

USI Corporation and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2019 and 2018 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, 2019 and 2018, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months 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" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. 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 13 and 14 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, 2019 and 2018, the combined total assets of these non-significant subsidiaries and investments accounted for using the equity method were NT\$21,089,223 thousand and NT\$15,671,061 thousand, respectively, representing 29.57% and 24.13%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$3,526,880 thousand and NT\$3,564,966 thousand, respectively, representing 10.43% and 12.29%, respectively, of the consolidated total liabilities; for the three-month ended March 31, 2019 and 2018, the amounts of combined comprehensive loss of these subsidiaries and share of profit of joint ventures accounted for using the equity method were NT\$146,483 thousand and NT\$(15,860) thousand, respectively, representing 13.73% and (1.64%), 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, 2019 and 2018 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 Pi-Yu Chuang and Cheng-Hung Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 13, 2019

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, 2019 (Reviewed)		December 31, 2018 (Audited)		March 31, 2018 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 7,790,293	11	\$ 8,123,304	12	\$ 8,871,444	14
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	7,085,562	10	5,084,305	7	5,528,759	8
Financial assets at fair value through other comprehensive income (FVTOCI) - current (Note 8)	185,274	-	158,602	-	212,164	-
Financial assets measured at amortized cost - current (Notes 9 and 36)	380,625	1	439,135	1	424,391	1
Notes receivable, net (Note 10)	970,357	1	1,015,882	2	1,020,999	2
Accounts receivable, net (Note 10)	6,880,368	10	7,532,851	11	6,373,234	10
Other receivables (Notes 10 and 35)	300,026	-	279,612	-	365,608	1
Current tax assets (Notes 4 and 30)	14,210	-	8,116	-	825	-
Inventories (Note 11)	7,145,687	10	6,703,104	10	7,108,402	11
Prepayments (Notes 3 and 19)	630,728	1	742,562	1	751,104	1
Other current assets	290,021	-	11,909	-	270,395	-
Total current assets	<u>31,673,151</u>	<u>44</u>	<u>30,099,382</u>	<u>44</u>	<u>30,927,325</u>	<u>48</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8 and 36)	2,602,521	4	2,521,855	4	2,660,971	4
Financial assets measured at amortized cost - non-current (Notes 9, 36 and 37)	311,804	1	311,758	-	311,620	1
Investments accounted for using the equity method (Note 14)	10,590,991	15	10,338,945	15	5,335,988	8
Property, plant and equipment (Notes 15 and 36)	23,739,672	33	23,825,239	35	23,661,561	36
Right-of-use assets (Notes 3, 4 and 16)	887,285	1	-	-	-	-
Investment properties (Notes 3, 4, 17 and 36)	288,629	-	182,424	-	180,189	-
Goodwill (Note 18)	269,026	-	269,026	-	269,026	-
Other intangible assets (Note 18)	26,880	-	33,377	-	80,041	-
Deferred tax assets (Notes 4 and 30)	567,108	1	633,334	1	651,380	1
Long-term prepayments for leases (Notes 3, 16, 19 and 36)	-	-	459,542	1	528,293	1
Other non-current assets (Note 36)	367,641	1	316,156	-	326,884	1
Total non-current assets	<u>39,651,557</u>	<u>56</u>	<u>38,891,656</u>	<u>56</u>	<u>34,005,953</u>	<u>52</u>
TOTAL	<u>\$ 71,324,708</u>	<u>100</u>	<u>\$ 68,991,038</u>	<u>100</u>	<u>\$ 64,933,278</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 36)	\$ 5,435,683	8	\$ 6,726,854	10	\$ 3,951,616	6
Short-term bills payable (Note 20)	2,247,249	3	1,514,784	2	1,819,514	3
Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	14,000	-	11,135	-	10,613	-
Notes payable and accounts payable (Note 22)	3,305,617	5	3,392,687	5	3,657,686	6
Other payables (Note 23)	1,535,614	2	1,897,550	3	1,476,775	2
Current tax liabilities (Notes 4 and 30)	395,375	-	270,351	-	484,983	1
Lease liabilities - current (Notes 3, 4 and 16)	69,390	-	-	-	-	-
Current portion of long-term borrowings (Notes 20, 21 and 36)	1,867,128	3	525,000	1	627,000	1
Refund liabilities - current (Note 23)	24,207	-	30,034	-	23,044	-
Other current liabilities	303,931	-	283,389	-	604,499	1
Total current liabilities	<u>15,198,194</u>	<u>21</u>	<u>14,651,784</u>	<u>21</u>	<u>12,655,730</u>	<u>20</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 21)	4,993,590	7	5,992,604	9	5,990,774	9
Long-term borrowings (Notes 20 and 36)	9,925,683	14	8,617,624	13	7,163,138	11
Provisions - non-current (Notes 24 and 37)	136,375	-	136,375	-	-	-
Deferred tax liabilities (Notes 4 and 30)	1,464,130	2	1,408,232	2	1,396,565	2
Lease liabilities - non-current (Notes 3, 4 and 16)	461,666	1	-	-	-	-
Net defined benefit liabilities - non-current (Notes 4 and 25)	1,565,200	2	1,658,228	2	1,719,958	3
Other non-current liabilities (Note 26)	72,273	-	71,482	-	78,253	-
Total non-current liabilities	<u>18,618,917</u>	<u>26</u>	<u>17,884,545</u>	<u>26</u>	<u>16,348,688</u>	<u>25</u>
Total liabilities	<u>33,817,111</u>	<u>47</u>	<u>32,536,329</u>	<u>47</u>	<u>29,004,418</u>	<u>45</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 3, 4, 8, 27 and 30)						
Share capital	11,887,635	17	11,887,635	17	11,654,544	18
Capital surplus	253,825	-	253,738	-	238,301	-
Retained earnings						
Legal reserve	2,925,759	4	2,925,759	4	2,814,630	4
Special reserve	375,127	1	375,127	1	375,127	1
Unappropriated earnings	3,759,911	5	3,513,943	5	3,875,783	6
Total retained earnings	<u>7,060,797</u>	<u>10</u>	<u>6,814,829</u>	<u>10</u>	<u>7,065,540</u>	<u>11</u>
Other equity	(7,835)	-	(293,443)	-	8,926	-
Treasury shares	(475,606)	(1)	(475,606)	(1)	(475,606)	(1)
Total equity attributable to owners of the Company	18,718,816	26	18,187,153	26	18,491,705	28
NON-CONTROLLING INTERESTS	<u>18,788,781</u>	<u>27</u>	<u>18,267,556</u>	<u>27</u>	<u>17,437,155</u>	<u>27</u>
Total equity	<u>37,507,597</u>	<u>53</u>	<u>36,454,709</u>	<u>53</u>	<u>35,928,860</u>	<u>55</u>
TOTAL	<u>\$ 71,324,708</u>	<u>100</u>	<u>\$ 68,991,038</u>	<u>100</u>	<u>\$ 64,933,278</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 13, 2019)

USI CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Note 28)				
Sales	\$ 13,493,376	100	\$ 14,670,146	100
COST OF GOODS SOLD (Notes 11, 15, 16, 18, 25 and 29)	<u>11,933,016</u>	<u>89</u>	<u>12,824,540</u>	<u>88</u>
GROSS PROFIT	<u>1,560,360</u>	<u>11</u>	<u>1,845,606</u>	<u>12</u>
OPERATING EXPENSES (Notes 10, 15, 16, 18, 25, 29 and 35)				
Selling and marketing expenses	497,426	4	495,370	3
General and administrative expenses	343,408	2	347,581	2
Research and development expenses	<u>110,987</u>	<u>1</u>	<u>90,879</u>	<u>1</u>
Total operating expenses	<u>951,821</u>	<u>7</u>	<u>933,830</u>	<u>6</u>
PROFIT FROM OPERATIONS	<u>608,539</u>	<u>4</u>	<u>911,776</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 29 and 35)	92,951	1	122,797	1
Other gains and losses (Notes 25, 29 and 39)	108,063	1	15,641	-
Finance costs (Notes 20, 21 and 29)	(71,992)	(1)	(58,656)	-
Share of profit of joint ventures accounted for using the equity method (Note 14)	<u>16,850</u>	<u>-</u>	<u>8,935</u>	<u>-</u>
Total non-operating income and expenses	<u>145,872</u>	<u>1</u>	<u>88,717</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	754,411	5	1,000,493	7
INCOME TAX EXPENSE (Notes 4 and 30)	<u>173,015</u>	<u>1</u>	<u>184,080</u>	<u>1</u>
NET PROFIT FROM CONTINUING OPERATIONS	581,396	4	816,413	6
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Note 12)	<u>1,109</u>	<u>-</u>	<u>(142)</u>	<u>-</u>
NET PROFIT FOR THE PERIOD	<u>582,505</u>	<u>4</u>	<u>816,271</u>	<u>6</u>

(Continued)

