68,907
Foreign exchange losses	<u>(132,211)</u>	<u>(296,406)</u>
	<u>\$ (4,381)</u>	<u>\$ (227,499)</u>

### 32. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Current tax		
In respect of the current year	\$ 149,456	\$ 206,724
Others	<u>(6,354)</u>	<u>-</u>
	<u>143,102</u>	<u>206,724</u>
Deferred tax		
In respect of the current year	92,793	3,514
Adjustments for prior years	3,096	(7,202)
Tax rates changes	<u>(54,911)</u>	<u>-</u>
	<u>40,978</u>	<u>(3,688)</u>
Income tax expense recognized in profit or loss	<u>\$ 184,080</u>	<u>\$ 203,036</u>

The Income Tax Act in the ROC was amended in 2018 and the corporate income tax rate was adjusted from 17% to 20% effective in 2018. The effect of the change in tax rate on deferred tax income to be recognized in profit or loss is recognized in full in the period in which the change in tax rate occurs. In addition, the rate of the corporate surtax applicable to 2018 unappropriated earnings will be reduced from 10% to 5%.

b. Income tax recognized in other comprehensive income

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
<u>Deferred tax</u>		
Effect of tax rate changes	\$ (15,063)	\$ -
In respect of the current year		
Translation of foreign operations	20,204	(71,249)
Fair value changes of available-for-sale financial assets	-	(251)
Fair value changes of financial assets at FVTOCI	<u>2,201</u>	<u>-</u>
Total income tax recognized in other comprehensive income	<u>\$ 7,342</u>	<u>\$ (71,500)</u>

c. Income tax assessments

The income tax returns of UPIIC, CGTD, INOMA and UM through 2016 have been assessed by the tax authorities. The income tax returns of the Company, ACME, APC, APCI, CGPC, CGPCPOL, TVCM, TTC, USIIC, TMC, TUVV, TUVV and SPC through 2015 have been assessed by the tax authorities. The income tax returns of USIO and CLT through 2014 have been assessed by the tax authorities.

### 33. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2018	2017
Basic and diluted earnings per share		
From continuing operations and discontinued operations	\$ 0.24	\$ 0.28
From discontinued operations	<u>-</u>	<u>-</u>
From continuing operations	<u>\$ 0.24</u>	<u>\$ 0.28</u>

The weighted average number of shares outstanding used in the computation of earnings per share was adjusted retroactively for the issuance of bonus shares on August 4, 2017. The basic and diluted earnings per share adjusted retrospectively for the three months ended March 31, 2017 were as follows:

Unit: NT\$ Per Share

	Before	After
	Retrospective Adjustment	Retrospective Adjustment
Basic and diluted earnings per share		
From continuing operations and discontinued operations	\$ 0.29	\$ 0.28
From discontinued operations	<u>-</u>	<u>-</u>
From continuing operations	<u>\$ 0.29</u>	<u>\$ 0.28</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations were as follows:

#### Net Profit for the Period

	For the Three Months Ended March 31	
	2018	2017
Profit for the period attributable to owners of the Company (earnings used in the computation of basic and diluted earnings per share)	\$ 247,661	\$ 295,966
Add: Loss (gain) for the period from discontinued operations used in computation of basic earnings per share from discontinued operations	<u>51</u>	<u>(599)</u>
Earnings used in the computation of basic and diluted earnings per share from continuing operations	<u>\$ 247,712</u>	<u>\$ 295,367</u>

## Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Weighted average number of ordinary shares used in computation of basic earnings per share	1,051,272	1,051,272
Effect of potentially dilutive ordinary shares:		
Employees' compensation issued to employees	<u>806</u>	<u>873</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,052,078</u>	<u>1,052,145</u>

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

### 34. SHARE-BASED PAYMENT ARRANGEMENTS

ACME did not issue employee share options for the three months ended March 31, 2018 and 2017.

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

	<b>For the Three Months Ended March 31</b>			
	<b>2018</b>		<b>2017</b>	
	<b>Number of Options</b>	<b>Weighted- average Exercise Price (NT\$)</b>	<b>Number of Options</b>	<b>Weighted- average Exercise Price (NT\$)</b>
Balance at January 1 and March 31	<u>563</u>	\$ 8.2	<u>675</u>	\$ 10.0
Options exercisable, end of period	<u>563</u>	8.2	<u>675</u>	10.0

USIO did not have new employee share option plan for three months ended March 31, 2018 and 2017.

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

	<b>For the Three Months Ended March 31</b>			
	<b>2018</b>		<b>2017</b>	
	<b>Number of Options</b>	<b>Weighted- average Exercise Price (NT\$)</b>	<b>Number of Options</b>	<b>Weighted- average Exercise Price (NT\$)</b>
Balance at January 1	194	\$12.1	295	\$12.1
Options expired	<u>(27)</u>	12.1	<u>(49)</u>	12.1
Balance at March 31	<u>167</u>	12.1	<u>246</u>	12.1
Options exercisable, end of year	<u>167</u>	12.1	<u>246</u>	12.1

### 35. BUSINESS COMBINATIONS

#### a. Subsidiaries acquired

	<b>Date of Acquisition</b>	<b>Proportion of Voting Equity Interests Acquired (%)</b>	<b>Consideration Transferred</b>
Ever Victory Global Limited	January 13, 2017	66.4	<u>\$ 2,094,730</u>

The Company and APC enter into a joint venture contract for their investment on 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, Hengtai Petroleum Company Limited, Chenery 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 the “Joint Venture”) and agree to pass the establishment of the 100%-owned company named Dynamic Ever Investments Limited in Hong Kong, whose purpose is to build oil refineries and produce ethylene as well as seven other products on the Gulei Peninsula in Zhangzhou, Fujian Province, as approved by the Investment Commission at Taiwan’s Ministry of Economic Affairs and according to the operating business permitted by the Joint Venture’s board of directors; and (2) Dynamic Ever Investments Limited will establish a joint venture company in accordance with the laws of the People’s Republic of China with Fujian Refining and Chemical Co., in Gulei Park located in Zhangzhou Fujian Province (hereunder “Gulei Company”) and acquire 50% interest of Gulei Company for cooperative investment.

The Company and APC invested US\$3,131 thousand (approximately \$94,221 thousand) and US\$2,171 thousand (approximately \$65,202 thousand), respectively, to establish Ever Conquest Global Limited in order to invest in Ever Victory Global Limited via the third party, and the shareholding ratio of the joint venture is 31.75%. 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 ratio 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.

The Company and APC increased the investment in Ever Conquest Global Limited by US\$37,572 thousand (approximately \$1,200,087 thousand) and US\$23,086 thousand (approximately \$739,424 thousand), respectively, on January 13, 2017. Via Ever Conquest Global Limited, the Company and APC increased capital in Ever Victory Global Limited and then reinvested in Dynamic Ever Investments Limited. The shareholding ratio of the Joint Venture increased from 31.75% to 66.4% (qualifying as having control) after the capital increase. Dynamic Ever Investments Limited invested in Gulei Company by RMB576,200 thousand on April 18, 2017.

The Company and APC increased the investment in Ever Conquest Global Limited by US\$36,643 thousand (approximately \$1,113,427 thousand) and US\$21,013 thousand (approximately \$638,499 thousand), respectively, in July 2017. Via Ever Conquest Global Limited, the Company and APC increased capital in Ever Victory Global Limited and then reinvested in Dynamic Ever Investments Limited. The shareholding ratio of the Joint Venture was 67.9% after the capital increase. Dynamic Ever Investments Limited reinvested Gulei Company by RMB576,200 thousand on August 1, 2017.

b. Consideration transferred

Cash	\$ 1,939,511
Fair value before business combinations	<u>155,219</u>
Net cash outflow	<u>\$ 2,094,730</u>

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

Current assets	
Cash	\$ 2,938,643
Other current assets	269
Non-current assets	
Prepaid investments	213,154
Current liabilities	
Other payables	<u>(4,125)</u>
Identifiable net assets	3,147,941
Non-controlling interests	<u>(1,053,211)</u>
	<u>\$ 2,094,730</u>

d. Non-controlling interests

The non-controlling interest (a 33.6% ownership interest in Ever Victory Global Limited) recognized at the acquisition date was measured by proportion of the identifiable net assets of Ever Victory Global Limited; the amount was \$1,053,211 thousand.

e. Net cash outflow (inflow) on acquisition of subsidiaries

Consideration paid in cash	\$ 1,939,511
Less: Cash balances acquired	<u>(2,938,643)</u>
Net cash inflow	<u>\$ (999,132)</u>

f. Impact of acquisitions on the results of the Group

The results of the acquirees since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	<b>From January 13, 2017 to March 31, 2017</b>
Loss	<u>\$ (6,092)</u>

### 36. OPERATING LEASE AGREEMENTS

a. The Group as lessee

Operating leases are related to leases of office space and staff quarters with lease terms between 1 and 6 years. As of March 31, 2018, December 31, 2017 and March 31, 2017, the Group's refundable deposits paid resulting from operating lease agreements were \$8,596 thousand, \$8,646 thousand and \$8,684 thousand, respectively.

The future minimum lease payments of non-cancellable operating lease commitments are as follows:

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Not later than 1 year	\$ 25,311	\$ 33,475	\$ 24,951
Later than 1 year and not later than 5 years	<u>59,575</u>	<u>59,575</u>	<u>39,401</u>
	<u>\$ 84,886</u>	<u>\$ 93,050</u>	<u>\$ 64,352</u>

b. The Group as lessor

Operating leases are related to leases of investment properties with lease terms between 1 and 5 years. All operating lease agreements contain market review clauses in the event that the lessees exercise their options to renew. The lessees do not have bargain purchase options to acquire the properties at the expiry of the lease periods.

As of March 31, 2018, December 31, 2017 and March 31, 2017, the Group's guarantee deposits received resulting from operating lease agreements were \$13,171 thousand, \$11,304 thousand and \$9,574 thousand, respectively.

The future minimum lease payments of non-cancellable operating leases are as follows:

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Not later than 1 year	\$ 17,529	\$ 19,844	\$ 16,252
Later than 1 year and not later than 5 years	<u>30,598</u>	<u>30,598</u>	<u>52,209</u>
	<u>\$ 48,127</u>	<u>\$ 50,442</u>	<u>\$ 68,461</u>

### 37. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to 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 of the Group review the capital structure periodically. As part of this review, the key management consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management, 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.

### 38. FINANCIAL INSTRUMENTS

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

The management of the Group considers that the carrying amount 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

March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 5,662	\$ -	\$ 5,662
Domestic listed shares and over-the-counter shares	281,265	-	-	281,265
Mutual funds	3,202,117	-	-	3,202,117
Beneficiary certificates	2,038,760	-	-	2,038,760
Foreign listed shares	<u>955</u>	<u>-</u>	<u>-</u>	<u>955</u>
	<u>\$ 5,523,097</u>	<u>\$ 5,662</u>	<u>\$ -</u>	<u>\$ 5,528,759</u>
Financial assets at FVTOCI				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 2,104,860	\$ -	\$ -	\$ 2,104,860
Domestic emerging market shares	-	-	8,346	8,346
Domestic unlisted shares	-	-	584,307	584,307
Foreign listed shares and over-the-counter shares	12,588	-	-	12,588
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>163,034</u>	<u>163,034</u>
	<u>\$ 2,117,448</u>	<u>\$ -</u>	<u>\$ 755,687</u>	<u>\$ 2,873,135</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 10,613</u>	<u>\$ -</u>	<u>\$ 10,613</u>

December 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 4,189	\$ -	\$ 4,189
Non-derivative financial assets held for trading	<u>5,311,705</u>	<u>-</u>	<u>-</u>	<u>5,311,705</u>
	<u>\$ 5,311,705</u>	<u>\$ 4,189</u>	<u>\$ -</u>	<u>\$ 5,315,894</u>
Available-for-sale financial assets				
Domestic listed shares and over-the-counter shares	\$ 2,052,768	\$ -	\$ -	\$ 2,052,768
Foreign listed shares and over-the-counter shares	17,212	-	-	17,212
Domestic emerging market shares	<u>-</u>	<u>-</u>	<u>7,589</u>	<u>7,589</u>
	<u>\$ 2,069,980</u>	<u>\$ -</u>	<u>\$ 7,589</u>	<u>\$ 2,077,569</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 7,883</u>	<u>\$ -</u>	<u>\$ 7,883</u>

March 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 2,147	\$ -	\$ 2,147
Non-derivative financial assets held for trading	<u>5,745,105</u>	<u>-</u>	<u>-</u>	<u>5,745,105</u>
	<u>\$ 5,745,105</u>	<u>\$ 2,147</u>	<u>\$ -</u>	<u>\$ 5,747,252</u>
Available-for-sale financial assets				
Domestic listed shares and over-the-counter shares	\$ 2,320,674	\$ -	\$ -	\$ 2,320,674
Foreign listed shares and over-the-counter shares	16,321	-	-	16,321
Domestic emerging market shares	<u>-</u>	<u>-</u>	<u>6,571</u>	<u>6,571</u>
	<u>\$ 2,336,995</u>	<u>\$ -</u>	<u>\$ 6,571</u>	<u>\$ 2,343,566</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 4,921</u>	<u>\$ -</u>	<u>\$ 4,921</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

	<b>For the Three Months Ended March 31, 2018</b>
<u>Financial assets at FVTOCI</u>	
Balance at January 1	\$ 779,889
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	<u>(24,202)</u>
Balance at March 31	<u>\$ 755,687</u>
	<b>For the Three Months Ended March 31, 2017</b>

Available-for-sale financial assets - non-public offering equity investments

Balance at January 1	\$ 6,219
Recognized in other comprehensive income (included in unrealized gain (loss) on available-for-sale financial assets)	<u>352</u>
Balance at March 31	<u>\$ 6,571</u>

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
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 is carried out by the financial department. Via information from independent resources, the Group keeps the result close to the market state and reviews such results periodically to ensure that they are reasonable. The fair values of domestic 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 net asset value of investees increases/decreases by 1%, the fair value will increase/decrease by \$7,557 thousand.

c. Categories of financial instruments

	March 31, 2018	December 31, 2017	March 31, 2017
<u>Financial assets</u>			
Financial assets at FVTPL			
Held for trading	\$ -	\$ 5,315,894	\$ 5,747,252
Financial assets mandatory at FVTPL	5,528,759	-	-
Loans and receivables			
Cash and cash equivalents	-	8,473,862	12,838,754
Debt investments with no active market	-	737,942	734,049
Notes receivable	-	1,118,070	932,835
Accounts receivable	-	6,950,029	5,909,773
Other receivables (including related parties)	-	344,305	392,972
Refundable deposits	-	140,530	140,484
Available-for-sale financial assets (including financial assets measured at cost)	-	2,753,689	3,141,542
Financial assets measured at amortized cost			
Cash and cash equivalents	8,871,444	-	-
Pledged time deposits	736,011	-	-
Notes receivable	1,020,999	-	-
Accounts receivable	6,373,234	-	-
Other receivables (including related parties)	365,608	-	-
Refundable deposits	143,084	-	-
Financial assets at FVTOCI - equity instrument investments	2,873,135	-	-
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	10,613	7,883	4,921
Financial liabilities measured at amortized cost			
Short-term borrowings	3,951,616	3,752,268	5,578,267
Short-term bills payable	1,819,514	1,684,506	2,346,315
Notes payable and accounts payable	3,657,686	3,965,444	3,173,772
Other payables (including related parties)	1,476,775	1,972,096	1,456,392
Current portion of long-term borrowings	627,000	799,600	1,362,900
Bonds payable	5,990,774	5,990,167	3,993,443
Long-term borrowings	7,163,138	6,903,148	6,557,700
Guarantee deposits received	9,882	13,039	15,638

d. Financial risk management objectives and policies

The Group's risk controlling and hedging strategy is influenced by the operational environment. The Group properly monitors and manages the risks related to business nature and according to the principle of risk diversification. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), 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 risk.