USI CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2019		2018	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Profit or loss of equity instruments at FVTOCI (Note 27)	\$ 123,489	1	\$ 90,868	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 27 and 30)	<u>(873)</u>	<u>-</u>	<u>18,358</u>	<u>-</u>
	<u>122,616</u>	<u>1</u>	<u>109,226</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 27)	420,549	3	116,233	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 27 and 30)	<u>(58,998)</u>	<u>-</u>	<u>(25,700)</u>	<u>-</u>
	<u>361,551</u>	<u>3</u>	<u>90,533</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>484,167</u>	<u>4</u>	<u>199,759</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,066,672</u>	<u>8</u>	<u>\$ 1,016,030</u>	<u>7</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 253,361	2	\$ 247,661	2
Non-controlling interests	<u>329,144</u>	<u>2</u>	<u>568,610</u>	<u>4</u>
	<u>\$ 582,505</u>	<u>4</u>	<u>\$ 816,271</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 541,085	4	\$ 314,463	2
Non-controlling interests	<u>525,587</u>	<u>4</u>	<u>701,567</u>	<u>5</u>
	<u>\$ 1,066,672</u>	<u>8</u>	<u>\$ 1,016,030</u>	<u>7</u>

(Continued)

USI CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2019		2018	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 31)				
From continuing and discontinued operations				
Basic	\$ 0.24		\$ 0.23	
Diluted	\$ 0.24		\$ 0.23	
From continuing operations				
Basic	\$ 0.24		\$ 0.23	
Diluted	\$ 0.24		\$ 0.23	

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

(With Deloitte & Touche review report dated May 13, 2019)

(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													Total Equity
	Capital Surplus				Retained Earnings			Other Equity			Treasury Shares (Note 27)	Non-controlling Interests (Notes 3 and 27)		
	Share Capital (Note 27)	Treasury Share Transactions (Note 27)	Shares of Changes in Capital Surplus of Associates (Note 27)	Others (Note 27)	Legal Reserve (Note 27)	Special Reserve (Note 27)	Unappropriated Earnings (Notes 3 and 27)	Exchange Differences on Translating Foreign Operations (Notes 27 and 30)	Unrealized Gain (Loss) on Available-for- sale Financial Assets	Unrealized Gain on Financial Assets at FVTOCI (Notes 8, 27 and 30)			Total	
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	<u>\$ 11,654,544</u>	<u>\$ 222,710</u>	<u>\$ 1,103</u>	<u>\$ 14,488</u>	<u>\$ 2,814,630</u>	<u>\$ 375,127</u>	<u>\$ 3,875,783</u>	<u>\$ (165,257)</u>	<u>\$ -</u>	<u>\$ 174,183</u>	<u>\$ (475,606)</u>	<u>\$ 18,491,705</u>	<u>\$ 17,437,155</u>	<u>\$ 35,928,860</u>
BALANCE AT JANUARY 1, 2019	\$ 11,887,635	\$ 233,983	\$ 2,592	\$ 17,163	\$ 2,925,759	\$ 375,127	\$ 3,513,943	\$ (208,307)	\$ -	\$ (85,136)	\$ (475,606)	\$ 18,187,153	\$ 18,267,556	\$ 36,454,709
Effects of retrospective application	-	-	-	-	-	-	(9,509)	-	-	-	-	(9,509)	(4,490)	(13,999)
Reclassified balance at January 1, 2019	11,887,635	233,983	2,592	17,163	2,925,759	375,127	3,504,434	(208,307)	-	(85,136)	(475,606)	18,177,644	18,263,066	36,440,710
Net profit for the three months ended March 31, 2019	-	-	-	-	-	-	253,361	-	-	-	-	253,361	329,144	582,505
Other comprehensive income for the three months ended March 31, 2019, net of income tax	-	-	-	-	-	-	-	177,112	-	110,612	-	287,724	196,443	484,167
Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	-	253,361	177,112	-	110,612	-	541,085	525,587	1,066,672
Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	87	-	-	-	-	-	-	-	-	87	13	100
Disposal of equity instruments at FVTOCI	-	-	-	-	-	-	2,116	-	-	(2,116)	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	115	115
BALANCE, MARCH 31, 2019	<u>\$ 11,887,635</u>	<u>\$ 233,983</u>	<u>\$ 2,679</u>	<u>\$ 17,163</u>	<u>\$ 2,925,759</u>	<u>\$ 375,127</u>	<u>\$ 3,759,911</u>	<u>\$ (31,195)</u>	<u>\$ -</u>	<u>\$ 23,360</u>	<u>\$ (475,606)</u>	<u>\$ 18,718,816</u>	<u>\$ 18,788,781</u>	<u>\$ 37,507,597</u>

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

(With Deloitte & Touche review report dated May 13, 2019)

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	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 754,411	\$ 1,000,493
Income (loss) before income tax from discontinued operations	<u>1,109</u>	<u>(142)</u>
Income before income tax	755,520	1,000,351
Adjustments for:		
Depreciation expenses	523,963	485,986
Amortization expenses	14,547	23,719
Expected credit loss reversed on accounts receivable	(5,439)	(2,438)
Net gain on fair value change of financial assets and liabilities as at FVTPL	(50,821)	(31,564)
Finance costs	79,241	64,792
Interest income	(28,405)	(22,656)
Share of profit of joint ventures accounted for using the equity method	(16,850)	(8,935)
Gain on disposal of property, plant and equipment	(4,668)	(1,884)
Inventory write-downs (reversed) recognized	(24,608)	27,303
Impairment loss recognized on non-financial assets	14,442	2,060
Amortization of long-term prepayments for leases	-	5,105
(Reversed) recognition of provisions	(7,662)	2,122
Changes in operating assets and liabilities		
Increase in financial assets mandatorily classified as at FVTPL	(1,947,571)	(178,571)
Decrease in notes receivable	45,524	97,071
Decrease in accounts receivable	657,398	579,233
Increase in other receivables	(19,036)	(21,351)
Increase in inventories	(402,259)	(277,951)
Decrease in biological assets	-	22,798
Decrease in prepayments	102,831	18,929
Increase in other current assets	(278,112)	(259,629)
Decrease in notes payable	(221)	(269)
Decrease in accounts payable	(86,849)	(307,489)
Decrease in other payables	(277,763)	(360,141)
Increase (decrease) in provisions	1,835	(11,283)
Decrease in net defined benefit liabilities	(93,028)	(699,939)
Increase in other current liabilities	<u>20,542</u>	<u>325,269</u>
Cash (used in) generated from operations	(1,027,449)	470,638
Interest received	29,416	22,622
Interest paid	(94,056)	(80,707)
Income tax received (paid)	<u>8,168</u>	<u>(28,923)</u>
Net cash (used in) generated from operating activities	<u>(1,083,921)</u>	<u>383,630</u>

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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	
	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at FVTOCI	\$ 2,389	\$ 66,626
Reduction of capital by returning cash of financial assets at FVTOCI	11,663	-
Proceeds from sale of financial assets measured at amortized cost	58,464	1,931
Payments for property, plant and equipment	(338,532)	(345,275)
Proceeds from disposal of property, plant and equipment	10,310	14,474
Decrease (increase) in refundable deposits	7,917	(2,504)
Payments for other intangible assets	(147)	(2,177)
(Increase) decrease in other non-current assets	<u>(67,211)</u>	<u>228</u>
Net cash used in investing activities	<u>(315,147)</u>	<u>(266,697)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(1,291,171)	199,348
Increase in short-term bills payable	732,465	135,008
Proceeds from long-term borrowings	11,150,000	6,130,000
Repayments of long-term borrowings	(9,499,441)	(6,042,610)
Increase (decrease) in guarantee deposits received	224	(1,290)
Repayments of the principal portion of lease liabilities	(15,120)	-
Increase in other current liabilities	567	327
Change in non-controlling interests	<u>115</u>	<u>6,383</u>
Net cash generated from financing activities	<u>1,077,639</u>	<u>427,166</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(11,582)</u>	<u>(146,517)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(333,011)	397,582
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>8,123,304</u>	<u>8,473,862</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 7,790,293</u>	<u>\$ 8,871,444</u>

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

(With Deloitte & Touche review report dated May 13, 2019)

(Concluded)

USI CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and issued by the Company’s board of directors on May 13, 2019.

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), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 16 “Leases”

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, and a number of related interpretations. Please refer to Note 4 for information relating to the relevant accounting policies.

Definition of a lease

The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group recognizes right-of-use assets or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents 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. Prior to the application of IFRS 16, payments under operating lease contracts, including property interest qualified as investment properties, were recognized as expenses on a straight-line basis. Prepaid lease payments for land use rights in China and Malaysia were recognized as prepayments for leases. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the aforementioned incremental borrowing rate. The Group applies IAS 36 to all right-of-use assets.

The Group also applies the following practical expedients:

- 1) The Group applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.
- 2) The Group accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.
- 3) The Group excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.
- 4) The Group uses hindsight, such as in determining lease terms, to measure lease liabilities.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 was 1.04%-2.00%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	\$ 580,248
The future minimum lease payments of cancellable operating lease commitments on December 31, 2018	5,405
Less: Recognition exemption	<u>(3,165)</u>
Undiscounted amounts on January 1, 2019	<u>\$ 582,488</u>
Lease liabilities recognized on January 1, 2019	<u>\$ 546,116</u>

The Group as lessor

Except for sublease transactions, the Group does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

The Group subleased its leasehold building Tai-An to a third party in 2014. Such sublease was classified as an operating lease under IAS 17. The Group determines the sublease is classified as a finance lease on the basis of the remaining contractual terms and conditions of the head lease and sublease on January 1, 2019.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
Prepayments for leases - current	\$ 8,663	\$ (8,663)	\$ -
Prepayments for leases - non-current	459,542	(459,542)	-
Right-of-use assets	-	889,870	889,870
Investment properties	<u>182,424</u>	<u>110,452</u>	<u>292,876</u>
Total effect on assets	<u>\$ 650,629</u>	<u>\$ 532,117</u>	<u>\$ 1,182,746</u>
Lease liabilities - current	\$ -	\$ 69,209	\$ 69,209
Lease liabilities - non-current	<u>-</u>	<u>476,907</u>	<u>476,907</u>
Total effect on liabilities	<u>\$ -</u>	<u>\$ 546,116</u>	<u>\$ 546,116</u>
Retained earnings	\$ 3,513,943	\$ (9,509)	\$ 3,504,434
Non-controlling interests	<u>18,267,556</u>	<u>(4,490)</u>	<u>18,263,066</u>
Total effect on equity	<u>\$ 21,781,499</u>	<u>\$ 13,999</u>	<u>\$ 21,767,500</u>

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (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 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

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 Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

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.