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 enter into or traded foreign exchange contracts for speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 43 and of the derivatives exposing the Group to foreign currency risk at the end of the reporting period 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 (US dollar denominated items). When the Group's functional currency against the USD appreciates/depreciates by 3%, the Group's profit before tax for the three months ended March 31, 2018 will decrease/increase \$83,422 thousand; the profit before tax for the three months ended March 31, 2017 will decrease/increase \$48,410 thousand.

Because 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 fair value interest rate risk because the Group held financial assets and financial liabilities at fixed rates; the Group was exposed to cash flow interest rate risk because the Group held financial assets and financial liabilities at floating rates. The Group's management monitors the changes in the market rates on a regular basis and adjusts the floating rate financial liabilities to make the Group's rates approach market rates in response to the risk caused by changing market rates.

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:

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Fair value interest rate risk			
Financial assets	\$ 7,409,700	\$ 7,153,928	\$ 11,306,611
Financial liabilities	12,139,259	11,364,719	11,900,409
Cash flow interest rate risk			
Financial assets	1,791,038	1,889,029	1,818,319
Financial liabilities	7,412,783	7,764,970	7,938,216

#### 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 50 basis point increase or decrease 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 50 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the three months ended March 31, 2018 and 2017 would have decreased/increased by \$7,027 thousand and \$7,650 thousand, respectively.

#### c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities listed in the ROC and beneficiary certificates. 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 analysis below was determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices fluctuates by 5%, the pre-tax profit for the three months ended March 31, 2018 would have increased/decreased by \$276,155 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the three months ended March 31, 2018 would have increased/decreased by \$143,657 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices fluctuates by 5%, the pre-tax profit for the three months ended March 31, 2017 would have increased/decreased by \$287,255 thousand, as a result of the changes in fair value of held-for-trading investments, and the pre-tax other comprehensive income for the three months ended March 31, 2017 would have increased/decreased by \$117,178 thousand, as a result of the changes in fair value of available-for-sale financial assets.

#### 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to 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 not centered on a single client or location. Besides this, ongoing credit evaluations are performed on the financial conditions of trade receivables, so the Group's credit risk is limited. At balance sheet date, the Group's maximum exposure to credit risk approximates the carrying amounts of the respective recognized financial assets as stated in the consolidated balance sheet.

### 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

#### a) Liquidity and interest rate risk tables for non-derivative financial liabilities

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 repayment dates.

##### March 31, 2018

	<b>Weighted Average Interest Rate (%)</b>	<b>On Demand or Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 5,134,461	\$ -	\$ -
Floating interest rate liabilities	0.50-4.35	2,422,845	4,989,938	-
Fixed interest rate liabilities	0.40-1.90	<u>3,975,285</u>	<u>8,163,974</u>	<u>-</u>
		<u>\$ 11,532,591</u>	<u>\$ 13,153,912</u>	<u>\$ -</u>

##### December 31, 2017

	<b>Weighted Average Interest Rate (%)</b>	<b>On Demand or Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 5,937,540	\$ -	\$ -
Floating interest rate liabilities	0.50-4.35	3,474,970	4,290,000	-
Fixed interest rate liabilities	0.40-1.90	<u>3,461,353</u>	<u>2,912,408</u>	<u>4,990,958</u>
		<u>\$ 12,873,863</u>	<u>\$ 7,202,408</u>	<u>\$ 4,990,958</u>

##### March 31, 2017

	<b>Weighted Average Interest Rate (%)</b>	<b>On Demand or Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 4,630,164	\$ -	\$ -
Floating interest rate liabilities	0.73-3.92	3,058,216	4,880,000	-
Fixed interest rate liabilities	0.65-1.90	<u>5,729,266</u>	<u>4,175,338</u>	<u>1,995,805</u>
		<u>\$ 13,417,646</u>	<u>\$ 9,055,338</u>	<u>\$ 1,995,805</u>

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

The following table details the Group's liquidity analysis for its derivative financial instruments and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

March 31, 2018

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 980,853	\$ 936,816	\$ 8,523
Outflows	<u>(982,872)</u>	<u>(940,873)</u>	<u>(8,732)</u>
	<u>\$ (2,019)</u>	<u>\$ (4,057)</u>	<u>\$ (209)</u>

December 31, 2017

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 774,990	\$ 1,611,954	\$ 91,897
Outflows	<u>(776,782)</u>	<u>(1,616,673)</u>	<u>(92,873)</u>
	<u>\$ (1,792)</u>	<u>\$ (4,719)</u>	<u>\$ (976)</u>

March 31, 2017

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 680,658	\$ 423,471	\$ -
Outflows	<u>(681,617)</u>	<u>(423,468)</u>	<u>-</u>
	<u>\$ (959)</u>	<u>\$ 3</u>	<u>\$ -</u>

c) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of March 31, 2018, December 31, 2017 and March 31, 2017, the unused amounts of bank loan facilities were as follows:

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Bank loan facilities Amount unused	<u>\$ 23,932,193</u>	<u>\$ 23,835,609</u>	<u>\$ 16,862,213</u>

### 39. TRANSACTIONS WITH RELATED PARTIES

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 the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties' names and their relationships

<u>Related Party Names</u>	<u>Relationship with the Group</u>
Dynamic Ever Investments Limited	Associate (since January 13, 2017 as a subsidiary, included in the consolidated financial statements)
Fujian Gulei Petrochemical Co., Ltd.	Joint venture
USI Education Foundation	Other related party

b. Donation expense (classified as general and administrative expenses)

<b>Related Party Category/Name</b>	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Other related party USI Education Foundation	<u>\$ 4,500</u>	<u>\$ 3,000</u>

c. Management services income (classified as other income)

<b>Related Party Category/Name</b>	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Joint venture	<u>\$ 7,125</u>	<u>\$ -</u>

d. Other receivables

<b>Related Party Category/Name</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Joint venture	<u>\$ 6,430</u>	<u>\$ 14,642</u>	<u>\$ -</u>

e. Compensation of key management personnel

The types and amounts of the remuneration of directors and other members of key management personnel were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Short-term employee benefits	\$ 10,372	\$ 11,029
Post-employment benefits	<u>81</u>	<u>162</u>
	<u>\$ 10,453</u>	<u>\$ 11,191</u>

Compensation of the board and other key management personnel depends on individual performance and market trending.

#### 40. ASSETS PLEDGED AS COLLATERAL

The following assets were provided as guarantees for the tariff of imported raw materials, outward documentary bill or financing facilities:

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>March 31, 2017</b>
Pledged time deposits (classified as financial assets measured at amortized cost)	\$ 736,011	\$ -	\$ -
Pledged time deposits (classified as debt investments with no active market)	-	737,943	734,049
Equity shares	1,798,625	1,998,724	2,378,000
Property, plant and equipment	4,510,909	4,537,237	5,152,708
Investment properties, net	108,178	108,178	108,178
Land use rights (classified as long-term prepayments for leases)	88,990	37,809	175,312
Refundable deposits (classified as other non-current assets)	<u>40,273</u>	<u>521,455</u>	<u>52,139</u>
	<u>\$ 7,282,986</u>	<u>\$ 7,941,346</u>	<u>\$ 8,600,386</u>

#### 41. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENT

- a. As of March 31, 2018, December 31, 2017 and March 31, 2017, the Company's unused letter of credit amounted to \$3,648,853 thousand, \$4,002,441 thousand and \$3,921,438 thousand, respectively.
- b. The following is regarding the subsidiary, CGTD, who had been commissioned to operate LCY Chemical Corp.'s propene pipeline resulting in a gas explosion on July 31, 2014, the Kaohsiung District Prosecutor Office instituted a public prosecution against the related personnel of the Kaohsiung City Government, LCY Chemical Corp. and CGTD employees on December 18, 2014.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, pledging certificates of bank deposits of \$226,983 thousand, interests included, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC

Corporation, Taiwan. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. At the end of April 2018, the provisionally attached property was worth \$150,540 thousand.

As for the victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 32 victims' families on July 17, 2015. Each victim's family received \$12,000 thousand, and the compensation was \$384,000 thousand in total, which was paid in four annual payments by LCY Chemical Corp. LCY Chemical Corp. was in charge of negotiating the compensation with the victims' families and signing the settlement agreement on behalf of the three parties.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims' families on October 25, 2017. 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, and signing the settlement agreement with 63 victim's families.

Up to April 30, 2018, victims and victims' families had written letters or filed civil procedures (and criminal procedures) against CGTD, LCY Chemical Corp. and CPC for compensation. Along with the formerly mentioned compensation, the accumulated amount of compensation is \$4,067,082 thousand, and the actual payment of CGTD depends on the verdict of the civil procedures. The first instance of the criminal procedures reached a judgment on May 11, 2018 whereby three employees of CGTD were each sentenced to four years and six months of imprisonment. CGTD will file an appeal after the employees receive the final verdict; the first instance for a part of the civil procedures will be held on June 22, 2018.

#### 42. SIGNIFICANT CONTRACT

- a. TVCM along with Formosa Plastics Corporation, Sabic Asia Pacific PTE. Ltd., Mitsubishi Corp., Mitsui Corp., Tricon Energy Ltd. and Marubeni 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. Significant operating contract

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 petrochemical raw materials insurance expenses are borne by individual commissioned companies.

<u>Commissioned Company</u>	<u>Operation Contract Period</u>
Taita Chemical Company, Ltd.	2017.01.01-2019.12.31
Taiwan VCM Corporation	2017.01.01-2019.12.31
USI Corporation	2018.01.01-2018.12.31
Asia Polymer Corporation	2018.01.01-2018.12.31
Formosa Plastic Corporation	2018.01.01-2019.12.31
Oriental Union Chemical Corporation	2017.01.01-2018.12.31
LCY Chemical Corporation	2017.01.01-2019.12.31
Taiwan Styrene Monomer Corporation	2017.01.01-2019.12.31
Transformational Chemistry Corporation	2017.01.01-2019.12.31
NANTEX Industry Co., Ltd.	2017.01.01-2019.12.31
En Chuan Chemical Industries Co., Ltd.	2017.01.01-2019.12.31
Xin Long Guang Plastics Co., Ltd.	2017.01.01-2019.12.31

The above contracts may be renewed after the expiry of the period.

#### 43. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the 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**

March 31, 2018					
	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currency	NTD	
<u>Foreign currency assets</u>					
Monetary items					
USD	\$ 139,796	29.11	(USD:NTD)	\$ 4,068,772	\$ 4,068,772
USD	6,432	6.29	(USD:RMB)	40,450	187,225
USD	3,258	4.01	(USD:MYR)	13,052	94,836
RMB	231,140	4.63	(RMB:NTD)	1,069,854	1,069,854
RMB	1,087	0.16	(RMB:USD)	173	5,042
JPY	171,965	0.27	(JPY:NTD)	47,100	47,100
GBP	53	40.79	(GBP:NTD)	2,175	2,175
HKD	9,329	3.71	(HKD:NTD)	34,593	34,593
AUD	415	22.35	(AUD:NTD)	9,276	9,276
EUR	519	35.87	(EUR:NTD)	18,596	18,596
Non-monetary items					
Joint ventures accounted for using the equity method					
RMB	1,152,834	6.29	(RMB:USD)	183,280	5,335,988
<u>Foreign currency liabilities</u>					
Monetary items					
USD	31,899	29.11	(USD:NTD)	928,383	928,383
USD	21,594	6.29	(USD:RMB)	135,781	628,471
USD	455	4.01	(USD:MYR)	1,823	13,245
RMB	32,036	4.63	(RMB:NTD)	148,281	148,281

**December 31, 2017**

	<b>Foreign Currency</b>	<b>Exchange Rate (In Single Dollars)</b>		<b>Functional Currency</b>	<b>NTD</b>
<u>Foreign currency assets</u>					
Monetary items					
USD	\$ 153,882	29.76	(USD:NTD)	\$ 4,579,528	\$ 4,579,528
USD	5,649	6.53	(USD:RMB)	36,910	168,109
USD	3,809	4.21	(USD:MYR)	16,029	113,356
RMB	209,407	4.55	(RMB:NTD)	953,473	953,743
RMB	2,223	0.15	(RMB:USD)	340	10,134
JPY	86,200	0.26	(JPY:NTD)	22,756	22,756
AUD	754	23.19	(AUD:NTD)	17,481	17,481
EUR	695	35.57	(EUR:NTD)	24,733	24,733
Non-monetary items					
Joint ventures accounted for using the equity method					
RMB	1,150,895	6.53	(RMB:USD)	176,134	5,241,747

Foreign currency liabilities

Monetary items					
USD	53,582	29.76	(USD:NTD)	1,594,598	1,594,598
USD	21,436	6.53	(USD:RMB)	140,068	637,938
RMB	34,743	4.55	(RMB:NTD)	158,237	158,237

**March 31, 2017**

	<b>Foreign Currency</b>	<b>Exchange Rate (In Single Dollars)</b>		<b>Functional Currency</b>	<b>NTD</b>
<u>Foreign currency assets</u>					
Monetary items					
USD	\$ 130,435	30.33	(USD:NTD)	\$ 3,956,096	\$ 3,956,096
USD	4,237	6.90	(USD:RMB)	29,233	128,515
USD	4,370	4.67	(USD:MYR)	20,411	132,546
RMB	166,840	4.40	(RMB:NTD)	733,442	733,442
RMB	82,445	0.14	(RMB:USD)	11,950	362,446
JPY	89,410	0.27	(JPY:NTD)	24,256	24,256
HKD	1,156	3.90	(HKD:NTD)	4,512	4,512
AUD	837	23.23	(AUD:NTD)	19,449	19,449
EUR	611	33.90	(EUR:NTD)	18,831	18,831
<u>Foreign currency liabilities</u>					
Monetary items					
USD	49,505	30.33	(USD:NTD)	1,501,501	1,501,501
USD	35,712	6.90	(USD:RMB)	246,385	1,083,134
USD	622	4.67	(USD:MYR)	2,904	18,856
RMB	25,072	4.40	(RMB:NTD)	110,219	110,219
RMB	8,642	0.14	(RMB:USD)	1,253	37,993
JPY	110	0.27	(JPY:NTD)	30	30

For the three months ended March 31, 2018 and 2017, realized and unrealized net foreign exchange gains (losses) were \$(4,381) thousand and \$(227,499) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

#### 44. SEPARATELY DISCLOSED ITEMS

##### a. Information about significant transactions and investees

- 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 and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 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 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 9) Trading in derivative instruments. (Note 7 and Note 38)
- 10) Intercompany relationships and significant intercompany transactions. (Table 8)
- 11) Information on investees. (Table 6)

##### b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)
- 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. (None)
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 4)

- 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 financing of funds. (None)
- 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)

#### 45. SEGMENT INFORMATION

The Group provides its chief operating decision maker with details on about allocated resources and assessed segment information which focus on each group entity's financial information. The Group's reportable segment related information is detailed as follows:

##### a. Reportable segment income information

	For the Three Months Ended March 31, 2018						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	\$ 2,903,782	\$ 4,144,200	\$ 4,842,167	\$ 575,404	\$ 1,326,214	\$ 1,235,282	\$ 15,027,049
Interest income	2,565	1,476	1,589	1,954	3,381	11,691	22,656
Interest expense	(12,963)	(2,704)	(12,495)	(5,688)	(10,527)	(14,279)	(58,656)
Depreciation and amortization	(111,478)	(128,422)	(47,344)	(55,390)	(72,579)	(94,714)	(509,927)
Reportable segment profit (loss) before tax	265,619	681,941	223,281	(33,170)	85,809	267,790	1,491,270
Reportable segment tax expense	(17,958)	(98,161)	(33,630)	195	(3,068)	(31,458)	(184,080)
Reportable segment net profit (loss)	247,661	583,780	189,651	(32,975)	82,741	236,332	1,307,190

  

	For the Three Months Ended March 31, 2017						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	\$ 2,813,082	\$ 3,691,271	\$ 4,518,603	\$ 561,096	\$ 1,531,128	\$ 1,217,613	\$ 14,332,793
Interest income	3,850	2,067	1,136	1,784	2,706	12,954	24,497
Interest expense	(10,174)	(3,961)	(11,815)	(8,240)	(10,539)	(12,797)	(57,526)
Depreciation and amortization	(94,456)	(107,705)	(46,727)	(68,721)	(73,023)	(84,588)	(475,220)
Reportable segment profit (loss) before tax	322,697	509,440	116,365	(67,665)	173,873	231,404	1,286,114
Reportable segment tax expense	(26,731)	(91,034)	(25,234)	(11,741)	(24,470)	(23,826)	(203,036)
Reportable segment net profit (loss)	295,966	418,406	91,131	(79,406)	149,403	207,578	1,083,078

b. Reportable segment income and other major adjusted of items

1) Segment income and operating results

	<b>For the Three Months Ended March 31</b>	
	<b>2018</b>	<b>2017</b>
Reportable segment net profit before tax	\$ 1,223,480	\$ 1,054,710
Reportable segment tax expense	<u>(152,622)</u>	<u>(179,210)</u>
Reportable segment profit after tax	1,070,858	875,500
Other non-reportable segment profit	236,332	207,578
Less: Profit between segments	<u>(490,777)</u>	<u>(365,999)</u>
Profit from continuing operations	816,413	717,079
Profit or loss from discontinued operations	<u>(142)</u>	<u>1,677</u>
Net profit after tax	<u>\$ 816,271</u>	<u>\$ 718,756</u>

2) Other significant items reconciliation

	<b>For the Three Months Ended March 31, 2018</b>							
	<b>USI</b>	<b>CGPC and Its Subsidiaries</b>	<b>TTC and Its Subsidiaries</b>	<b>ACME and Its Subsidiaries</b>	<b>APC and Its Subsidiaries</b>	<b>Others</b>	<b>Reconciliation</b>	<b>Total</b>
Interest income	\$ 2,565	\$ 1,476	\$ 1,589	\$ 1,954	\$ 3,381	\$ 11,691	\$ -	\$ 22,656
Interest expense	(12,963)	(2,704)	(12,495)	(5,688)	(10,527)	(14,279)	-	(58,656)
Depreciation and amortization	(111,478)	(128,422)	(47,344)	(55,390)	(72,579)	(94,714)	222	(509,705)

  

	<b>For the Three Months Ended March 31, 2017</b>							
	<b>USI</b>	<b>CGPC and Its Subsidiaries</b>	<b>TTC and Its Subsidiaries</b>	<b>ACME and Its Subsidiaries</b>	<b>APC and Its Subsidiaries</b>	<b>Others</b>	<b>Reconciliation</b>	<b>Total</b>
Interest income	\$ 3,850	\$ 2,067	\$ 1,136	\$ 1,784	\$ 2,706	\$ 12,954	\$ -	\$ 24,497
Interest expense	(10,174)	(3,961)	(11,815)	(8,240)	(10,539)	(12,797)	-	(57,526)
Depreciation and amortization	(94,456)	(107,705)	(46,727)	(68,721)	(73,023)	(84,588)	222	(474,998)

The Group had not offered information about assets of individual operating segments to the operational decision maker, so no such information from the individual operating segments is included in the segment information.

**USI CORPORATION AND SUBSIDIARIES**

(Acme Electronics Corporation (ACME))

**FINANCING PROVIDED TO OTHERS****FOR THE THREE MONTHS ENDED MARCH 31, 2018****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance (Note 4)	Actual Borrowing Amount (Notes 2 and 4)	Interest Rate (%)	Nature of Financing (Note 3)	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)
													Item	Value		
0	Acme Electronics Corporation	Golden Amber Enterprises Ltd.	Other receivables - related parties	Yes	\$ 20,373 (US\$ 700 thousand)	\$ 20,373 (US\$ 700 thousand)	\$ 20,373 (US\$ 700 thousand)	3.24814	2	\$ -	Business turnover	\$ -	-	-	\$ 544,005	\$ 544,005
		ACME Electronics (Cayman) Corp.	Other receivables - related parties	Yes	203,910 (US\$ 7,000 thousand)	174,630 (US\$ 6,000 thousand)	\$ 145,525 (US\$ 5,000 thousand)	2.15678-2.95625	2	-	Business turnover	-	-	-	544,005	544,005
		Acme Electronics (Kunshan) Co., Ltd.	Other receivables - related parties	Yes	129,601 (RMB 28,000 thousand)	129,601 (RMB 28,000 thousand)	49,479 (US\$ 1,700 thousand)	2.34861-4.785	2	-	Business turnover	-	-	-	544,005	544,005

Note 1: Total financing amounts provided to others shall not exceed 40% of ACME's net value, and the highest aggregate financing limits are calculated by the net value as of March 31, 2018.

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

Note 3: The nature of financing is provided as follow:

- a. Business relationship is coded "1"
- b. For short-term financing is coded "2"

Note 4: The amount is calculated using the spot exchange rate of March 31, 2018.

**USI CORPORATION AND SUBSIDIARIES**  
(Swanson Plastics Corporation (SPC))

**FINANCING PROVIDED TO OTHERS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance (Note 3)	Actual Borrowing Amount (Notes 3 and 4)	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)	
													Item	Value			
1	Forever Young Company Limited	Swanson International Ltd.	Other receivables - related parties	Yes	\$ 90,650	\$ 90,371	\$ 90,371	-	2	\$ -	Business turnover	\$ -	-	-	\$ 113,733	\$ 113,733	
		Swanson Plastics (Nantong) Co., Ltd.	Long-term receivables - related parties	Yes	120,590	120,218	120,218	-	1	-	-	-	-	-	-	113,733	113,733
		A.S. Holding (UK) Limited	Long-term receivables - related parties	Yes	8,726	8,699	8,699	-	1	-	-	-	-	-	-	113,733	113,733
		Swanson Plastics (India) Private Limited	Long-term receivables - related parties	Yes	85,425	76,275	76,275	-	1	118	-	-	-	-	-	113,733	113,733
2	ASK-Swanson (Kunshan) Co., Ltd	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	106,458	106,458	106,458	4.35	2	-	Business turnover	-	-	-	535,587	535,587	
3	Swanson Plastics (Singapore) Private Limited	Swanson Plastics (India) Private Limited	Other receivables - related parties	Yes	106,292	105,964	105,964	-	1	-	-	-	-	-	307,440	307,440	
		PT Swanson Plastics Indonesia	Other receivables - related parties	Yes	75,121	74,889	74,889	-	1	-	-	-	-	-	307,440	307,440	
4	ASK-Swanson (Kunshan) Co., Ltd	Swanson Plastics (Nantong) Co., Ltd.	Other receivables -related parties	Yes	46,286	46,286	46,286	4.35	2	-	Business turnover	-	-	-	535,587	535,587	
5	Swanson Plastic (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	83,315	83,315	83,315	4.35	2	-	Business turnover	-	-	-	937,596	937,596	

Note 1: Fill in the nature of financing provided as follow:

- a. Business relationship is coded "1"
- b. For short-term financing is coded "2"

Note 2: Financing provided to others limits shall not exceed 40% of SPC's net value.

Note 3: The foreign currency amount is calculated using the spot exchange rate of March 31, 2018.

Note 4: The ending balance of the consolidated financial statements is already written-off.

**USI CORPORATION AND SUBSIDIARIES**  
(China General Plastics Corporation (CGPC))

**FINANCING PROVIDED TO OTHERS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Note 4)	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 2 and 4)	Aggregate Financing Limits (Notes 2 and 4)
													Item	Value		
1	CGPC (BVI) Holding Co., Ltd.	Continental General Plastics (Zhong Shan) Co., Ltd.	Other receivables - related parties	Yes	\$ 116,420 (US\$ 4,000 thousand)	\$ 116,420	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$ 339,925	\$ 339,925

Note 1: The total amount of financing by CGPC to others shall not exceed 40% of the net worth of CGPC. CGPC has no financing provided to others as of March 31, 2018.

Note 2: The total amount of financing by the CGPC (BVI) Holding Co., Ltd. to others collectively and to any individual entity shall not exceed 40% of its net worth. However, the total amount of financing provided to any subsidiary wholly-owned by CGPC shall not exceed 100% of the net worth of CGPC according to the most recent audited or reviewed financial statement. The maximum total amount of financing was calculated based on net value of March 31, 2018.

Note 3: The alphabetic indications for the nature of financing are described as follows:

- a. Business relationship is coded "1"
- b. For short-term financing is coded "2"

Note 4: The amount is calculated using the spot exchange rate as on March 31, 2018.

**USI CORPORATION AND SUBSIDIARIES**

(Taita Chemical Company, Limited (TTC))

**FINANCING PROVIDED TO OTHERS****FOR THE THREE MONTHS ENDED MARCH 31, 2018****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Note 4)	Actual Borrowing Amount (Notes 4 and 5)	Interest Rate (%)	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2 and 4)	Aggregate Financing Limit (Notes 1, 2 and 4)
													Item	Value		
1	Taita Chemical (Zhongsan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	\$ 925,720 (RMB 200,000 thousand)	\$ 462,860 (RMB 100,000 thousand)	\$ 277,716 (RMB 60,000 thousand)	5.22	2	\$ -	Business turnover	\$ -	-	\$ -	\$ 2,004,520	\$ 2,004,520

Note 1: The total amount of lending to TTC for funding for a short-term period shall not exceed 40% of the net worth of TTC. As of March 31, 2018, TTC didn't loan funds to anyone.

Note 2: The total amount of lending to a company for funding for a short-term period shall not exceed 40% of the audited net worth of Taita Chemical (Zhongsan) Co., Ltd. The restriction does not apply to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by TTC. As March 31, 2018, the audited net worth of Taita Chemical (Zhongsan) Co., Ltd. is RMB433,074 thousand.

Note 3: The nature of financing is provided as follows:

- a. Business relationship is coded "1"
- b. For short-term financing is coded "2".

Note 4: The amount is calculated using the spot exchange rate of March 31, 2018.

Note 5: All the transactions were written-off when preparing the consolidated financial statements.