Please See Note 13, 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 of investment properties, leases and the following, other accounting policies applied in these consolidated financial statements can be referred to the summary of significant accounting policies of the consolidated financial statements for the year ended December 31, 2018.

1) Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Beginning January 1, 2019, investment properties include right-of-use assets.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Beginning January 1, 2019, investment properties acquired through leases were initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made on or before the commencement date. These investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Depreciation is recognized using the straight-line method.

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

2) Leases

2019

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

a) The Group as lessor

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

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

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

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

b) The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, please refer to Note (1) for the accounting policies for investment properties.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

2018

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

a) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

b) The Group as lessee

Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

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 were applied in the preparation of the consolidated financial statements for the year ended December 31, 2018 which have been followed in these consolidated financial statements.

6. CASH AND CASH EQUIVALENTS

	March 31, 2019	December 31, 2018	March 31, 2018
Cash on hand and petty cash	\$ 78,519	\$ 74,325	\$ 138,640
Checking accounts and demand deposits	2,180,009	2,056,392	2,019,757
Cash equivalents			
Time deposits	3,879,353	4,225,589	6,288,610
Reserve repurchase agreements collateralized by bonds	<u>1,652,412</u>	<u>1,766,998</u>	<u>424,437</u>
	<u>\$ 7,790,293</u>	<u>\$ 8,123,304</u>	<u>\$ 8,871,444</u>

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

	March 31, 2019	December 31, 2018	March 31, 2018
Bank deposits	0.60%-6.95%	0.001%-6.95%	0.10%-4.50%
Reserve repurchase agreements collateralized by bonds	0.51%-2.40%	0.53%-2.90%	0.37%-1.80%

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

	March 31, 2019	December 31, 2018	March 31, 2018
<u>Financial assets mandatorily at FVTPL</u>			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 1,190	2,181	\$ 5,662
Non-derivative financial assets			
Domestic listed shares and over-the-counter shares	164,296	151,081	281,265
Mutual funds	5,922,620	3,995,963	3,202,117
Beneficiary securities	996,657	934,252	2,038,760
Overseas listed shares	799	828	955
	<u>7,084,372</u>	<u>5,082,124</u>	<u>5,523,097</u>
	<u>\$ 7,085,562</u>	<u>\$ 5,084,305</u>	<u>\$ 5,528,759</u>

Financial liabilities held for trading

Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ 14,000	\$ 11,135	\$ 10,613

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2019</u>			
Sell	RMB/NTD	2019.04.02-2019.06.27	RMB257,300/NTD1,164,060
Sell	USD/MYR	2019.05.31-2019.07.30	USD651/MYR2,647
Sell	USD/NTD	2019.04.02-2019.06.06	USD30,320/NTD931,106
Sell	EUR/MYR	2019.05.31	EUR92/MYR423
Buy	NTD/USD	2019.04.01-2019.04.26	NTD294,686/USD9,580
<u>December 31, 2018</u>			
Sell	RMB/NTD	2019.01.02-2019.04.02	RMB258,900/NTD1,143,806
Sell	USD/MYR	2019.01.30-2019.04.30	USD894/MYR3,719
Sell	USD/NTD	2019.01.03-2019.03.22	USD27,360/NTD839,640
Sell	EUR/MYR	2019.01.31-2019.03.29	EUR117/MYR559
Sell	JPY/USD	2019.01.18-2019.01.30	JPY80,000/USD711
Buy	NTD/USD	2019.01.04-2019.03.04	NTD554,147/USD18,030
<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	USD400/MYR1,562
Sell	USD/NTD	2018.04.03-2018.06.22	USD35,630/NTD1,041,077
Sell	EUR/MYR	2018.04.30-2018.05.31	EUR62/MYR297
Buy	NTD/USD	2018.05.17	NTD68,532/USD2,360

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

	March 31, 2019	December 31, 2018	March 31, 2018
<u>Current</u>			
Investments in equity instruments at FVTOCI			
Domestic investments			
Domestic listed shares and over-the-counter shares	\$ 185,274	\$ 158,602	\$ 212,164
<u>Non-current</u>			
Investments in equity instruments at FVTOCI			
Domestic investments			
Listed shares and over-the-counter shares	\$ 1,768,000	\$ 1,670,394	\$ 1,892,696
Emerging market shares	24,052	15,937	8,346
Unlisted shares	635,140	655,575	584,307
	<u>2,427,192</u>	<u>2,341,906</u>	<u>2,485,349</u>
Overseas investments			
Listed shares and over-the-counter shares	8,096	6,282	12,588
Unlisted shares	167,233	173,667	163,034
	<u>175,329</u>	<u>179,949</u>	<u>175,622</u>
	<u>\$ 2,602,521</u>	<u>\$ 2,521,855</u>	<u>\$ 2,660,971</u>

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.

The Group sold 100 thousand shares of CTCI Corporation during the three months ended March 31, 2019, and transferred a total gain of \$3,181 thousand from other equity to retained earnings in the amount of \$2,116 thousand and to non-controlling interests in the amount of \$1,065 thousand.

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

The investee, Harbinger Venture Capital and Budworth Investment Ltd., announced a reduction of capital by returning cash in January 2019, and the Group received \$1,717 thousand and \$9,946 thousand according to its ownership percentage.

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

9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	March 31, 2019	December 31, 2018	March 31, 2018
<u>Current</u>			
Pledged time deposits	<u>\$ 380,625</u>	<u>\$ 439,135</u>	<u>\$ 424,391</u>
<u>Non-current</u>			
Pledged time deposits	<u>\$ 311,804</u>	<u>\$ 311,758</u>	<u>\$ 311,620</u>
Range of interest rates	0.09%-4.1%	0.09%-4.1%	0.09%-1.045%

The trading partner of the Group invested in time deposits which are pledged in financial institutions with good credit ratings. After assessing that the time deposits have low credit risk, no allowance for loss is recognized.

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

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2019	December 31, 2018	March 31, 2018
<u>Notes receivable (a)</u>			
At amortized cost			
Gross carrying amount	\$ 970,359	\$ 1,015,883	\$ 1,020,999
Less: Allowance for impairment loss	<u>(2)</u>	<u>(1)</u>	<u>-</u>
	<u>\$ 970,357</u>	<u>\$ 1,015,882</u>	<u>\$ 1,020,999</u>
<u>Accounts receivable (a)</u>			
At amortized cost			
Gross carrying amount	\$ 6,987,186	\$ 7,644,629	\$ 6,483,640
Less: Allowance for impairment loss	<u>(106,818)</u>	<u>(111,778)</u>	<u>(110,406)</u>
	<u>\$ 6,880,368</u>	<u>\$ 7,532,851</u>	<u>\$ 6,373,234</u>
<u>Other receivables (b)</u>			
Tax refund receivables	\$ 251,746	\$ 227,731	\$ 281,767
Securities transaction receivables	2,654	-	20,163
Others	<u>45,626</u>	<u>51,881</u>	<u>63,678</u>
	<u>\$ 300,026</u>	<u>\$ 279,612</u>	<u>\$ 365,608</u>

a. Notes and accounts receivable

The average credit period of sales of goods was 10 to 150 days. No interest was charged on the 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, 2019

Based on the number of days past due

	Up to 60 Days	61-90 Days	Over 90 Days	Total
Gross carrying amount	\$ 3,327,799	\$ -	\$ 16,436	\$ 3,344,235
Loss allowance (Lifetime ECLs)	<u>(5,942)</u>	<u>-</u>	<u>(13,705)</u>	<u>(19,647)</u>
Amortized cost	<u>\$ 3,321,857</u>	<u>\$ -</u>	<u>\$ 2,731</u>	<u>\$ 3,324,588</u>

Based on credit quality

	Credit Rating A	Credit Rating B	Credit Rating C	Other	Total
Gross carrying amount	\$ 524,081	\$ 818,531	\$ 901,306	\$ 2,369,392	\$ 4,613,310
Loss allowance (Lifetime ECLs)	<u>(4,311)</u>	<u>(4,952)</u>	<u>(13,733)</u>	<u>(64,177)</u>	<u>(87,173)</u>
Amortized cost	<u>\$ 519,770</u>	<u>\$ 813,579</u>	<u>\$ 887,573</u>	<u>\$ 2,305,215</u>	<u>\$ 4,526,137</u>

December 31, 2018

Based on the number of days past due

	Up to 60 Days	61-90 Days	Over 90 Days	Total
Gross carrying amount	\$ 3,092,403	\$ 186,074	\$ 158,901	\$ 3,437,378
Loss allowance (Lifetime ECLs)	<u>(5,550)</u>	<u>-</u>	<u>(13,413)</u>	<u>(18,963)</u>
Amortized cost	<u>\$ 3,086,853</u>	<u>\$ 186,074</u>	<u>\$ 145,488</u>	<u>\$ 3,418,415</u>