## USI CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2018  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	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 (%)	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	USI Corporation	Union Polymer Int'l Investment Corp.	Subsidiary which directly held more than 50% of ordinary shares	\$ 11,095,023	\$ 3,900,000	\$ 3,900,000	\$ 1,545,000	None	21.09	\$ 11,095,023	Yes	No	No
		Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	11,095,023	311,050 (US\$ 10,000 thousand) (NT\$ 20,000 thousand)	311,050 (US\$ 10,000 thousand) (NT\$ 20,000 thousand)	94,000	None	1.68	11,095,023	Yes	No	No
		Forum Pacific Trading Ltd.	Subsidiary which Chong Loong Co. directly held more than 50% of ordinary shares	11,095,023	145,525 (US\$ 5,000 thousand)	145,525 (US\$ 5,000 thousand)	-	None	0.80	11,095,023	Yes	No	No
		Usig (Shanghai) Co., Ltd.	Parent company and subsidiary totally held more than 50% of ordinary shares	11,095,023	478,156 (RMB 53,000 thousand) (US\$ 8,000 thousand)	245,316 (RMB 53,000 thousand)	81,537	None	2.59	11,095,023	Yes	No	Yes

Note: Both total endorsements/guarantees provided amounts and the amount of endorsements/guarantees for an individual entity shall not exceed 60% of the Company's net value. The maximum amount of endorsement/guarantees was calculated based on net value of March 31, 2018.

**USI CORPORATION AND SUBSIDIARIES**  
(Acme Electronics Corporation)

**ENDORSEMENTS/GUARANTEES PROVIDED**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of 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 Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	\$ 4,080,039	\$ 350,340 (US\$ 12,000 thousand)	\$ 349,260 (US\$ 12,000 thousand)	\$ 232,840 (US\$ 8,000 thousand)	None	25.68	\$ 4,080,039	Yes	No	Yes
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	4,080,039	291,950 (US\$ 10,000 thousand)	291,050 (US\$ 10,000 thousand)	-	None	21.40	4,080,039	Yes	No	Yes
		ACME Ferrite Products Sdn. Bhd.	Subsidiary of ACME (Cayman)	4,080,039	116,780 (US\$ 4,000 thousand)	116,420 (US\$ 4,000 thousand)	-	None	8.56	4,080,039	Yes	No	No

Note 1: The rate is calculated by the ending balance of equity of the endorser/guarantor as of March 31, 2018.

Note 2: The maximum amount of total endorsement/guarantee shall not exceed 300% of the equity attributable to owners of the endorser/guarantor. The maximum amount of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of March 31, 2018.

Note 3: The foreign currency amount is calculated based on the spot exchange rate on March 31, 2018.

**USI CORPORATION AND SUBSIDIARIES**

(Swanson Plastics Corporation (SPC))

**ENDORSEMENTS/GUARANTEES PROVIDED**
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of 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	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 Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Swanson Plastics Corporation	Forever Young Company Limited	Subsidiary	\$ 6,199,885	\$ 2,220,294	\$ 2,161,677	\$ 596,653	\$ -	87.17	\$ 6,199,885	Yes	No	No
		Swanson Plastics (Singapore) Private Limited	Subsidiary	6,199,885	87,585	81,116	-	-	3.27	6,199,885	Yes	No	No
		Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsubsidiary	6,199,885	34,926	34,926	-	-	1.41	6,199,885	Yes	No	No
		Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsubsidiary	6,199,885	116,780	116,420	58,001	-	4.69	6,199,885	Yes	No	Yes
		Swanson Technologies Corporation	Subsidiary	6,199,885	106,568	106,568	89,000	-	4.30	6,199,885	Yes	No	No
		PT. Swanson Plastics Indonesia Ltd.	Sub-subsubsidiary	6,199,885	58,210	<u>58,210</u>	-	-	2.35	6,199,885	Yes	No	No
						<u>\$ 2,558,917</u>							

Note 1: The amount of endorsements/guarantees for an individual entity shall not exceed 250% of SPC's equity.

Note 2: The foreign currency amount is calculated based on the spot exchange rate on March 31, 2018.

**USI CORPORATION AND SUBSIDIARIES**  
 (China General Plastics Corporation (CGPC))

**ENDORSEMENTS/GUARANTEES PROVIDED**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of 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	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 Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 12,538,011	\$ 3,291,050	\$ 3,291,050	\$ 514,553	None	39.37	\$ 12,538,011	Yes	No	No

Note 1: The ration is calculated by the ending balance of equity of CGPC as of March 31, 2018.

Note 2: The maximum amount of total endorsement/guarantee shall not exceed 150% of the equity attributable to owners of CGPC. The maximum amount of endorsement/guarantee was calculated based on the equity of CGPC as of March 31, 2018.

Note 3: The foreign currency amount is calculated based on the spot exchange rate on March 31, 2018.

**USI CORPORATION AND SUBSIDIARIES**

(Taita Chemical Company, Ltd. (TTC))

**ENDORSEMENTS/GUARANTEES PROVIDED**
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of 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	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 Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Taita Chemical Company, Ltd.	Taita (BVI) Holding Co., Ltd.	Subsidiary which directly held 100% ordinary shares	\$ 8,222,920	\$ 1,460,465 (US\$ 33,000 thousand) (NT\$ 500,000 thousand)	\$ 1,460,465 (US\$ 33,000 thousand) (NT\$ 500,000 thousand)	\$ 710,744 (US\$ 24,420 thousand)	\$ -	35.52	\$ 8,222,920	Yes	No	No
		Taita Chemical (Zhongshan) Co., Ltd.	100% voting shares directly owned by TTC	8,222,920	238,097 (US\$ 5,000 thousand) (RMB 20,000 thousand)	238,097 (US\$ 5,000 thousand) (RMB 20,000 thousand)	-	-	5.79	8,222,920	Yes	No	Yes
		Taita Chemical (Tianjin) Co., Ltd.	100% voting shares directly owned by TTC	8,222,920	291,050 (US\$ 10,000 thousand)	145,525 (US\$ 5,000 thousand)	145,525 (US\$ 5,000 thousand)	-	3.54	8,222,920	Yes	No	Yes

Note 1: The amount is calculated at the spot exchange rate on March 31, 2018.

Note 2: The ceilings on the aggregate amounts of endorsements/guarantees permitted shall not exceed 200% of total equity of TTC.

## USI CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)

MARCH 31, 2018

(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	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Corporation	<u>Shares</u>							
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	8,514,006	\$ 115,790	0.21	\$ 115,790	
	Vanguard International Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income - non-current	525,524	35,143	0.03	35,143	
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income - non-current	15,180,656	735,503	1.99	735,503	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	18,200,000	205,296	11.90	205,296	
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	310,000	3,429	0.45	3,429	
	UPC Technology Corp.	-	Financial assets at fair value through profit or loss - current	251,000	4,744	-	4,744	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	500,000	29,550	-	29,550	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	250,000	10,500	-	10,500	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	1,500,000	22,725	-	22,725	
	Oriental Union Chemical Corp.	-	Financial assets at fair value through profit or loss - current	830,000	24,983	-	24,983	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss - current	229,127	2,921	-	2,921	
	Teratech Corp.	-	Financial assets at fair value through profit or loss - non-current	110,000	-	-	-	Note 2
	<u>Beneficiary certificates</u>							
Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	2,476,539	35,603	-	35,603		
Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,080,051	50,018	-	50,018		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,102,303	\$ 32,006	-	\$ 32,006	
	JPMorgan Taiwan First Money Market Fund	-	Financial assets at fair value through profit or loss - current	664,130	10,002	-	10,002	
	Shin Kong Chi-Shin Money- Market Fund	-	Financial assets at fair value through profit or loss - current	3,243,320	50,012	-	50,012	
	TCB Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,561,958	36,020	-	36,020	
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	654,774	7,801	-	7,801	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	11,171,765	174,446	-	174,446	
	Mirae Asset Solomon Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,594,731	20,009	-	20,009	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,470,165	57,717	-	57,717	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	166,996	2,702	-	2,702	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,120,378	50,104	-	50,104	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,360,419	100,114	-	100,114	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,172,843	110,018	-	110,018	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,293,096	38,335	-	38,335	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,339,631	78,725	-	78,725	
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,390,170	45,900	-	45,900	
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,180,602	50,009	-	50,009	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,107,771	77,009	-	77,009	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,234,530	50,468	-	50,468	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,517,164	89,517	-	89,517	
	Paradigm Pion Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,200,421	25,306	-	25,306	
	CTBC Hwa Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,927,224	21,136	-	21,136	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	<u>Beneficiary certificates (REIT)</u>							
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	3,000,000	\$ 44,130	-	\$ 44,130	
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	8,000,000	101,120	-	101,120	
	Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,900,000	67,277	-	67,277	
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	35,100	-	35,100	
Union Polymer Int'l Investment Corp.	<u>Shares</u> Asia Polymer Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	19,356,952	346,489	3.74	346,489	
	China General Plastics Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	3,784,347	122,991	0.77	122,991	
	Taita Chemical Company, Ltd.	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	376,000	4,418	0.11	4,418	
Swanlake Traders Ltd.	<u>Shares</u> SOHOWare Inc.	-	Financial assets at fair value through profit or loss - non-current	1,150,000	-	1.05	-	Note2
	TGF Linux Communications Inc.	-	Financial assets at fair value through profit or loss - non-current	300,000	-	2.14	-	Note2
	Neurosky Inc. Preferred D	-	Financial assets at fair value through other comprehensive income - non-current	2,397,364	4,022 (US\$ 138 thousand)	0.70	4,022	
USIFE Investment Co., Ltd.	<u>Shares</u> AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - current	1,266,061	17,218	0.01	17,218	
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	1,266,061	17,218	0.01	17,218	
	Wafer Works Corporation	-	Financial assets at fair value through other comprehensive income - non-current	3,000,891	132,039	0.62	132,039	
	Solargiga Energy Holdings Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	11,876,111	9,424	0.37	9,424	
	Dah Chung Bills Finance Corporation	-	Financial assets at fair value through other comprehensive income - non-current	470,914	7,874	0.10	7,874	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Swanson Plastics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	207,403	\$ 1,329	0.14	\$ 1,329	
	USI Optronics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	165,279	1,471	0.25	1,471	
	Digimax, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	23,234	155	0.05	155	
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	712,000	7,875	1.03	7,875	
	Silicon Technology Investment (Cayman) Corp.	-	Financial assets at fair value through other comprehensive income - non-current	1,215,798	47,465	2.36	47,465	
	Boldworks Inc.	-	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	Note2
	TGF Linux Communication, Inc.	-	Financial assets at fair value through profit or loss - non-current	200,000	-	-	-	Note2
	!Hey Inc.	-	Financial assets at fair value through profit or loss - non-current	557,661	-	-	-	Note2
	SOHWARE Ordinary	-	Financial assets at fair value through profit or loss - non-current	9,000,000	-	8.19	-	Note2
	SOHWARE Preferred A	-	Financial assets at fair value through profit or loss - non-current	4,950,000	-	4.51	-	Note2
	SOHWARE Preferred D	-	Financial assets at fair value through profit or loss - non-current	7,725,000	-	7.03	-	Note2
	SOHWARE Convertible	-	Financial assets at fair value through profit or loss - non-current	-	-	-	-	Note2
	China General Plastics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	426,298	13,855	0.09	13,855	
	Asia Polymer Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,474,588	26,395	0.28	26,395	
	Taita Chemical Company, Ltd.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,132,098	13,302	0.35	13,302	
	UPC Technology Corp.	-	Financial assets at fair value through profit or loss - current	150,000	2,835	0.01	2,835	
	Oriental Union Chemical Corp.	-	Financial assets at fair value through profit or loss - current	354,000	10,655	0.04	10,655	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50,000	2,100	-	2,100	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	500,000	7,575	0.01	7,575	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss - current	2,465,005	31,429	0.24	31,429	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan United Venture Capital Corp.	Acme Electronics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	500,000	\$ 8,825	0.27	\$ 8,825	
	Superactive Group Company Limited	-	Financial assets at fair value through profit or loss - current	678,000	955	-	955	
	<u>Beneficiary certificates</u> Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,239,968	33,772	-	33,772	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,870,081	30,342	-	30,342	
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	2,149,137	30,896	-	30,896	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,151,207	63,846	-	63,846	
	<u>Beneficiary certificates(REIT)</u> Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	750,000	10,530	-	10,530	
	<u>Beneficiary certificates</u> Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	4,384,556	63,033	-	63,033	
	<u>Shares</u> Innovation & Infinity Global Corp.	-	Financial assets at fair value through profit or loss - non-current	720,804	-	0.73	-	Note2
	Teratech Corp.	-	Financial assets at fair value through profit or loss - non-current	90,000	-	0.58	-	Note2
	B4 Composites, Inc.	-	Financial assets at fair value through profit or loss - non-current	4,000	-	4.00	-	Note2
	SOHWARE Inc.	-	Financial assets at fair value through profit or loss - non-current	750,000	-	0.68	-	Note2
	TGF Linux Communications Inc.	-	Financial assets at fair value through profit or loss - non-current	600,000	-	4.26	-	Note2
	Intergrafx, Inc.	-	Financial assets at fair value through profit or loss - non-current	167,000	-	1.20	-	Note2
	IWICS, Inc.	-	Financial assets at fair value through profit or loss - non-current	500,000	-	0.40	-	Note2
	<u>Shares</u> Neo Solar Power Corp.	-	Financial assets at fair value through other comprehensive income - current	4,593,286	58,564	0.45	58,564	
	Mitac Holdings Corp.	-	Financial assets at fair value through other comprehensive income - current	1,392,422	47,621	0.17	47,621	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Chitec Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	374,418	\$ 8,346	1.37	\$ 8,346	
	Leadwell Cnc Machines Mfg., Corp.	-	Financial assets at fair value through other comprehensive income - non-current	419,753	10,960	0.68	10,960	
	Digimax, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	518,898	3,471	1.18	3,471	
	Orgchem Technology, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	594,594	10,275	1.04	10,275	
	Hexawave, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	770,000	5,136	1.08	5,136	
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	712,000	7,875	1.03	7,875	
	Uranus Chemicals Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	8,022	120	0.03	120	
	<u>Preference shares</u> Neurosky Inc. Preferred A	-	Financial assets at fair value through other comprehensive income - non-current	10,000,000	9,900	1.54	9,900	
	Neurosky Inc. Preferred B	-	Financial assets at fair value through other comprehensive income - non-current	12,595,523	21,664	1.94	21,664	
	Neurosky Inc. Preferred C	-	Financial assets at fair value through other comprehensive income - non-current	4,532,823	7,796	0.70	7,796	
Taiwan United Venture Management Corp.	<u>Beneficiary certificates</u> Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	91,730	1,319	-	1,319	
	<u>Shares</u> Sohoware Inc. Preferred B2	-	Financial assets at fair value through profit or loss - non-current	5,277,560	-	4.80	-	Note2
	Sohoware Inc. Preferred C	-	Financial assets at fair value through profit or loss - non-current	1,250,458	-	1.14	-	Note2

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Thintec Materials Corporation	<u>Beneficiary certificates</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,600,167	\$ 21,540	-	\$ 21,540	
Inoma Corporation	<u>Beneficiary certificates</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,616,732	21,763	-	21,763	
	Taishin Lucky Money Market Fund	-	Financial assets at fair value through profit or loss - current	950,218	10,522	-	10,522	
USI Optronics Corporation	<u>Beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,470,049	51,161	-	51,161	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,483,573	35,112	-	35,112	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,190,740	16,029	-	16,029	

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

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

(Concluded)

**USI CORPORATION AND SUBSIDIARIES**  
(China General Plastics Corporation (CGPC))

**MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)**  
**MARCH 31, 2018**  
(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	March 31, 2018				Highest Number of Shares	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
China General Plastics Corporation	<u>Closed-end fund beneficiary certificates</u> Fubon No. 2 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	5,000,000	\$ 63,200	-	\$ 63,200	5,000,000	1
	Cathay No. 1 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	4,268,000	58,600	-	58,600	4,268,000	1
	Shin Kong No. 1 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	3,000,000	44,130	-	44,130	3,000,000	1
	Cathay No. 2 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	2,500,000	35,100	-	35,100	2,500,000	1
	<u>Open-end fund beneficiary certificates</u> Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,775,452	137,028	-	137,028	11,915,549	1
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,169,926	99,070	-	99,070	6,169,926	1
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,457,750	63,021	-	63,021	4,457,750	1
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,194,133	50,276	-	50,276	3,194,133	1
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,710,217	50,233	-	50,233	3,710,217	1
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,006,199	50,000	-	50,000	3,007,413	1
	Franklin Templeton SinoAm Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,188,217	43,075	-	43,075	4,188,217	1
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,105,595	34,059	-	34,059	3,105,595	1
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,930,637	23,001	-	23,001	1,930,637	1
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,424,608	21,004	-	21,004	9,368,793	1
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,485,939	20,003	-	20,003	6,249,509	1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2018				Highest Number of Shares	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Taiwan VCM Corporation (TVCM)	<u>Ordinary shares</u> KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	9,100,000	\$ 102,648	5.95	\$ 102,648	9,100,000	1
	<u>Open-end fund beneficiary certificates</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,201,566	70,020	-	70,020	5,201,566	1
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,538,245	50,022	-	50,022	3,540,976	1
	CTBC Hwa Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,561,087	50,022	-	50,022	4,561,087	1
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,080,278	50,022	-	50,022	3,081,550	1
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,693,717	50,009	-	50,009	3,696,256	1
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,006,723	50,009	-	50,009	3,008,695	1
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,180,637	50,009	-	50,009	4,183,365	1
	Shin Kong Chi-Shin Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,243,110	50,009	-	50,009	3,243,110	1
	TCB Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,968,201	30,015	-	30,015	5,936,382	1
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	1,970,909	30,005	-	30,005	1,970,909	1
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,281,476	20,010	-	20,010	3,205,806	1
CGPC Polymer Corporation	<u>Ordinary shares</u> Asia Polymer Corporation	The major shareholders are the same as the those of CGPC	Financial assets at fair value through other comprehensive income - non-current	113,656	2,035	0.02	2,035	113,656	1
	<u>Open-end fund beneficiary certificates</u> Shin Kong Chi-Shin Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,254,050	81,017	-	81,017	5,254,050	1
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,714,177	80,022	-	80,022	6,714,177	1
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	4,466,963	68,006	-	68,006	4,466,963	1
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,472,671	40,003	-	40,003	2,472,671	1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2018				Highest Number of Shares	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
CGPC (BVI) Holding Co., Ltd.	TCB Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,066,605	\$ 31,010	-	\$ 31,010	9,302,093	1
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,155,253	29,013	-	29,013	2,155,253	1
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,967,315	29,005	-	29,005	15,404,760	1
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	1,947,840	28,002	-	28,002	1,947,840	1
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,091,282	13,001	-	13,001	1,091,282	1
	Taishin Lucky Money Market Fund	-	Financial assets at fair value through profit or loss - current	993,470	11,001	-	11,001	993,470	1
	<u>Shares</u> Teratech Corporation - ordinary shares	-	Financial assets at fair value through profit or loss - non-current	112,000	-	0.67	-	112,000	1 and 3
	Sohoware, Inc. - preference shares	-	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	100,000	1, 2 and 3

Note 1: The marketable securities were not pledged as guarantees or collateral for borrowings and are not subject to restrictions.

Note 2: The preference shares are not used in the calculation of the shareholding ratio and net worth.

Note 3: The carrying amount has been fully recognized as accumulated impairment loss.

(Concluded)

## USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

## MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)

MARCH 31, 2018

(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	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	<u>Ordinary shares</u> USI Corporation	Parent company	Financial assets at fair value through other comprehensive income - non-current	14,813,629	\$ 215,539	1.27	\$ 215,539	1
	Harbinger Venture Capital	-	Financial assets at fair value through other comprehensive income - non-current	170,000	1,596	0.50	1,596	4
	<u>Beneficiary securities</u> Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,900,000	67,277	-	67,277	1
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	35,100	-	35,100	1
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,000,000	58,840	-	58,840	1
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	6,600,000	83,424	-	83,424	1
	<u>Mutual funds and beneficiary certificates</u> FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	1,970,586	30,000	-	30,000	2
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,179,868	50,000	-	50,000	2
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	167,871	2,000	-	2,000	2
	Taita (BVI) Holding Co., Ltd.	<u>Shares</u> Budworth Investment Ltd. - ordinary shares	-	Financial assets at fair value through other comprehensive income - non-current	127,980	3,017 (US\$ 104 thousand)	2.22	3,017 (US\$ 104 thousand)
Teratech Corporation - ordinary shares		-	Financial assets at fair value through profit or loss - non-current	112,000	-	0.72	-	3
Sohoware Inc. - preference shares		-	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	3

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical (Tianjin) Co., Ltd.	<u>Mutual funds and beneficiary certificates</u> Shanghai International Trust & Investment Money Market	-	Financial assets at fair value through profit or loss - current	8,165,439	\$ 37,795 (US\$ 8,165 thousand)	-	\$ 37,795 (US\$ 8,165 thousand)	2

Note 1: Fair value was based on the closing price of the Taiwan Stock Exchange as on March 31, 2018.

Note 2: Fair value was based on the carrying amount as on March 31, 2018.

Note 3: The carrying amount was zero as of March 31, 2018 due to the impairment loss recognized over the years.

Note 4: Fair value is assessed using the asset-based approach, and the determination of fair value refers to the investee's recent net asset value and observable financial and operational evaluations.

(Concluded)

## USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation)

## MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)

MARCH 31, 2018

(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	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	<u>Ordinary shares</u>							
	Harbinger Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income - non-current	408,000	\$ 3,830	1.20	\$ 3,830	
	Riselink Venture Capital	-	Financial assets at fair value through other comprehensive income - non-current	769,516	8,471	1.67	8,471	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	18,200,000	205,296	11.90	205,296	
	USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	99,368,307	1,445,809	8.53	1,445,809	
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income - non-current	14,496,107	702,336	1.90	702,336	
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	9,618,516	130,811	0.10	130,811	
	Wafer Works Corporation	-	Financial assets at fair value through other comprehensive income - current	2,017,271	88,760	0.42	88,760	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss - current	229,127	2,921	0.02	2,921	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	1,500,000	22,725	0.04	22,725	
	Oriental Union Chemical Corp.	-	Financial assets at fair value through profit or loss - current	866,000	26,067	0.10	26,067	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	500,000	29,550	0.01	29,550	
	UPC Technology Corp.	-	Financial assets at fair value through profit or loss - current	250,000	4,725	0.02	4,725	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	250,000	10,500	-	10,500	
	<u>Beneficiary securities</u>							
	Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,901,000	67,291	-	67,291	
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	35,100	-	35,100	
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,000,000	29,420	-	29,420	
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	5,000,000	63,200	-	63,200	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	<u>Beneficiary certificates</u>							
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,643,567	\$ 142,180	-	\$ 142,180	
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,089,187	50,166	-	50,166	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,183,308	50,106	-	50,106	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,013,116	50,115	-	50,115	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,181,814	110,139	-	110,139	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,476,051	49,143	-	49,143	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,036,843	114,174	-	114,174	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,181,217	34,059	-	34,059	
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,715,649	50,306	-	50,306	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,812,565	69,276	-	69,276	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,318,467	50,032	-	50,032	
	TCB Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,100,871	102,143	-	102,143	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,120,417	50,104	-	50,104	
	CTBC Hwa Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,220,109	90,150	-	90,150	
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	656,862	10,000	-	10,000	
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,259,034	15,000	-	15,000	
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,183,785	50,047	-	50,047	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	862,076	10,035	-	10,035	
APC (BVI) Holding Co., Ltd.	<u>Shares</u>							
	Budworth Investment Ltd. - ordinary shares	-	Financial assets at fair value through other comprehensive income - non-current	256,140	6,010	4.45	6,010	
	Teratech Corp. - ordinary shares	-	Financial assets at fair value through profit or loss - current	112,000	-	0.67	-	1
	Silicon Technology Investment (Cayman) Corp. - preference shares	-	Financial assets at fair value through other comprehensive income - non-current	1,519,701	59,137	2.95	59,137	
	NeuroSky, Inc. - series D preference shares	-	Financial assets at fair value through other comprehensive income - non-current	2,397,364	4,022	0.55	4,022	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2018				Note
				Number of Shares	Number of Shares	Number of Shares	Number of Shares	
APC Investment Corporation	TGF Linux Communication, Inc. - preference shares	-	Financial assets at fair value through profit or loss - current	300,000	\$ -	-	\$ -	1
	Sohoware, Inc. - preference shares	-	Financial assets at fair value through profit or loss - current	450,000	-	-	-	1
	Boldworks, Inc. - preference shares	-	Financial assets at fair value through profit or loss - current	689,266	-	-	-	1
	Solargiga Energy Holdings Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	15,868,333	12,588	0.49	12,588	
	<u>Ordinary shares</u> USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	43,930	639	-	639	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	500,000	7,575	0.01	7,575	
	Oriental Union Chemical Corp.	-	Financial assets at fair value through profit or loss - current	350,000	10,535	0.04	10,535	
	UPC Technology Corp.	-	Financial assets at fair value through profit or loss - current	150,000	2,835	0.01	2,835	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50,000	2,100	-	2,100	
	<u>Beneficiary securities</u> Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	462,602	6,975	-	6,975	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,999,525	24,783	-	24,783	
	<u>Ordinary shares</u> Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss - non-current	1,131,920	14,432	0.11	14,432	

Note 1: The carrying amount was zero as of March 31, 2018 due to the impairment loss recognized in prior years.

Note 2: Refer to Table 6-5 and Table 7-5 for information about subsidiaries and associates.

(Concluded)

**USI CORPORATION AND SUBSIDIARIES**  
(China General Terminal & Distribution Co.)

**MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)**  
**MARCH 31, 2018**  
(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	March 31, 2018				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Terminal & Distribution Co.	<u>Shares</u> Asia Polymer Corporation	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	4,616,599	\$ 82,637	0.89	\$ 82,637	Note 2
	China General Plastics Corporation	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	2,490,089	80,928	0.51	80,928	Note 1
	Taita Chemical Company, Ltd.	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	1,877,484	22,060	0.57	22,060	Note 1
	China Steel Corporation	-	Financial assets at fair value through profit or loss - current	499,552	11,714	-	11,714	Note 3

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

Note 2: Part of 2,907,349 shares were provided to Taiwan Power Company as a provisional attachment.

Note 3: Part of 257,000 shares were provided to Taiwan Water Corporation as a provisional attachment.

**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 THREE MONTHS ENDED MARCH 31, 2018  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
USI Corporation	Asia Polymer Corporation	Subsidiary	Purchase	\$ 122,243	5.13	Payments within 60 days after purchasing on credit	No significant difference	No significant difference	\$ 78,459	7.22	Note

Note: The ending balance of the consolidated financial statements is already written-off.

**USI CORPORATION AND SUBSIDIARIES**

(Acme Electronics Corporation)

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Purchase (includes processing fees)	\$ 114,933	55	55 days	\$ -	-	\$ (148,196)	73	Note 2
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Sale (includes processing fees)	(114,933)	47	55 days	-	-	148,196	50	Note 2

Note 1: The transaction terms and prices between Acme Electronics Corporation, Acme Electronics (Guang-Zhou) Co., Ltd. and Acme Electronics (Kunshan) Co., Ltd. have no significant difference from abnormal transactions.

Note 2: The ending balance of the consolidated financial statements is already written-off.