Based on credit quality

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$ 562,011	\$ 1,039,804	\$ 979,171	\$ 2,642,148	\$ 5,223,134
Loss allowance (Lifetime ECLs)	<u>(4,820)</u>	<u>(4,813)</u>	<u>(19,154)</u>	<u>(64,029)</u>	<u>(92,816)</u>
Amortized cost	<u>\$ 557,191</u>	<u>\$ 1,034,991</u>	<u>\$ 960,017</u>	<u>\$ 2,578,119</u>	<u>\$ 5,130,318</u>

March 31, 2018

Based on the number of days past due

	Up to 60 Days	61-90 Days	Over 90 Days	Total
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

	Credit Rating A	Credit Rating B	Credit Rating C	Other	Total
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:

	March 31, 2019	December 31, 2018	March 31, 2018
Not past due	\$ 4,431,971	\$ 5,011,858	\$ 4,614,686
Up to 60 days	119,314	146,568	148,183
Over 60 days	<u>62,025</u>	<u>64,708</u>	<u>63,905</u>
	<u>\$ 4,613,310</u>	<u>\$ 5,223,134</u>	<u>\$ 4,826,774</u>

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

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

	For the Three Months Ended March 31	
	2019	2018
Balance at January	\$ 111,779	\$ 113,591
Less: Impairment losses reversed	(5,439)	(2,438)
Less: Amounts written off during the period as uncollectible	(45)	(646)
Foreign exchange translation gains and losses	<u>525</u>	<u>(101)</u>
Balance at March 31	<u>\$ 106,820</u>	<u>\$ 110,406</u>

b. Other receivables

Other receivables mainly consisted of tax refund receivables and 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, and an impairment loss was assessed based on the expected credit losses. There were no other overdue receivables with an unrecognized allowance for doubtful accounts in the Group as of March 31, 2019, December 31, 2018 and March 31, 2018.

11. INVENTORIES

	March 31, 2019	December 31, 2018	March 31, 2018
Finished goods	\$ 4,126,276	\$ 4,085,660	\$ 4,294,331
Work in progress	477,666	507,602	515,078
Raw materials	2,098,696	1,690,097	2,028,859
Supplies	355,992	308,482	234,741
Inventory in transit	<u>87,057</u>	<u>111,263</u>	<u>35,393</u>
	<u>\$ 7,145,687</u>	<u>\$ 6,703,104</u>	<u>\$ 7,108,402</u>

The costs of inventories recognized as cost of goods sold for the three months ended March 31, 2019 and 2018, were \$11,933,016 thousand and \$12,824,540 thousand, respectively.

The cost of goods sold included reversal of inventory write-downs of \$24,608 thousand and inventory write-down of \$27,303 thousand as of March 31, 2019 and 2018, respectively. Previous write-downs were reversed as a result of increased selling prices in certain markets.

12. 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 was as follows:

	For the Three Months Ended March 31	
	2019	2018
Administrative expenses	\$ (6,562)	\$ (9,557)
Loss from operations	(6,562)	(9,557)
Non-operating income	<u>7,671</u>	<u>9,415</u>
Net profit (loss) from discontinued operations	<u>\$ 1,109</u>	<u>\$ (142)</u>

For the three months ended March 31, 2019 and 2018, the cash flows which can be attributed to the discontinued operations were as follows:

	For the Three Months Ended March 31	
	2019	2018
Net cash generated from (used in) operating activities	\$ 8,138	\$ (722)
Effect of exchange rate changes	<u>1,817</u>	<u>1,016</u>
Net cash inflow	<u>\$ 9,955</u>	<u>\$ 294</u>

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			March 31, 2019	December 31, 2018	March 31, 2018	
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	Investment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Inoma Corporation (“INOMA”)	Engaging in optical products and fireproof materials	<u>93.2</u>	<u>93.2</u>	<u>93.2</u>	
Cypress Epoch Limited	Usig (Shanghai) Co., Ltd.	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 (“TMC”)	Reinforced plastic products manufacturing	30.4	30.4	30.4	
Taita Chemical Company, Ltd.			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>	1)

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			March 31, 2019	December 31, 2018	March 31, 2018	
The Company	Taiwan United Venture Capital Corp. ("TUVC")	Venture capital	70.0	70.0	70.0	
Asia Polymer Corporation ("APC")			<u>8.3</u>	<u>8.3</u>	<u>8.3</u>	
			<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			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	26.9	27.0	27.0	
China General Plastics Corporation			1.7	1.8	1.8	
USIFE Investment Co., Ltd.			9.0	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>44.3</u>	<u>44.8</u>	<u>44.8</u>	5)
The Company	USI Optronics Corporation ("USIO")	Manufacture and marketing of sapphire crystal	50.9	50.9	50.9	
Acme Electronics Corp.			34.0	34.0	34.0	
Asia Polymer Corporation			9.2	9.2	9.2	
USIFE Investment Co., Ltd.			<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	
			<u>94.3</u>	<u>94.3</u>	<u>94.3</u>	
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>	
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>	5)
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>	
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>	
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd. ("TTC")	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	36.8	36.8	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>	5)

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			March 31, 2019	December 31, 2018	March 31, 2018	
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>	5)
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>	2)
	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>	2)
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>	
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>	
Swanson Plastics Corp.	Swanson Plastics Company Ltd. (Nantong) ("SPC (Nantong)")	Production and marketing of vest bags, garbage bags and diapers	-	-	95.5	
Curtana Company Ltd.			-	-	4.5	
			<u>-</u>	<u>-</u>	<u>100.0</u>	3)
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)			99.0	99.0	99.0	
			<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			15.0	15.0	15.0	
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>	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			March 31, 2019	December 31, 2018	March 31, 2018	
The Company	Ever Conquest Global Limited ("ECGL")	Investment	63.1	63.1	62.6	
Asia Polymer Corporation			<u>36.9</u>	<u>36.9</u>	<u>37.4</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	4)
Ever Conquest Global Limited	Ever Victory Global Limited ("EVGL")	Investment	<u>77.5</u>	<u>77.5</u>	<u>67.9</u>	4) and 5)
Ever Victory Global Limited	Dynamic Ever Investments Limited ("DEIL")	Investment	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	4)

(Concluded)

- 1) TMC had no actual production and sales activities in the recent year. Therefore, on April 12, 2019, the board of directors of TMC had approved the proposal for dissolution and liquidation of the company starting from the dissolution date of May 25, 2019.
- 2) CGPC disposed of CGPC (CS) and CGPCP as approved in the meeting of the board of directors in October 2011. CGPC (CS) and CGPCP had not completed the process of liquidation as of March 31, 2019.
- 3) The economic recession caused SPC (Nantong) to suffer a sustained loss. In consideration of the whole operations of the company and its subsidiaries, SPC disposed of SPC (Nantong) as agreed in the meeting of the board of directors held in April 2016 and sold all shares in SPC (Nantong) on December 21, 2018 with sales price of \$129,077 thousand. As of December 31, 2018, SPC completed the process of disposal and recognized gain on disposal of \$116,576 thousand.
- 4) As of March 31, 2019, the Company and APC invested capital amounted to US\$176,268 thousand (around \$5,442,336 thousand) and US\$103,240 thousand (around \$3,190,905 thousand) in ECGL, respectively, and reinvested in EVGL via ECGL as well as in DEIL. The total ownership percentage of ECGL in EVGL is 77.5%. For more explanation, please refer to Note 38.
- 5) 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		
	March 31, 2019	December 31, 2018	March 31, 2018
CGPC	64.3%	64.3%	64.3%
TTC	62.2%	62.2%	62.2%
ACME	55.7%	55.2%	55.2%
APC	62.7%	62.7%	62.7%
EVGL	22.5%	22.5%	32.1%

Please refer to Table 6 and 7 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, 2019	December 31, 2018	March 31, 2018
	March 31 2019	March 31 2018			
CGPC	\$ 121,133	\$ 356,035	\$ 5,470,904	\$ 5,354,451	\$ 5,278,018
TTC	\$ 123,630	\$ 120,100	\$ 2,642,985	\$ 2,949,266	\$ 2,563,884
ACME	\$ (19,774)	\$ (14,810)	\$ 770,382	\$ 772,085	\$ 750,199
APC	\$ 92,481	\$ 55,976	\$ 6,293,914	\$ 6,139,309	\$ 6,187,852
EVGL	\$ 2,823	\$ 2,823	\$ 2,545,211	\$ 2,488,860	\$ 1,815,726

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

	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	\$ 6,094,179	\$ 6,314,227	\$ 6,132,824
Non-current assets	7,149,003	6,909,868	6,700,838
Current liabilities	(2,063,979)	(2,107,698)	(1,663,478)
Non-current liabilities	(2,177,192)	(2,305,293)	(2,374,887)
Equity	\$ 9,002,011	\$ 8,811,104	\$ 8,795,297
Equity attributable to:			
Owners of CGPC	\$ 3,088,199	\$ 3,020,189	\$ 3,080,656
Non-controlling interests of CGPC	5,470,904	5,354,451	5,278,018
Non-controlling interests of CGPC's subsidiaries	442,908	436,464	436,623
	\$ 9,002,011	\$ 8,811,104	\$ 8,795,297