**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 THREE MONTHS ENDED MARCH 31, 2018**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	Note	
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchase	\$ 1,088,766	72	45 days	No significant difference	No significant difference	Accounts payable to related parties	\$ (750,236)	(77)	Note
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(1,088,766)	(43)	45 days	No significant difference	No significant difference	Accounts receivable from related parties	750,236	45	Note
	CGPC Polymer Corporation	Fellow subsidiary	Sale	(1,087,408)	(43)	45 days	No significant difference	No significant difference	Accounts receivable from related parties	757,184	46	Note
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchase	1,087,408	96	45 days	No significant difference	No significant difference	Accounts payable to related parties	(757,184)	(95)	Note

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

**USI CORPORATION AND SUBSIDIARIES**

(Taita Chemical Company, Limited)

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2018  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note	
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total		
Taita Chemical Company, Ltd.	Taita Chemical (Zhongsan) Co., Ltd.	Sub-subsiary	Sales	\$ (447,678) (US\$ -15,377 thousand)	(12.23)	30 days	No significant difference	No significant difference	Accounts receivables from related parties	\$ 198,246 (US\$ 6,812 thousand)	14.21	Note

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 \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2018  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	Note	
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Sale	\$ (122,243)	(9.22)	60 days	No significant difference	No significant difference	Accounts receivable - related parties	\$ 80,885	16.33	Note

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**

**MARCH 31, 2018**

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss	
					Amount	Actions Taken			
USI Corporation	Asia Polymer Corporation	Subsidiary of the Company	Other receivables - related parties	\$ 120,389	-	\$ -	-	\$ 120,055	Note 1
	Taiwan VCM Corporation	Subsidiary of the Company	Other receivables - related parties	173,532	-	-	-	173,513	Note 1

Note 1: The assessment does not need to recognize an allowance for impairment loss.

Note 2: The subsequent period is between April 1, 2108 and May 7, 2018.

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

**USI CORPORATION AND SUBSIDIARIES**

(Acme Electronics Corporation)

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

**MARCH 31, 2018**

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

Company Name	Related Party	Relationship	Ending Balance (Note2)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Accounts receivable - related parties \$ 148,196	3.00	\$ -	-	\$ 24,386	Note
Acme Electronics Corporation	ACME Electronics (Cayman) Corp	Subsidiary of ACME	Other receivables - related parties 146,993	-	-	-	30,115	Note

Note 1: The assessment does not need to recognize an allowance for impairment loss.

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

**USI CORPORATION AND SUBSIDIARIES**

(Swanson Plastics Corporation (SWANSON))

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

MARCH 31, 2018

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

Company Name	Related Party	Relationship	Ending Balance (Note 4)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 3)	Allowance for Impairment Loss (Note 1)
					Amount	Actions Taken		
Forever Young Company Limited	Swanson Plastics (Nantong) Co., Ltd.	Have the same parent company	Long-term receivables - related parties (Note 2)	\$ 120,218 (US\$ 4,130,507)	-	\$ -	-	\$ -
	Swanson Plastics (India) Private Ltd.	Have the same ultimate parent company	Accounts receivable - related parties	\$ 133,590	-	-	-	9,985
			Long-term receivables - related parties (Note 2)	\$ 76,275 <u>209,865</u> (US\$ 7,210,626)	-	-	-	-
	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Accounts receivable - related parties (Note 2)	\$ 243,932 (US\$ 8,381,110)	-	-	-	-
	PT. Swanson Plastics Indonesia	Have the same ultimate parent company	Accounts receivable - related parties (Note 2)	\$ 126,641 (US\$ 4,351,161)	-	-	-	-
Swanson Plastics (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Have the same ultimate parent company	Other receivables - related parties	\$ 106,458 (RMB 23,000,000)	-	-	-	-
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Have the same ultimate parent company	Other receivables - related parties	\$ 108,511 (RMB 23,443,681)	-	-	-	-
Swanson Plastics (Singapore) Private Limited	Swanson Plastics (India) Private Ltd.	Have the same ultimate parent company	Other receivables - related parties	\$ 105,964 (US\$ 3,640,750)	-	-	-	-
	PT. Swanson Plastics Indonesia	Have the same ultimate parent company	Other receivables - related parties	\$ 122,430 (US\$ 4,206,500)	-	-	-	-

Note 1: The assessment does not need to recognize an allowance for impairment loss.

Note 2: Forever Young Company Limited purchased raw materials for associates.

Note 3: The subsequent period refers to the period between April 1, 2018 and May 7, 2018.

Note 4: 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**  
**MARCH 31, 2018**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 3)	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 from related parties	\$ 134,556	3.16	\$ -	-	\$ 30,157	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable from related parties	\$ 750,236	5.96	-	-	386,793	Note 1
	CGPC Polymer Corporation	Fellow subsidiary	Accounts receivable from related parties	\$ 757,184	5.87	-	-	393,511	Note 1

Note 1: There is no allowance of impairment loss after an impairment assessment.

Note 2: The subsequent period is between April 1 and April 27, 2018.

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

**USI CORPORATION AND SUBSIDIARIES**

(Taita Chemical Company, Limited)

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**
**MARCH 31, 2018**

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 4)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 3)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Sub-subsidiary	Accounts receivable \$ 198,246 (US\$ 6,812 thousand) (Note 1)	-	\$ -	-	\$ 73,324 (RMB 15,730 thousand)	\$ -
	Taita Chemical (Tianjin) Co., Ltd.	Sub-subsidiary	Accounts receivable 298 (US\$ 10 thousand) (Note 1)	-	-	-	17 (US\$ 1 thousand)	-
			Other receivables 157,386 (US\$ 5,408 thousand) (Note 1)	-	-	-	-	-
Taita Chemical (Zhongshan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Subsidiary	Other receivables 278,419 (RMB 60,152 thousand) (Note 2)	-	-	-	-	-

Note 1: The total amount of other receivables of Taita Chemical Co., Ltd. stems from selling raw materials to Taita Chemical (Zhongshan) Co., Ltd. and Taita Chemical (Tianjin) Co., Ltd.

Note 2: The total amount of other receivables of Taita Chemical (Zhongshan) Co., Ltd. from Taita Chemical (Tianjin) Co., Ltd. includes the amount of financing provided, interest receivables and rental receivables.

Note 3: The amount received in the subsequent period means the collection made from January 1, 2018 to May 4, 2018.

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

## USI CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE THREE MONTHS ENDED MARCH 31, 2018  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2018	December 31, 2017	Number of Shares	%	Carrying Amount			
USI Corporation	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Investment (focus on "product, transportation, storage, building, bank, securities investment and trading industry")	\$ 550,000	\$ 550,000	87,250,000	100.00	\$ 742,584	\$ (13,812)	\$ (13,812)	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	1,252,629	3,870	3,870	Subsidiary
	USI Far East (HK) Co., Ltd.	6/F., Caltex House, 258 Hennessy Road, Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	125,484	(750)	(750)	Subsidiary
	Union Polymer Int'l Investment Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Investment (focus on "product and service industry")	3,490,255	3,490,255	462,758,000	100.00	5,395,454	227,419	227,419	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Venture capital (focus on "high technology industry")	471,800	471,800	32,900,000	70.00	213,245	(2,264)	(1,585)	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Engaging in import and export trade	28,323	28,323	3,758,195	99.93	40,384	8,522	8,516	Subsidiary
	Swanson Plastics Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of stretch film, embossed film and industrial-use multi-layer wrap	171,210	171,210	60,792,524	40.58	1,002,659	22,667	9,198	Subsidiary
	Acme Electronics Corp.	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	27.00	351,822	(26,698)	(7,208)	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Engaging in optical products and fireproof materials	250,354	250,354	9,126,786	93.20	67,483	(4,222)	(3,934)	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Providing management services	1,000	1,000	671,400	100.00	(2,144)	341	341	Subsidiary (Note 1)
	Cypress Epoch Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	150,540	150,540	5,000,000	100.00	131,889	2,538	2,538	Subsidiary
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Reinforced plastic products manufacturing	36,250	36,250	1,825,000	30.42	7,017	(1,971)	(600)	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	2,407,735	2,407,735	77,346,000	62.57	2,411,985	5,970	3,735	Subsidiary
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacture and marketing of sapphire crystal	330,000	330,000	33,000,000	50.85	222,825	(36,609)	(18,614)	Subsidiary
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	3,597,844 (US\$ 123,616 thousand)	3,597,844 (US\$ 123,616 thousand)	(Note 3)	67.89	3,854,886 (US\$132,447,518)	8,793 (US\$ 300,096)		Sub-subsiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investment	5,293,530 (US\$ 181,877 thousand)	5,293,530 (US\$ 181,877 thousand)	(Note 3)	100.00	5,652,898 (US\$194,224,305)	8,896 (US\$ 303,599)		Sub-subsiary
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glasswool insulation products and plastic materials	1,749,212	1,749,212	120,159,750	36.67	1,720,794	189,651		Sub-subsiary
	Asia Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	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	167,598,922	32.35	3,676,972	82,741		Sub-subsiary
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	1,320,045	1,320,045	119,060,262	24.20	2,152,413	541,502		Sub-subsiary
USIFE Investment Co., Ltd.	Acme Electronics Corp.	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	9.00	131,914	(26,698)		Subsidiary
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production, marketing and development of EVA packaging film and other value added plastic products	30,000	30,000	3,000,000	15.00	(9,962)	(3,771)		Sub-subsiary
	Taiwan United Venture Management Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Business management consulting	8,000	8,000	800,000	100.00	16,085	458		Sub-subsiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2018	December 31, 2017	Number of Shares	%	Carrying Amount			
Taiwan United Venture Capital Corp.	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Reinforced plastic products manufacturing	\$ 21,465	\$ 21,465	900,000	15.00	\$ 3,460	\$ (1,971)		Subsidiary
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	British Virgin Islands	Engaging in import and export trade	6,403 US\$ 220 thousand	6,403 US\$ 220 thousand	220,000	100.00	32,564	(447) (US\$ -15 thousand)		Sub-subsi-dary
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Reinvestment	105,960 US\$ 3,538 thousand	105,960 US\$ 3,538 thousand	5,609,231	11.23	130,628 US\$ 4,488 thousand	(12,001) (US\$ -410 thousand)		Sub-subsi-dary

Note 1: The Company gained control over USI Management Consulting Corp. and recognized the investment gain (loss) using the equity method, but it made a reclassification to other non-current liabilities if there was an accounting credit.

Note 2: Information on investments in mainland China is provided in Table 7.

Note 3: There are zero shares of the limited company.

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

(Concluded)

**USI CORPORATION AND SUBSIDIARIES**  
 (Acme Electronics Corporation)

**INFORMATION ON INVESTEEES**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 2)		As of March 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2018	December 31, 2017	Number of Shares	%	Carrying Amount			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Investment	\$ 605,182 (US\$ 18,336 thousand)	\$ 605,182 (US\$ 18,336 thousand)	25,621,692	51.27	\$ 596,406	\$ (12,001) (US\$ -410 thousand)	\$ (6,605) (US\$ -225 thousand)	Note 1
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Investment	638,676 (US\$ 19,800 thousand)	638,676 (US\$ 19,800 thousand)	19,800,000	100.00	813,198	7,983	7,983	Note 1
	ACME Electronics (BVI) Corp.	CITCO Building, Wickhams Cay P.O. Box 662, Road Town, Tortola, British Virgin Islands	Investment	23,923 (US\$ 730 thousand)	23,923 (US\$ 730 thousand)	730,000	100.00	464	(65) (US\$ -2 thousand)	(65) (US\$ -2 thousand)	Note 1
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production and marketing of sapphire monocrystals	646,200	646,200	22,064,224	34.00	148,982	(36,609)	(12,447)	
ACME Electronics (Cayman) Corp.	ACME Components (Malaysia) Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Investment	US\$ 11,891 thousand	US\$ 11,891 thousand	39,600,000	100.00	US\$ 20,217 thousand	US\$ 239 thousand (MYR 973 thousand)		Note 1
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Production and marketing of soft ferrite core	MYR 5,500 thousand	MYR 5,500 thousand	5,500,000	100.00	MYR 46,703 thousand	MYR 995 thousand		Note 1

Note 1: The carrying amount and share of profits (loss) in the consolidated financial statements are already written-off.

Note 2: The amount is calculated according to the original investment cost.

Note 3: Information on investments in mainland China is provided in Table 7-1.

**USI CORPORATION AND SUBSIDIARIES**  
 (Swanson Plastics Corporation)

**INFORMATION ON INVESTEEES**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2018 (Note 2)	December 31, 2017 (Note 2)	Number of Shares	%	Carrying Amount (Notes 2 and 4)			
Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited Forever Young Company Limited	16 Pandan Road Singapore 60926 Skelton Building Main Street P.O. Box 3136 Road Town, Tortola British Virgin Islands	Production and marketing of plastic products	\$ 808,506	\$ 808,506	36,863	100	\$ 1,851,527	\$ 20,342	\$ 20,342	
			Import, export and agency services	1,297	1,297	50	100	123,388	9,771	9,771	
	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	1,397,006	23,998	23,998	
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	4,850	4,850	1,600	100	808	107	107	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Production, sales and development of EVA packaging film and other value added plastic products	140,000	140,000	14,000	70	(66,415)	(3,771)	(2,640)	
Swanson Plastics (Singapore) Private Limited	PT. Swanson Plastics Indonesia	Nggoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Nggoro Kab. Mojokerto	Production and marketing of plastic products	5,486	5,486	180	1	4,095	(3,144)	(31)	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Plot 505, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, Zon Perdagangan Bebas, 13600 Perai, Seberang Perai, Malaysia	Production and marketing of plastic products	191,901 (US\$ 6,593,398)	191,901 (US\$ 6,593,398)	20,000	100	727,019 (US\$ 24,979,196)	34,330 (RMB 4,768,721)		
	Swanson Plastics (India) Private Ltd.	PLOT No. 2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Production and marketing of plastic products	100,728 (US\$ 3,460,850)	100,728 (US\$ 3,460,850)	16,543	100	62,569 (US\$ 2,149,770)	(4,199) (INR -9,225,403)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	518,651 (US\$ 17,820,000)	518,651 (US\$ 17,820,000)	17,820	99	405,422 (US\$ 13,929,641)	(3,144) (IDR -1,429,404,665)		
				206,473 (US\$ 7,094,082)	206,473 (US\$ 7,094,082)	-	100	525,194 (US\$ 18,044,803)	666 (US\$ 22,716)	Note 1	

Note 1: There are zero shares of the limited company.

Note 2: The original investment amount and carrying amount are translated at the spot exchange rate of March 31, 2018.

Note 3: Information on investments in mainland China is provided in Table 7-2.

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

**USI CORPORATION AND SUBSIDIARIES**  
(China General Plastics Corporation)

INFORMATION ON INVESTEEES  
FOR THE THREE MONTHS ENDED MARCH 31, 2018  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Nature of Activities	Original Investment Amount		As of March 31, 2018			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				March 31, 2018	December 31, 2017	Number of Shares	%	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacture and marketing of vinyl chloride monomer	\$ 2,930,994	\$ 2,930,994	196,198,860	87.22	\$ 2,884,997	\$ 329,650	\$ 242,591	Subsidiary (Note)
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacture and marketing of PVC resin	800,000	800,000	56,478,291	100.00	933,053	87,505	87,505	Subsidiary (Note)
	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	350,624	140	140	Subsidiary (Note)
	China General Terminal & Distribution Corporation	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Warehouse of petrochemical raw materials	41,106	41,106	17,079,108	33.33	275,927	22,944	7,648	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881 U.S. A.	Marketing of PVC second - and third-time processed products	648,931	648,931	100	100.00	192,615	(300)	(300)	Subsidiary (Note)
	Krystal Star International Corporation	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Marketing of PVC second - and third-time processed products	283,502	283,502	5,780,000	100.00	71,244	353	353	Subsidiary (Note)
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacture and marketing of manganese-zinc soft ferrite powder	33,995	33,995	3,176,019	1.74	23,677	(26,698)	(465)	Associate accounted for using the equity method
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacture and marketing of reinforced plastic products	15,000	15,000	600,000	10.00	2,307	(1,971)	(197)	Associate accounted for using the equity method

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

**USI CORPORATION AND SUBSIDIARIES**  
(Taita Chemical Company, Limited)

**INFORMATION ON INVESTEEES**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2018	December 31, 2017	Number of Shares	%	Carrying Amount			
Taita Chemical Co., Ltd.	Taita (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 1,796,884 (US\$ 61,738 thousand)	\$ 1,796,884 (US\$ 61,738 thousand)	61,738,000	100.00	\$ 1,538,651 (US\$ 52,866 thousand)	\$ 36,884 (US\$ 1,259 thousand)	\$ 36,884 (US\$ 1,259 thousand)	Subsidiary (Notes 1 and 3)
	China General Plastics Corporation	Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	65,365	65,365	9,751,224	1.98	165,665	541,502	10,732	Investments accounted for using the equity method (Note 1)
	China General Terminal & Distribution Corporation	Taiwan	Warehousing and transportation of petro chemical raw materials	41,082	41,082	17,079,107	33.33	275,927	22,944	7,648	Investments accounted for using the equity method (Note 2)
	Acme Electronics Corporation	Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	44,771	44,771	4,445,019	2.44	33,137	(26,698)	(650)	Investments accounted for using the equity method (Note 1)
	Thintec Materials Corporation	Taiwan	Manufacture and marketing of reinforced plastic products	15,000	15,000	600,000	10.00	2,307	(1,971)	(197)	Investments accounted for using the equity method (Note 2)
Taita (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corporation	British Cayman Islands	Reinvestment	49,480 (US\$ 1,700 thousand)	49,480 (US\$ 1,700 thousand)	2,695,619	5.39	62,776 (US\$ 2,157 thousand)	(12,001) (US\$ -410 thousand)		Investments accounted for using the equity method (Note 1)

Note 1: The amount of the investee was based on audited financial statements.

Note 2: The amount of the investee was based on audited financial statements.

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

Note 4: Investments in mainland China are included in Table 7-4.

**USI CORPORATION AND SUBSIDIARIES**  
 (Asia Polymer Corporation)

**INFORMATION ON INVESTEEES**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2018	December 31, 2017	Number of Shares	%	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 400,916 (US\$ 13,774,806)	\$ 400,916 (US\$ 13,774,806)	11,342,594	100.00	\$ 451,643	\$ 1,550	\$ 1,550	Subsidiary (Note)
	APC Investment Corporation	Taipei, Taiwan	Investment	200,000	200,000	20,000,000	100.00	105,667	(2,023)	(2,023)	Subsidiary (Note)
	USI International Corp.	British Virgin Islands	Reinvestment	81,494 (US\$ 2,800,000)	81,494 (US\$ 2,800,000)	2,800,000	70.00	119,999	2,188	1,531	Subsidiary (Note)
	China General Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	247,412	247,412	39,700,480	8.07	674,479	541,502	43,695	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei, Taiwan	Warehousing and transportation of petro chemical raw materials	41,082	41,082	17,079,107	33.33	275,926	22,944	7,648	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of stretch film, diaper film, embossed film, heavy-duty sacks	75,242	75,242	11,909,495	7.95	197,400	22,667	1,802	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	61,348	61,348	6,056,623	3.32	45,152	(26,698)	(886)	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei, Taiwan	Investment in high technology businesses	52,791	52,791	3,913,533	8.33	25,366	(2,264)	(188)	Investments accounted for using the equity method
	Thintec Materials Corporation	Taipei, Taiwan	Manufacture and marketing of reinforced plastic products	36,250	36,250	1,825,000	30.42	7,017	(1,971)	(600)	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei, Taiwan	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20	40,328	(36,609)	(3,369)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	1,346,688 (US\$ 46,270,000)	1,346,688 (US\$ 46,270,000)	46,270,000	37.43	1,442,900	5,970	2,234	Investments accounted for using the equity method
	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	152,653 (US\$ 5,244,903)	152,653 (US\$ 5,244,903)	8,316,450	16.64	193,674	(12,001)		Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	34,926 (US\$ 1,200,000)	34,926 (US\$ 1,200,000)	1,200,000	30.00	51,428	2,188		Investments accounted for using the equity method (Note)
APC Investment Corporation	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	14,889	14,889	1,884,548	1.03	14,049	(26,698)		Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei, Taiwan	Manufacture and marketing of EVA film	30,000	30,000	3,000,000	15.00	(9,962)	(3,771)		Investments accounted for using the equity method

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

**USI CORPORATION AND SUBSIDIARIES**

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2018  
(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, 2018	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 6 and 7)	Carrying Amount as of March 31, 2018 (Notes 6 and 7)	Accumulated Repatriation of Investment Income as of March 31, 2018
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 894,251 (US\$ 30,725,000)	Note 1	\$ 82,004 (US\$ 2,817,528)	\$ -	\$ -	\$ 82,004 (US\$ 2,817,528)	\$ (13,734) (US\$ -468,714)	11.23	\$ (1,542) (US\$ -52,614)	\$ 80,405 (US\$ 2,762,601)	\$ -
Usig (Shanghai) Co., Ltd.	Importing and distributing various chemical raw materials and products	145,525 (US\$ 5,000,000)	Note 2	145,525 (US\$ 5,000,000)	-	-	145,525 (US\$ 5,000,000)	2,538 (US\$ 86,605)	100.00	2,538 (US\$ 86,605)	131,889 (US\$ 4,531,482)	-
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	Manufacture of crude oil and petroleum products	10,667,961 (RMB2,304,800,000)	Note 3	2,100,615 (US\$ 72,173,674)	-	-	2,100,615 (US\$ 72,173,674)	17,871 (US\$ 609,924)	21.24	3,796 (US\$ 129,548)	2,266,782 (US\$ 77,881,307)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$2,574,299 (US\$88,448,702)	\$7,741,043 (US\$265,969,510) (Note 5)	\$ - (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 reinvested in the China area via the Cypress Epoch Limited (100%).

Note 3: The Company reinvested in 50% of the outstanding shares of Gulei at first via Ever Conquest Global Limited (62.57%), then via Ever Victory Global Limited (67.89%), and finally via Dynamic Ever Investments Limited (100%).

Note 4: As the Company has obtained the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10320406700 on March 25, 2014, the upper limit on investment in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

Note 5: As included in the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10500116380 on September 1, 2016 and No. 10500234240 on December 29, 2016, the Company was able to wire transfer US\$248,025 thousands to Gulei.

Note 6: All the transactions were written off when preparing the consolidated financial statements.

Note 7: Except for Gulei, whose financial statements are audited by KPMG and adjusted according to the ROC GAAP, the financial statements of ACME Electronics (Kunshan) and USIG (Shanghai) are calculated by the CPA of the ROC parent company.

**USI CORPORATION AND SUBSIDIARIES**

(Acme Electronics Corporation (ACME))

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018 (Note 6)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2018 (Note 6)	Net Income (Loss) of the Investee (Note 7)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 4, 5 and 7)	Carrying Amount as of March 31, 2018 (Notes 4 and 8)	Accumulated Repatriation of Investment Income as of March 31, 2018
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	US\$ 30,725 thousand	(Note 2)	\$ 374,188 (US\$ 11,144 thousand)	\$ -	\$ -	\$ 374,188 (US\$ 11,144 thousand)	\$ (13,733) (RMB -2,980 thousand)	51.27	\$ (7,041) (RMB -1,528 thousand)	\$ 367,247 (RMB 79,343 thousand)	\$ -
Acme Electronics (Guang-Zhou) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	US\$ 19,200 thousand	(Note 2)	619,676 (US\$ 19,200 thousand)	-	-	619,676 (US\$ 19,200 thousand)	8,261 (RMB 1,793 thousand)	100.00	8,261 (RMB 1,793 thousand)	839,083 (RMB 181,282 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$833,162 (US\$30,344 thousand) (Notes 3 and 8)	\$1,066,203 (US\$36,633 thousand) (Notes 3 and 8)	\$ - (Note 2)

Note 1: ACME reinvested in the China area via another investment area.

Note 2: According to the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 09704604680 on August 29, 2008, the upper limit on investment in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

Note 3: ACME Electronics (Kunshan) transferred earnings to ordinary shares, and ACME increased the amount of US\$6,289 thousand at its ownership percentage.

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

Note 5: ACME recognized the investment gain (loss), according to Certified Public Accountants and auditing financial report accepted in the ROC.

Note 6: The calculation was based on the exchange rate on the original investment date.

Note 7: The calculation was based on the average exchange rate from January 1, 2018 to March 31, 2018.

Note 8: The calculation was based on the spot exchange rate on March 31, 2018.

**USI CORPORATION AND SUBSIDIARIES**  
 (Swanson Plastics Corporation)

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 2)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of March 31, 2018 (Note 5)	Accumulated Repatriation of Investment Income as of March 31, 2018
					Outflow	Inflow						
Swanson Plastics (Nantong) Co., Ltd. (Note 3)	Production and sale of heavy bags, garbage bags, diapers and so on	\$ 116,420 (US\$ 4,000,000)	1. Indirect investment Swanson Plastics (Nantong) Corp. (95.5%) via Curtana (HK) Company Ltd.  2. Indirect investment Swanson Plastics (Nantong) Corp. (4.5%) via Curtana (HK) Company Ltd.	\$ 113,369	\$ -	\$ -	\$ 113,369	\$ 2,529 (RMB 548,748)	100	\$ 2,529 (Note 1)	\$ 18,114 (Note 1)	\$ -
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film and so on	386,805 (US\$ 13,290,000)	Indirect investment it via Swanson (BVI) International Ltd.	223,930	-	-	223,930	23,332 (US\$ 796,310)	100	23,332 (US\$ 796,310)	961,028 (US\$ 33,019,348)	-
ASK-Swanson (Kunshan) Co., Ltd.	Management of PE release film and other release products	264,856 (US\$ 9,100,000)	Indirect investment A.S. Holdings (UK) Limited via Swanson International Ltd.	193,447	-	-	193,447	666 (US\$ 22,716)	100	666 (US\$ 22,716)	536,254 (US\$ 18,424,798)	-
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film and so on	253,214 (US\$ 8,700,000)	Indirect investment it via Swanson (Singapore) Private Ltd.	170,754	-	-	170,754	(12,003) (US\$ -409,668)	100	(12,003) (US\$ -409,668)	188,893 (US\$ 6,490,066)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$701,500	\$1,018,211 US\$34,984,062	\$ - (Note 4)

Note 1: The amount is the total amount between Curtana Company Ltd. and Swanson Plastics Corporation.

Note 2: Paid in capital and upper limit on the amount investment stipulated by Industrial Development Bureau, MOEA was calculated based on the spot exchange rate on March 31, 2018.

Note 3: Swanson Plastics Corporation disposed of Swanson Plastics (Nantong) Corp. as agreed in the meeting of the board of directors held in April 2016. Swanson Plastics (Nantong) Corp. has not completed the liquidation process as of March 31, 2018.

Note 4: According to the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10620415720, the upper limit on investment in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable, and the effective period is from 2017 to 2020.

Note 5: All the transactions were written off when preparing the consolidated financial statements.

**USI CORPORATION AND SUBSIDIARIES**  
(China General Plastics Corporation (CGPC))

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Nature of Activities	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2018 (Note 1)	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 4)	Carrying Amount as of March 31, 2018 (Notes 1 and 4)	Accumulated Repatriation of Investment Income as of March 31, 2018
					Outflow	Inflow						
Continental General Plastics (ZhongShan) Co., Ltd. (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	\$ 582,100 (US\$ 20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd.	\$ 582,100 (US\$ 20,000 thousand)	\$ -	\$ -	\$ 582,100 (US\$ 20,000 thousand)	\$ (149) (US\$ -5 thousand)	100.00	\$ (149) (US\$ -5 thousand)	\$ 265,876 (US\$ 9,135 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	43,658 (US\$ 1,500 thousand)	Investment through CGPC (BVI) Holding Co., Ltd.	43,658 (US\$ 1,500 thousand)	-	-	43,658 (US\$ 1,500 thousand)	6 (US\$ - thousand)	100.00	6 (US\$ - thousand)	14,403 (US\$ 495 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2018 (Notes 1 and 2)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$788,222 (US\$27,082 thousand)	\$998,156 (US\$34,295 thousand)	\$-

Note 1: The calculation was based on the spot exchange rate as on March 31, 2018.