	For the Three Months Ended March 31	
	2019	2018
Revenue	\$ 3,227,707	\$ 4,144,200
Net profit from continuing operations	\$ 189,859	\$ 583,780
Net profit (loss) from discontinued operations	1,109	(142)
Profit for the period	190,968	583,638
Other comprehensive income (loss) for the period	4,974	(5,749)
Total comprehensive income for the period	\$ 195,942	\$ 577,889

(Continued)

	For the Three Months Ended March 31	
	2019	2018
Profit attributable to:		
Owners of CGPC	\$ 63,101	\$ 185,467
Non-controlling interests of CGPC	121,133	356,035
Non-controlling interests of CGPC's subsidiaries	<u>6,734</u>	<u>42,136</u>
	<u>\$ 190,968</u>	<u>\$ 583,638</u>
Total comprehensive income attributable to:		
Owners of CGPC	\$ 69,323	\$ 185,629
Non-controlling interests of CGPC	119,869	350,144
Non-controlling interests of CGPC's subsidiaries	<u>6,750</u>	<u>42,116</u>
	<u>\$ 195,942</u>	<u>\$ 577,889</u>
Net cash (outflow) inflow from:		
Operating activities	\$ 273,497	\$ 311,976
Investing activities	(188,291)	(138,262)
Financing activities	(258,338)	748
Effects of exchange rate changes	<u>2,407</u>	<u>(3,997)</u>
Net cash (outflow) inflow	<u>\$ (170,725)</u>	<u>\$ 170,465</u> (Concluded)

TTC and TTC's subsidiaries

	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	\$ 5,173,844	\$ 5,391,600	\$ 5,543,668
Non-current assets	3,353,714	3,335,946	3,476,109
Current liabilities	(2,834,629)	(3,316,710)	(3,441,623)
Non-current liabilities	<u>(1,464,312)</u>	<u>(1,418,879)</u>	<u>(1,466,694)</u>
Equity	<u>\$ 4,228,617</u>	<u>\$ 3,991,957</u>	<u>\$ 4,111,460</u>
Equity attributable to:			
Owners of TTC	\$ 1,585,632	\$ 1,497,691	\$ 1,547,576
Non-controlling interests of TTC	<u>2,642,985</u>	<u>2,494,266</u>	<u>2,563,884</u>
	<u>\$ 4,228,617</u>	<u>\$ 3,991,957</u>	<u>\$ 4,111,460</u>

	For the Three Months Ended March 31	
	2019	2018
Revenue	\$ <u>4,600,156</u>	\$ <u>4,842,167</u>
Profit for the period	\$ 195,224	\$ 189,651
Other comprehensive income for the period	<u>44,485</u>	<u>13,566</u>
Total comprehensive income for the period	<u>\$ 239,709</u>	<u>\$ 203,217</u>
Profit attributable to:		
Owners of TTC	\$ 71,594	\$ 69,551
Non-controlling interests of TTC	<u>123,630</u>	<u>120,100</u>
	<u>\$ 195,224</u>	<u>\$ 189,651</u>
Total comprehensive income attributable to:		
Owners of TTC	\$ 88,674	\$ 66,817
Non-controlling interests of TTC	<u>151,035</u>	<u>136,400</u>
	<u>\$ 239,709</u>	<u>\$ 203,217</u>
Net cash inflow from:		
Operating activities	\$ 630,665	\$ (314,875)
Investing activities	37,034	(30,843)
Financing activities	(366,100)	614,651
Effects of exchange rate changes	<u>5,311</u>	<u>1,895</u>
Net cash inflow	<u>\$ 306,910</u>	<u>\$ 270,828</u>

ACME and ACME's subsidiaries

	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	\$ 1,878,229	\$ 1,898,959	\$ 2,018,267
Non-current assets	1,809,394	1,776,939	1,934,724
Current liabilities	(1,080,969)	(1,085,668)	(1,411,290)
Non-current liabilities	<u>(587,564)</u>	<u>(569,870)</u>	<u>(614,640)</u>
Equity	<u>\$ 2,019,090</u>	<u>\$ 2,020,360</u>	<u>\$ 1,927,061</u>
Equity attributable to:			
Owners of ACME	\$ 620,695	\$ 623,461	\$ 609,814
Non-controlling interests of ACME	770,382	772,085	750,199
Non-controlling interests of ACME's subsidiaries	<u>628,013</u>	<u>624,814</u>	<u>567,048</u>
	<u>\$ 2,019,090</u>	<u>\$ 2,020,360</u>	<u>\$ 1,927,061</u>

	For the Three Months Ended March 31	
	2019	2018
Revenue	\$ <u>520,088</u>	\$ <u>575,404</u>
Loss for the period	\$ (47,948)	\$ (32,975)
Other comprehensive income for the period	<u>44,334</u>	<u>38,404</u>
Total comprehensive (loss) income for the period	\$ <u>(3,614)</u>	\$ <u>5,429</u>
Loss attributable to:		
Owners of ACME	\$ (15,875)	\$ (11,888)
Non-controlling interests of ACME	(19,774)	(14,810)
Non-controlling interests of ACME's subsidiaries	<u>(12,299)</u>	<u>(6,277)</u>
	\$ <u>(47,948)</u>	\$ <u>(32,975)</u>
Total comprehensive (loss) income attributable to:		
Owners of ACME	\$ (3,164)	\$ (873)
Non-controlling interests of ACME	(3,923)	(2,187)
Non-controlling interests of ACME's subsidiaries	<u>3,473</u>	<u>8,489</u>
	\$ <u>(3,614)</u>	\$ <u>5,429</u>
Net cash inflow from:		
Operating activities	\$ (11,041)	\$ (39,265)
Investing activities	(60,368)	293,291
Financing activities	95,457	10,976
Effects of exchange rate changes	<u>24,283</u>	<u>22,017</u>
Net cash inflow	\$ <u>48,331</u>	\$ <u>287,019</u>

APC and APC's subsidiaries

	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	\$ 5,515,772	\$ 4,606,590	\$ 5,194,221
Non-current assets	11,100,496	10,991,153	9,666,064
Current liabilities	(2,685,495)	(2,603,655)	(2,310,422)
Non-current liabilities	<u>(4,057,379)</u>	<u>(3,389,652)</u>	<u>(2,726,957)</u>
Equity	\$ <u>9,873,394</u>	\$ <u>9,604,436</u>	\$ <u>9,822,906</u>
Equity attributable to:			
Owners of APC	\$ 3,579,480	\$ 3,465,127	\$ 3,635,054
Non-controlling interests of APC	<u>6,293,914</u>	<u>6,139,309</u>	<u>6,187,852</u>
	\$ <u>9,873,394</u>	\$ <u>9,604,436</u>	\$ <u>9,822,906</u>

	For the Three Months Ended March 31	
	2019	2018
Revenue	<u>\$ 1,709,711</u>	<u>\$ 1,326,214</u>
Profit for the period	\$ 136,701	\$ 82,741
Other comprehensive income (loss) for the period	<u>135,621</u>	<u>(125,814)</u>
Total comprehensive income (loss) for the period	<u>\$ 272,322</u>	<u>\$ (43,073)</u>
Profit attributable to:		
Owners of APC	\$ 44,220	\$ 26,765
Non-controlling interests of APC	<u>92,481</u>	<u>55,976</u>
	<u>\$ 136,701</u>	<u>\$ 82,741</u>
Total comprehensive income (loss) attributable to:		
Owners of APC	\$ 113,863	\$ (47,655)
Non-controlling interests of APC	<u>158,459</u>	<u>4,582</u>
	<u>\$ 272,322</u>	<u>\$ (43,073)</u>
Net cash outflow from:		
Operating activities	\$ (1,007,514)	\$ 14,875
Investing activities	(1,850)	(18,750)
Financing activities	748,734	(15)
Effects of exchange rate changes	<u>2,722</u>	<u>(920)</u>
Net cash outflow	<u>\$ (257,908)</u>	<u>\$ (4,810)</u>

EVGL and EVGL's subsidiaries

	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	\$ 723,257	\$ 722,214	\$ 328,053
Non-current assets	10,590,991	10,338,945	5,335,988
Current liabilities	<u>(15,309)</u>	<u>(12,378)</u>	<u>(8,955)</u>
Equity	<u>\$ 11,298,939</u>	<u>\$ 11,048,781</u>	<u>\$ 5,655,086</u>
Equity attributable to:			
Owners of EVGL	\$ 8,753,728	\$ 8,559,921	\$ 3,839,360
Non-controlling interests of EVGL	<u>2,545,211</u>	<u>2,488,860</u>	<u>1,815,726</u>
	<u>\$ 11,298,939</u>	<u>\$ 11,048,781</u>	<u>\$ 5,655,086</u>

	For the Three Months Ended March 31	
	2019	2018
Profit for the period	\$ 12,534	\$ 8,793
Other comprehensive income for the period	<u>237,624</u>	<u>78,121</u>
Total comprehensive income for the period	<u>\$ 250,158</u>	<u>\$ 86,914</u>
Profit attributable to:		
Owners of EVGL	\$ 9,711	\$ 5,970
Non-controlling interests of EVGL	<u>2,823</u>	<u>2,823</u>
	<u>\$ 12,534</u>	<u>\$ 8,793</u>
Total comprehensive loss attributable to:		
Owners of EVGL	\$ 193,807	\$ 59,008
Non-controlling interests of EVGL	<u>56,351</u>	<u>27,906</u>
	<u>\$ 250,158</u>	<u>\$ 86,914</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 5,679	\$ 5,071
Effects of exchange rate changes	<u>2,428</u>	<u>(7,184)</u>
Net cash inflow (outflow)	<u>\$ 8,107</u>	<u>\$ (2,113)</u>

Please refer to Notes 20 and 36 for the information related to part of subsidiaries' shares pledged as collateral for long-term bank borrowings.

c. Disposal of subsidiary

The Group entered into a sale agreement with an unrelated party to dispose of SPC (Nantong) and sold all of its shares on December 21, 2018. As of December 31, 2018, SPC completed the process of disposal.

1) Consideration received from disposal

	SPC (Nantong)
Consideration received in cash and cash equivalents/ Total consideration received	<u>\$ 129,077</u>

2) Analysis of assets and liabilities on the date control was lost

	SPC (Nantong)
Current assets	
Cash	\$ 418
Other current assets	7
Non-current assets	
Property, plant and equipment	38,003
Long-term prepayments for lease	13,454
Current liabilities	
Payables	(13)
Other current liabilities	<u>(345)</u>
Net assets of disposal	<u>\$ 51,524</u>

3) Gain on disposal of subsidiary

	SPC (Nantong)
Consideration received	\$ 129,077
Net assets of disposal	(51,524)
Exchange differences	<u>39,023</u>
Gain on disposals	<u>\$ 116,576</u>

4) Net cash inflow on disposal of subsidiary

	SPC (Nantong)
Consideration received in cash	\$ 129,077
Less: Cash and cash equivalent balance disposal	<u>(418)</u>
	<u>\$ 128,659</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2019	December 31, 2018	March 31, 2018
Investments in joint ventures			
Associates that are individually material			
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	<u>\$ 10,590,991</u>	<u>\$ 10,338,945</u>	<u>\$ 5,335,988</u>

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

The percentage of the Group's ownership and voting rights was 50% of the outstanding shares of Gulei as of March 31, 2019, December 31, 2018 and March 31, 2018. For more explanation, please refer to Note 38.

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

	March 31, 2019	December 31, 2018	March 31, 2018
Cash	<u>\$ 13,603,056</u>	<u>\$ 15,407,527</u>	<u>\$ 9,427,133</u>
Current assets	\$ 13,889,764	\$ 15,428,230	\$ 9,574,355
Non-current assets	12,799,319	7,332,940	1,157,735
Current liabilities	(5,478,750)	(2,066,576)	(60,114)
Non-current liabilities	<u>(28,351)</u>	<u>(16,704)</u>	<u>-</u>
Equity	21,181,982	20,677,890	10,671,976
Proportion of the Group's ownership	<u>50%</u>	<u>50%</u>	<u>50%</u>
Equity attributable to the Group	<u>\$ 10,590,991</u>	<u>\$ 10,338,945</u>	<u>\$ 5,335,988</u>
Carrying amount	<u>\$ 10,590,991</u>	<u>\$ 10,338,945</u>	<u>\$ 5,335,988</u>
		For the Three Months Ended March 31	
		2019	2018
Shares attributable to the Group			
Net profit of the period		<u>\$ 16,850</u>	<u>\$ 8,935</u>

Gulei had no significant operating income for the three months ended March 31, 2019 and 2018.

For the three months ended March 31, 2019 and 2018, investments in joint ventures accounted for using the equity method and the Group's share of profit and other comprehensive income were not reviewed by the auditors.

15. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2019	December 31, 2018	March 31, 2018
Freehold land	\$ 4,726,441	\$ 4,726,441	\$ 4,726,441
Land improvements	9,458	9,874	12,194
Building improvements	4,128,122	4,192,099	4,381,901
Machinery and equipment	11,085,549	10,897,308	11,178,235
Transportation equipment	53,932	49,452	45,667
Other equipment	317,578	320,209	262,768
Construction in progress and equipment under installation	<u>3,418,592</u>	<u>3,629,856</u>	<u>3,054,355</u>
	<u>\$ 23,739,672</u>	<u>\$ 23,825,239</u>	<u>\$ 23,661,561</u>

The board of directors of the Company passed a resolution for EVA capacity expansion in the Kaohsiung plant, and authorized the chairman with full power to sign contract on December 28, 2011. The Company signed the EVA equipment contract with CTCI Corporation on November 8, 2012. The project was completed in 2018, and total fees and charge of \$2,383,885 thousand had been paid.

On March 21, 2013 the board of directors of the Company decided to invest \$1,000,000 thousand in the construction of a cyclic block copolymer production plant. 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 was increased by \$700,000 thousand after discussion of the board of directors in its meeting on August 11, 2016, and the total cost was \$2,700,000 thousand. As of March 31, 2019, the Company had paid \$1,791,112 thousand to CTCI. In June 2014, the Company received subsidies amounting to \$160,000 thousand from the Industrial Development Bureau, and as of March 31, 2019, the Company had received \$158,841 thousand. According to the schedule and acceptance situation, the subsidy income had accumulated to \$128,841 thousand.

According to Rule No. 1072133080 issued by the Land Administration Department, New Taipei City Government on November 7, 2018, The land and building in Linkou which were reported in property, plant and equipment are within the scope of “Linkou City Land Rezoning Area”, the above land will be reclaimed and expected to be reissued as part of the replotted land in 2022. The Company has extended the time limit for the application of the initiative to relocate the land to the New Taipei City Government until June 30, 2019. The Company is expected to receive relief funds, subsidies and incentives from New Taipei City Government for the abovementioned initiative relocation of land amounting to a total of about \$192,503 thousand. The Company had received the first phase of subsidies of \$154,764 thousand in April 2019.

The board of APC’s directors passed an EVA capacity expansion in the Linyuan plant and authorized the chairman with full power on December 28, 2011. The APC signed the EVA equipment contract with CTCI Corporation on November 8, 2012. On March 5, 2014 and May 31, 2017, the Group signed the EVA equipment renewal contracts and the amendment with CTCI Corporation. The total contract fee was \$2,608,911 thousand (including additional costs), which is paid monthly according to the progress of the project. The project was completed in 2018, and total fees and charges had been paid.

USIO recognized that machinery equipment and other equipment were uncollectable as of March 31, 2019 and recognized impairment loss of \$14,131 thousand. The impairment loss was reported in operating expenses of the consolidated statements of comprehensive income. No impairment assessment was performed for the three months ended March 31, 2018 as there was no indication of impairment.

The above items of property, plant and equipment are 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

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 36.

For the related capitalized interest, please refer to Note 29 (c) finance cost.

16. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

March 31, 2019

Carrying amounts

Land	\$ 191,181
Land use right	478,059
Buildings	209,972
Machinery and equipment	7,274
Transportation equipment	<u>799</u>

\$ 887,285

**For the Three
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March 31, 2019**

Depreciation charge for right-of-use assets

Land	\$ 4,514
Land use right	3,914
Buildings	7,367
Machinery and equipment	614
Transportation equipment	<u>221</u>

\$ 16,630

The Group has been subleasing its leasehold building Tai-An under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 17). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

Right-of-use assets pledged as collateral for bank borrowings are set out in Notes 20 and 36.

b. Lease liabilities - 2019

March 31, 2019

Carrying amounts

Current	<u>\$ 69,390</u>
Non-current	<u>\$ 461,666</u>

Range of discount rate for lease liabilities was as follows:

March 31, 2019

Lease land	1.04%-2.00%
Buildings	1.04%-2.00%
Machinery	1.04%-1.16%
Transportation equipment	1.06%-1.25%

c. Material lease-in activities and terms

The Group leases certain factory, office and dormitory with lease terms of 1 to 6 years. The Group has options to lease office at the end of the lease terms.

Prepaid lease payments for land use rights of land located in China and Malaysia are recognized as prepayments for lease under IAS 17. Please refer to Notes 3 and 19 for information relating to their reclassification and comparative information for 2018.

d. Other lease information

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

2019

**For the Three
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March 31, 2019**

Expenses relating to short-term leases	<u>\$ 8,194</u>
Expenses relating to low-value asset leases	<u>\$ 633</u>
Total cash outflow for leases	<u>\$ (25,122)</u>

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

2018

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

	December 31, 2018	March 31, 2018
Not later than 1 year	\$ 96,813	\$ 87,257
Later than 1 year and not later than 5 years	250,428	194,270
Later than 5 years	<u>233,007</u>	<u>159,044</u>
	<u>\$ 580,248</u>	<u>\$ 440,571</u>

17. INVESTMENT PROPERTIES

	March 31, 2019	December 31, 2018	March 31, 2018
<u>Completed investment properties</u>			
Land	\$ 90,971	\$ 90,971	\$ 90,971
Buildings	90,942	91,453	89,218
Right-of-use assets	<u>106,716</u>	<u>-</u>	<u>-</u>
	<u>\$ 288,629</u>	<u>\$ 182,424</u>	<u>\$ 180,189</u>