Note 2: QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)") and Union (Zhong Shan) Co., Ltd. ("Union (ZS)") completed dissolution procedures, and CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)") retrieved the residual assets. The shares of Continental General Plastics (SanHe) Co., Ltd. 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 \$19,908 thousand (US\$684 thousand), the investment amount of Union (ZS) of \$26,136 thousand (US\$898 thousand) and the investment amount of Continental General Plastics (SanHe) Co., Ltd. of \$116,420 thousand (US\$4,000 thousand).

Note 3: The board of directors of CGPC passed a resolution to dissolve CGPC (ZS) and CGPC (CP) in October 2011. As of March 31, 2018, the dissolution procedures have not yet been completed.

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

**USI CORPORATION AND SUBSIDIARIES**

(Taita Chemical Company, Limited (TTC))

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

(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, 2018	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2018	Net Income (Loss) of the Investee (Note 5)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 5 and 6)	Carrying Amount as of March 31, 2018 (Notes 5 and 6)	Accumulated Repatriation of Investment Income as of March 31, 2018
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	\$ 1,346,106 (US\$ 46,250 thousand) (Note 1)	Investment through a holding company registered in a third region	\$ 1,251,515 (US\$ 43,000 thousand)	\$ -	\$ -	\$ 1,251,515 (US\$ 43,000 thousand)	\$ 54,959 (US\$ 1,876 thousand)	100.00	\$ 54,959 (US\$ 1,876 thousand) (Note 6)	\$ 2,004,520 (US\$ 68,872 thousand) (Note 6)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Producing and marketing of polystyrene derivatives	796,022 (US\$ 27,350 thousand) (Note 2)	Investment through a holding company registered in a third region	756,730 (US\$ 26,000 thousand)	-	-	756,730 (US\$ 26,000 thousand)	(11,996) (US\$ -409 thousand)	100.00	(11,996) (US\$ -409 thousand) (Note 6)	179,876 (US\$ 6,180 thousand) (Note 6)	-
ACME Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	894,251 (US\$ 30,725 thousand)	Investment through a holding company registered in a third region	39,409 (US\$ 1,354 thousand)	-	-	39,409 (US\$ 1,354 thousand)	(5,880) (US\$ -201 thousand)	5.39	(317) (US\$ -11 thousand)	38,640 (US\$ 1,328 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$2,047,654 (US\$70,354 thousand)	\$2,206,663 (US\$75,817 thousand) (Note 3)	\$2,466,876 (Note 4)

Note 1: TAITA (ZS) resolved to issue share dividends of US\$3,250 thousand in 2007.

Note 2: TAITA (TJ) resolved to issue share dividends of US\$1,350 thousand in 2012.

Note 3: The amount distributed from share dividends included US\$3,250 thousand from TAITA (ZS), US\$1,350 thousand from TAITA (TJ) and US\$802 thousand from ACME (KS).

Note 4: The limit cannot exceed 60% of Taita Chemical Co., Ltd.'s net asset value.

Note 5: The basis for investment income (loss) recognition is financial statements audited and attested by the parent company's ROC-based CPA.

Note 6: All the transactions were written off when preparing the consolidated financial statements.

**USI CORPORATION AND SUBSIDIARIES**  
(Asia Polymer Corporation (APC))

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 3)	Method and Medium of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2018	Net Income (Loss) of Investee (Note 2)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2018 (Note 3)	Accumulated Repatriation of Investment Income as of March 31, 2018
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 894,251 (US\$ 30,725,000)	(2) ACME Electronics (Cayman) Corp.	\$ 121,582 (US\$ 4,177,369)	\$ -	\$ -	\$ 121,582 (US\$ 4,177,369)	(Note 2,2) \$ (13,734)	16.64	\$ (2,286)	\$ 119,213	\$ -
USI Trading (Shanghai) Co., Ltd.	Management of chemical products, equipment, and plastic products; wholesale of electronic materials, commission agency services and related supporting import and export services	72,763 (US\$ 2,500,000)	(2) APC (BVI) Holding Co., Ltd.	88,351 (US\$ 3,035,601)	-	-	88,351 (US\$ 3,035,601)	(Note 2,3) 2,886	100.00	2,886	104,428	-
Fujian Gulei Petrochemical Co., Ltd.	Manufacture of crude oil and petroleum products	10,667,997 (RMB 2,304,800,000)	(2) Dynamic Ever Investments Ltd.	1,256,632 (US\$ 43,175,806)	-	-	1,256,632 (US\$ 43,175,806)	(Note 2,3) 17,871	12.71	2,271	1,363,624	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,606,855 (Note 4) (US\$55,208,912)	\$4,697,012 (US\$161,381,608)	\$ - (Note 5)

Note 1: Investments are divided into three categories as follows:

- Direct investment
- Investments through a holding company registered in a third region
- Others

Note 2: For the column of investment gain (loss):

- If there is no investment gain (loss) during the preparation, it should be noted.
- If the basis for the recognition of investment gain (loss) is classified into the following three type, it should be noted as follows:
  - Financial statements audited by international accounting firms which have a cooperation relationship with an accounting firm in the Republic of China.
  - Financial statements audited by the parent company's CPA.
  - Others.

Note 3: The calculation was based on the exchange rate as at March 31, 2018.

Note 4: The accumulated outward remittance includes the investments in Wafer Works Epitaxial Corp., Wafer Works (Shanghai) Corp., Shanghai JingJi Electronic Materials Co., Ltd., Jinzhou Yangguang Energy Co., Ltd., Jinzhou Youhua Silicon Materials Co., Ltd., Jinzhou Yangguang Energy Co., Ltd., Qinghai Chenguang New Energy Co., Ltd., USI Trading (Shanghai) Co., Ltd. ("USIT"), and Fujian Gulei Petroleum Company.

- APC invested in Wafer Works Epitaxial Corp. and Wafer Works (Shanghai) Corp. through Silicon Technology Investment (Cayman) Corp.
- APC invested in Solar Technology Investment (Cayman) Corp. and Risheng Investment Limited through Solargiga Energy Holdings Limited, which indirectly invested in Solar Energy Silicon Materials Co., Ltd. and then in Shanghai JingJi Electronic Materials Co., Ltd. Risheng Investment Limited indirectly invested in Jinzhou Yangguang Energy Co., Ltd., Jinzhou Youhua Silicon Materials Co., Ltd., Jinzhou Yangguang Energy Co., Ltd., and Qinghai Chenguang New Energy Co., Ltd.

Note 5: As APC has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10520427730 on November 11, 2016, the upper limit on investments in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

**USI CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
0	USI Corporation	USI Far East (HK) Co., Ltd.	a	Sales revenue	\$ 42,458	No significant difference	0.29
		Swanson Plastics Corporation	a	Sales revenue	23,361	No significant difference	0.16
		Forever Young Company Ltd.	a	Sales revenue	26,597	No significant difference	0.18
		USI Trading (Shanghai) Co., Ltd.	a	Sales revenue	29,126	No significant difference	0.20
		Asia Polymer Corporation	a	Purchases	122,243	No significant difference	0.83
		Swanson Plastics Corporation	a	Purchases	17,909	No significant difference	0.12
		USI Far East (HK) Co., Ltd.	a	Purchases	10,513	No significant difference	0.07
		Swanson Plastics Corporation	a	Accounts receivable	14,606	No significant difference	0.02
		Forever Young Company Ltd.	a	Accounts receivable	22,011	No significant difference	0.03
		USI Far East (HK) Co., Ltd.	a	Accounts receivable	15,576	No significant difference	0.02
		USI Trading (Shanghai) Co., Ltd.	a	Accounts receivable	23,108	No significant difference	0.04
		Asia Polymer Corporation	a	Other receivables	120,389	No significant difference	0.19
		Taiwan VCM Corporation	a	Other receivables	171,303	No significant difference	0.26
		Asia Polymer Corporation	a	Other payable	78,459	No significant difference	0.12
		Taiwan VCM Corporation	a	Other payable	34,367	No significant difference	0.05
		China General Terminal & Distribution Corporation	a	Purchase cost	13,249	No significant difference	0.09
USI Management Consulting Corporation	a	Management services expense	20,864	No significant difference	0.14		
Asia Polymer Corporation	a	Other payable	78,459	No significant difference	0.12		
1	Asia Polymer Corporation	USI Corporation	b	Sales revenue	20,943	No significant difference	0.14
		Swanson Plastics Corporation	c	Sales revenue	11,715	No significant difference	0.08
		Forever Young Company Ltd.	c	Sales revenue	10,576	No significant difference	0.07
		USI Trading (Shanghai) Co., Ltd.	c	Sales revenue	17,583	No significant difference	0.03
2	China General Plastics Corporation (CGPC)	USI Management Consulting Corporation	c	Management services expense	20,034	No significant difference	0.03
		Taiwan VCM Corporation	c	Accounts payable	750,236	No significant difference	1.16
		Taiwan VCM Corporation	c	Purchases	1,088,766	No significant difference	1.68
		CGPC America Corporation	c	Accounts receivable	134,556	No significant difference	0.21
		CGPC America Corporation	c	Sales revenue	99,734	No significant difference	0.15
3	Taita Chemical Company, Limited	USI Management Consulting Corporation	c	Management services expense	15,101	No significant difference	0.10
		Taita Chemical (Zhong Shan) Co., Ltd.	c	Accounts receivable	198,246	No significant difference	1.35
		Taita Chemical (Zhong Shan) Co., Ltd.	c	Sales revenue	447,678	No significant difference	3.05
		Taita Chemical (Tianjin) Co., Ltd.	c	Other receivables	157,386	No significant difference	1.07

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
4	Acme Electronics Corp.	ACME Electronics (Cayman) Corp.	c	Other receivables	\$ 146,993	No significant difference	1.00
		Golden Amber Enterprises Limited	c	Other receivables	20,438	No significant difference	0.14
		Acme Electronics (Kunshan) Co., Ltd.	c	Accounts receivable	39,323	No significant difference	0.27
		Acme Electronics (Kunshan) Co., Ltd.	c	Other receivables	65,906	No significant difference	0.45
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Sales revenue	12,792	No significant difference	0.09
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Processing cost	114,050	No significant difference	0.78
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Accounts receivable	10,915	No significant difference	0.07
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Notes and accounts payable	148,196	No significant difference	1.01
5	Swanson Plastics Corporation	USI Corporation	b	Sales revenue	17,909	No significant difference	0.12
		USI Corporation	b	Purchase	23,361	No significant difference	0.16
		Asia Polymer Corporation	c	Purchase	11,715	No significant difference	0.08
		USI Corporation	b	Accounts payable	14,229	No significant difference	0.10
		Asia Polymer Corporation	c	Accounts payable	15,346	No significant difference	0.11
		Forever Young Company Limited	c	Sales revenue	12,825	No significant difference	0.02
		Forever Young Company Limited	c	Accounts receivable	12,729	No significant difference	0.02
6	USI International Corp.	USI Trading (Shanghai) Co., Ltd.	c	Other receivables	10,465	No significant difference	0.07
7	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Accounts payable	757,184	No significant difference	5.16
		Taiwan VCM Corporation	c	Other payables	24,050	No significant difference	0.16
		Taiwan VCM Corporation	c	Purchase	1,087,408	No significant difference	7.41
8	Taita Chemical (Zhong Shan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	c	Other receivables	278,419	No significant difference	1.90
9	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guang-Zhou) Co., Ltd.	c	Sales revenue	12,792	No significant difference	0.09
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Accounts receivable	10,915	No significant difference	0.07
10	Forever Young Company Limited	Swanson Plastics (India) Private Ltd.	c	Accounts receivable	209,865	No significant difference	1.43
		Swanson Plastics (India) Private Ltd.	c	Sales revenue	11,126	No significant difference	0.08
		Swanson Plastics (Kunshan) Co., Ltd.	c	Accounts receivable	243,933	No significant difference	1.66
		Swanson Plastics (Kunshan) Co., Ltd.	c	Sales revenue	99,032	No significant difference	0.68
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts receivable	80,739	No significant difference	0.55
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts payable	23,418	No significant difference	0.16
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	71,514	No significant difference	0.49
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Sales revenue	142,417	No significant difference	0.97
		Swanson Plastics (Nantong) Co., Ltd.	c	Accounts receivable	120,218	No significant difference	0.82
		PT. Swanson Plastics Indonesia	c	Accounts receivable	126,641	No significant difference	0.86
		PT. Swanson Plastics Indonesia	c	Sales revenue	27,931	No significant difference	0.19
		Swanson International Ltd.	c	Accounts receivable	90,371	No significant difference	0.62
		Swanson Plastics (Tianjin) Private Ltd.	c	Accounts receivable	18,821	No significant difference	0.13
		Swanson Plastics (Tianjin) Private Ltd.	c	Sales revenue	11,389	No significant difference	0.08

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
11	API-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	c	Accounts payable	\$ 15,546	No significant difference	0.11
		Swanson Plastics (Kunshan) Co., Ltd.	c	Cost of goods sold	22,958	No significant difference	0.16
		Swanson Plastics (Tianjin) Co., Ltd.	c	Accounts receivable	107,816	No significant difference	0.74
		Swanson Plastics (Tianjin) Co., Ltd.	c	Accounts receivable	47,142	No significant difference	0.32
12	Swanson Plastics (Kunshan) Corp.	Swanson Plastics (Tianjin) Co., Ltd.	c	Cost of goods sold	14,450	No significant difference	0.10
		Swanson Plastics (Tianjin) Co., Ltd.	c	Accounts payable	16,982	No significant difference	0.12
		Swanson Plastics (Tianjin) Co., Ltd.	c	Accounts receivable	110,028	No significant difference	0.75

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

- a. The Company: 0.
- b. The subsidiaries were marked from 1 in order of numeric characters by the companies.

Note 2: Investment types as follows:

- a. The Company to the subsidiaries.
- b. The subsidiaries to the Company.
- c. Between subsidiaries.

Note 3: The above transactions were not included in the consolidated financial statements.

Note 4: The ratio of transaction amounts accounted for total sales revenue or assets is calculated as follows: (1) asset or liability: The ratio was calculated based on the ending balance accounted for total consolidated assets; (2) income or loss: The ratio was calculated based on the midterm accumulated amounts accounted for total consolidated sales revenue.

(Concluded)