	Land	Buildings	Right-of-use Assets	Total
<u>Cost</u>				
Balance at January 1, 2019	\$ 94,940	\$ 173,492	\$ -	\$ 268,432
Adjustments on initial application of IFRS 16	-	-	<u>110,452</u>	<u>110,452</u>
Balance at January 1, 2019 (restated)	94,940	173,492	110,452	378,884
Effect of foreign currency exchange differences	-	<u>321</u>	-	<u>321</u>
Balance at March 31, 2019	<u>\$ 94,940</u>	<u>\$ 173,813</u>	<u>\$ 110,452</u>	<u>\$ 379,205</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2019	\$ 3,969	\$ 82,039	\$ -	\$ 86,008
Depreciation expenses	-	717	3,736	4,453
Effect of foreign currency exchange differences	-	<u>115</u>	-	<u>115</u>
Balance at March 31, 2019	<u>\$ 3,969</u>	<u>\$ 82,872</u>	<u>\$ 3,736</u>	<u>\$ 90,576</u>
Carrying amounts at March 31, 2019	<u>\$ 90,971</u>	<u>\$ 90,942</u>	<u>\$ 106,716</u>	<u>\$ 288,629</u>
<u>Cost</u>				
Balance at January 1, 2018	\$ 94,940	\$ 168,693	\$ -	\$ 263,633
Effects of foreign currency exchange differences	-	<u>(1,968)</u>	-	<u>(1,968)</u>
Balance at March 31, 2018	<u>\$ 94,940</u>	<u>\$ 166,725</u>	<u>\$ -</u>	<u>\$ 261,665</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2018	\$ 3,969	\$ 77,448	\$ -	\$ 81,417
Depreciation expenses	-	728	-	728
Effects of foreign currency exchange differences	-	<u>(669)</u>	-	<u>(669)</u>
Balance at March 31, 2018	<u>\$ 3,969</u>	<u>\$ 77,507</u>	<u>\$ -</u>	<u>\$ 81,476</u>
Carrying amounts at March 31, 2018	<u>\$ 90,971</u>	<u>\$ 89,218</u>	<u>\$ -</u>	<u>\$ 180,189</u>

Right-of-use assets included in investment properties are units of office space located in Taipei and subleased under operating leases to other company. The investment properties were leased out for 1 to 5 years, with an option to extend. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. All of the Group's investment properties were held under freehold interests for the three months ended March 31, 2018.

The maturity analysis of lease payments receivable under operating leases of investment properties as of March 31, 2019 was as follows:

	March 31, 2019
Year 1	\$ 52,144
Year 2	10,284
Year 3	8,939
Year 4	8,939
Year 5	<u>1,527</u>
	<u>\$ 81,833</u>

The future minimum lease payments of non-cancellable operating lease commitments as of December 31 and March 31, 2018 were as follows:

	December 31, 2018	March 31, 2018
Not later than 1 year	\$ 39,617	\$ 17,529
Later than 1 year and not later than 5 years	64,793	30,598
Later than 5 years	<u>1,527</u>	<u>-</u>
	<u>\$ 105,937</u>	<u>\$ 48,127</u>

The investment properties are 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 Linyuan 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 was not reliably measurable. 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. The fair value of right-of-use assets is determined by adding back the amount of lease liabilities already recognized to the valuation result that reflects the expected lease income after deduction of expected payments.

The fair values of investment properties as of March 31, 2019, December 31, 2018 and March 31, 2018 were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Fair value	<u>\$ 929,414</u>	<u>\$ 670,417</u>	<u>\$ 722,446</u>

The investment properties pledged as collateral for bank borrowings are set out in Note 36.

18. GOODWILL AND OTHER INTANGIBLE ASSETS

	March 31, 2019	December 31, 2018	March 31, 2018
Goodwill (a)	\$ <u>269,026</u>	\$ <u>269,026</u>	\$ <u>269,026</u>
Other intangible assets (b)			
Technology royalties and patent right	\$ 12,308	\$ 14,517	\$ 57,840
Computer software	8,128	9,999	8,174
Others	<u>6,444</u>	<u>8,861</u>	<u>14,027</u>
	<u>\$ 26,880</u>	<u>\$ 33,377</u>	<u>\$ 80,041</u>

a. Goodwill

No impairment assessment was performed periodically as there was no indication of impairment on March 31, 2019 and 2018.

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, 2019 and 2018.

The Company obtained the technology royalties rights to use SiC in 2013. Due to lagging in product development, the Company recognized impairment loss of \$27,630 thousand in 2018.

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

Technology royalties and patent right	3 to 7 years
Computer software	1 to 3 years
Others	5 to 7 years

19. PREPAYMENTS FOR LEASES - 2018

	December 31, 2018	March 31, 2018
Current assets (included in prepayments)	\$ 8,663	\$ 8,652
Non-current assets	<u>459,542</u>	<u>528,293</u>
	<u>\$ 468,205</u>	<u>\$ 536,945</u>

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

Acme Electronics Corporation signed a contract with an unrelated party, company A, in January 2018 to become a shareholder by using a portion of its land use rights for land located in Kunshan, Jiangsu, and subsequently transferred all of its shares to activate the assets. The total transaction price was RMB63,227 thousand (NT\$291,368 thousand) and fully paid in February 2018. Acme Electronics Corporation had registered the land use rights valued as shares in May 2018 and recognized the disposal gain of RMB56,240 thousand (NT\$262,617 thousand) on the land use rights. Additionally, the land use rights valued as shares have been fully transferred.

Prepaid leases payments for land use rights were classified as right-of-use assets under IFRS 16 as of January 1, 2019. Please refer to Notes 3 and 16 for information relating to their reclassification.

Part of the carrying amount of prepaid lease payments pledged as collateral for borrowings is disclosed in Notes 20 and 36.

20. BORROWINGS

a. Short-term borrowings

	March 31, 2019	December 31, 2018	March 31, 2018
<u>Secured borrowings</u>			
Bank loans	\$ 153,775	\$ 153,239	\$ 384,378
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>5,281,908</u>	<u>6,573,615</u>	<u>3,567,238</u>
	<u>\$ 5,435,683</u>	<u>\$ 6,726,854</u>	<u>\$ 3,951,616</u>
Range of interest rates	0.82%-4.58%	0.83%-4.58%	0.83%-4.79%

b. Short-term bills payable

	March 31, 2019	December 31, 2018	March 31, 2018
Commercial paper	\$ 2,248,000	\$ 1,515,000	\$ 1,820,000
Less: Unamortized discount on bills payable	<u>(751)</u>	<u>(216)</u>	<u>(486)</u>
	<u>\$ 2,247,249</u>	<u>\$ 1,514,784</u>	<u>\$ 1,819,514</u>
Range of interest rates	0.49%-1.27%	0.49%-1.18%	0.40%-1.25%

c. Long-term borrowings

	March 31, 2019	December 31, 2018	March 31, 2018
Secured borrowings	\$ 3,293,200	\$ 2,393,200	\$ 2,503,200
Line of credit borrowings	<u>7,300,000</u>	<u>6,550,000</u>	<u>5,087,000</u>
	<u>10,593,200</u>	<u>8,943,200</u>	<u>7,590,200</u>
Commercial paper	200,000	200,000	200,000
Unamortized discount on bills payable	<u>(17)</u>	<u>(576)</u>	<u>(62)</u>
	<u>199,983</u>	<u>199,424</u>	<u>199,938</u>
	10,793,183	9,142,624	7,790,138
Less: Current portions	<u>(867,500)</u>	<u>(525,000)</u>	<u>(627,000)</u>
	<u>\$ 9,925,683</u>	<u>\$ 8,617,624</u>	<u>\$ 7,163,138</u>

(Continued)

	March 31, 2019	December 31, 2018	March 31, 2018
Range of interest rates			
Secured borrowings	0.98%-1.34%	1.04%-1.45%	0.99%-1.45%
Line of credit borrowings	1.04%-1.30%	0.98%-1.34%	0.99%-1.57%
Commercial paper	1.50%	1.618%	1.41%
			(Concluded)

The Company entered into medium- and long-term loan contracts with banks to increase working capital. The contracts will be effective up to August 2023 with a total credit limit of \$3,800,000 thousand, which is used cyclically during the validity period. As of March 31, 2019, the Company had borrowed \$2,800,000 thousand.

UPIIC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to June 2020 with a total credit limit of \$2,400,000 thousand, which is used cyclically during the validity period. As of March 31, 2019, UPIIC had borrowed \$1,350,000 thousand.

CGPCP entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to March 2022 with a total credit limit of \$1,450,000 thousand, which is used cyclically during the validity period. As of March 31, 2019, CGPCP had borrowed \$700,000 thousand.

TTC entered into medium- and long-term financing contracts with banks to increase working capital. The contract will be effective up to June 2021 with a total credit limit of \$1,600,000 thousand, which is used cyclically during the validity period. As of March 31, 2019, TTC had borrowed \$1,000,000 thousand.

APC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to March 2021 with a total credit limit of \$4,500,000 thousand, which is used cyclically during the validity period. As of March 31, 2019, APC had borrowed \$3,750,000 thousand.

ACME entered into medium- and long-term financing contracts with banks to increase working capital. The contract will be effective up to September 2022 with a total credit limit of \$640,000 thousand, which is used cyclically during the validity period. As of March 31, 2019, ACME had borrowed \$540,000 thousand.

SPC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to December 2020 with a total credit limit of \$670,000 thousand, which is used cyclically during the validity period. As of March 31, 2019, SPC had borrowed \$653,200 thousand.

UPIIC had offered its 26,500 thousand shares in APC, 19,500 thousand shares in CGPC and 19,500 thousand shares in TTC as long-term loan collateral, each of which was endorsed by the Company.

According to the loan contracts of part of subsidiaries, the current ratio, bank loan ratio, debt ratio, and interest protection multiples should not be less than the specified percentage. The subsidiaries should provide improvements to the bank if the requirements were not met. As of December 31, 2019, the subsidiaries did not violate the requirements.

21. BONDS PAYABLE

	March 31, 2019	December 31, 2018	March 31, 2018
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 thousand, coupon rate 1.90%,	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>2,000,000</u>
	6,000,000	6,000,000	6,000,000
Less: Discounts on bonds payable	<u>(6,782)</u>	<u>(7,396)</u>	<u>(9,226)</u>
	5,993,218	5,992,604	5,990,774
Less: Current portions	<u>(999,628)</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,993,590</u>	<u>\$ 5,992,604</u>	<u>\$ 5,990,774</u>

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

In October 2016, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2016 with the amount of \$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-year maturity, due for repayment, were fully issued in October 2016.

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

In April 2019, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2019 with the amount of \$2,000,000 thousand in order to reimburse the bank loans which were fully issued in April 2019.

22. NOTES AND ACCOUNTS PAYABLE

	March 31, 2019	December 31, 2018	March 31, 2018
<u>Operating</u>			
Notes payable	\$ 262	\$ 483	\$ 91
Accounts payable	<u>3,305,355</u>	<u>3,392,204</u>	<u>3,657,595</u>
	<u>\$ 3,305,617</u>	<u>\$ 3,392,687</u>	<u>\$ 3,657,686</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.

23. OTHER PAYABLES

	March 31, 2019	December 31, 2018	March 31, 2018
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 464,096	\$ 745,236	\$ 427,284
Payables for water and electricity	192,010	181,003	195,401
Payables for fares	158,039	166,463	163,870
Payables for purchases of equipment	108,967	189,420	107,357
Payables for interests	27,923	43,068	22,328
Payables for professional service expenses	22,534	23,732	16,229
Payables for insurance	25,041	28,335	27,539
Payables for fuel fees	23,790	19,830	18,858
Payables for dividends	20,082	20,176	21,130
Others	<u>493,132</u>	<u>480,287</u>	<u>476,779</u>
	1,535,614	1,897,550	1,476,775
Other liabilities			
Refund liability	<u>24,207</u>	<u>30,034</u>	<u>23,044</u>
	<u>\$ 1,559,821</u>	<u>\$ 1,927,584</u>	<u>\$ 1,499,819</u>

The provision for customer returns and rebates is based on historical expenses, 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.

24. PROVISIONS - CURRENT

	March 31, 2019	December 31, 2018	March 31, 2018
<u>Non-current</u>			
Litigation provision	<u>\$ 136,375</u>	<u>\$ 136,375</u>	<u>\$ -</u>

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

25. RETIREMENT BENEFIT PLANS

Related retirement expenses of defined benefit plans for the three months ended March 31, 2019 and 2018 were calculated based on the annual retirement cost rate for the respective year ended December 31, 2018 and 2017 and were recognized as follows:

	For the Three Months Ended March 31	
	2019	2018
Operating cost	\$ 9,131	\$ 8,871
Selling and marketing expenses	1,015	3,922
General and administrative expenses	1,700	2,413
Research and development expenses	404	722
Other gains and losses	<u>78</u>	<u>275</u>
	<u>\$ 12,328</u>	<u>\$ 16,203</u>

26. 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. As stated in Note 19, Acme Electronics (Kunshan) Co., Ltd. also derecognized RMB1,983 thousand of deferred revenue related to the land use rights.

Besides this, Acme Electronics Corporation (Kunshan) arrived at an agreement with Kunshan Zhoushizhen People's Government for an additional subsidy of 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, 2019, December, 31, 2018 and March 31, 2018, the amounts of deferred income (accounted for as other current liabilities) that had not been amortized were RMB9,290 thousand (\$42,522 thousand), RMB9,423 thousand (\$42,170 thousand) and RMB11,812 thousand (\$54,673 thousand), respectively.

27. EQUITY

	March 31, 2019	December 31, 2018	March 31, 2018
Share capital	\$ 11,887,635	\$ 11,887,635	\$ 11,654,544
Capital surplus	253,825	253,738	238,301
Retained earnings	7,060,797	6,814,829	7,065,540
Other equity items	(7,835)	(293,443)	8,926
Treasury shares	(475,606)	(475,606)	(475,606)
Non-controlling interests	<u>18,788,781</u>	<u>18,267,556</u>	<u>17,437,155</u>
	<u>\$ 37,507,597</u>	<u>\$ 36,454,709</u>	<u>\$ 35,928,860</u>

a. Share capital

	March 31, 2019	December 31, 2018	March 31, 2018
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>1,188,763</u>	<u>1,188,763</u>	<u>1,165,454</u>
Shares issued	<u>\$ 11,887,635</u>	<u>\$ 11,887,635</u>	<u>\$ 11,654,544</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 5, 2018, the Company's regular shareholders' meeting resolved to issue 23,309 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 \$11,887,635 thousand. On July 6, 2018, this transaction was approved by the FSC, and the subscription base date was determined as at August 3, 2018 by the board of directors. The alteration of the registered amount of capital of the Company was completed on August 29, 2018.

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 Company's Articles of Incorporation, 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, please refer to "employees' compensation and remuneration of directors" in Note 29(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 2018 and 2017 approved in the shareholders' meetings on March 8, 2019 and June 5, 2018, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Years Ended		For the Years Ended	
	December 31		December 31	
	2018	2017	2018	2017
Legal reserve	\$ 53,993	\$ 111,129		
Special reserve	55,399	-		
Cash dividends	356,629	349,636	\$0.3	\$0.3
Share dividends	-	233,091	-	0.2
	<u>\$ 466,021</u>	<u>\$ 693,856</u>		

The appropriations of earnings for 2018 are subject to the resolution of the shareholders in their meeting to be held on June 12, 2019.

d. Other equity items

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

	For the Three Months Ended	
	March 31	
	2019	2018
Balance at January 1	\$ (208,307)	\$ (190,880)
Effect of tax rate changes	-	(1,948)
Recognized during the period		
Exchange differences on translating foreign operations	214,150	36,223
Related income tax	<u>(37,038)</u>	<u>(8,652)</u>
Balance at March 31	<u>\$ (31,195)</u>	<u>\$ (165,257)</u>

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

	For the Three Months Ended March 31	
	2019	2018
Balance at January 1	\$ (85,136)	\$ 190,426
Effect of tax rate changes	-	(22)
Recognized during the period		
Unrealized gain		
Equity instruments	110,901	32,518
Related income tax	(289)	(709)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposals	<u>(2,116)</u>	<u>(48,030)</u>
Balance at March 31	<u>\$ 23,360</u>	<u>\$ 174,183</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2019	2018
Balance at January 1	\$ 18,267,556	\$ 16,728,019
Adjustment on initial application of IFRS 16	<u>(4,490)</u>	<u>-</u>
Balance at January 1	18,263,066	16,728,019
Share in profit for the period	329,144	568,610
Other comprehensive income (loss) in the period		
Effect of tax rate changes	-	7,641
Exchange difference on translating foreign operations	206,399	80,010
Income tax relating to exchange difference on translating foreign operations	(21,960)	(11,552)
Unrealized gain on financial assets at FVTOCI	12,588	58,350
Income tax relating to unrealized gain on financial assets at FVTOCI	(584)	(1,492)
Adjustments relating to changes accounted for using the equity method	13	1,186
Changes in non-controlling interests	<u>115</u>	<u>6,383</u>
Balance at March 31	<u>\$ 18,788,781</u>	<u>\$ 17,437,155</u>

f. Treasury shares

Purpose of Buy-Back	Number of Shares at January 1 (In Thousands of Shares)	Increase During the Period	Decrease During the Period	Number of Shares at March 31 (In Thousands of Shares)
<u>For the three months ended March 31, 2019</u>				
Shares held by subsidiaries	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>
<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>

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>March 31, 2019</u>			
Asia Polymer Corporation ("APC")	101,356	\$ 1,377,381	\$ 1,221,336
Taita Chemical Company, Limited ("TTC")	15,110	<u>81,875</u>	<u>182,074</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,403,410</u>
<u>December 31, 2018</u>			
Asia Polymer Corporation ("APC")	101,356	\$ 1,377,381	\$ 1,206,132
Taita Chemical Company, Limited ("TTC")	15,110	<u>81,875</u>	<u>179,808</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,385,940</u>
<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>

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

The Company's shares held by APC and TTC were carried as unrealized gain (loss) on financial assets at FVTOCI and valued at the closing price of March 31, 2019, December 31, 2018 and March 31, 2018. The carrying amounts of investments accounted for using the equity method and the unrealized gain (loss) on financial assets at FVTOCI were reduced by \$13,738 thousand, \$(19,487) thousand and \$71,151 thousand, respectively.

28. REVENUE

	For the Three Months Ended March 31	
	2019	2018
Product sales revenue		
Plastic materials	\$ 12,848,120	\$ 13,962,377
Electronic materials	520,088	575,404
Others	<u>125,168</u>	<u>132,365</u>
	<u>\$ 13,493,376</u>	<u>\$ 14,670,146</u>

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

29. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

	For the Three Months Ended March 31	
	2019	2018
Owners of the Company	\$ 252,965	\$ 247,712
Non-controlling interests	<u>328,431</u>	<u>568,701</u>
	<u>\$ 581,396</u>	<u>\$ 816,413</u>

Net profit from continuing operations includes the following:

a. Other income

	For the Three Months Ended March 31	
	2019	2018
Interest income		
Bank deposits	\$ 25,501	\$ 21,569
Financial assets at FVTPL	119	779
Reserve repurchase agreements collateralized by bonds	2,499	78
Others	<u>286</u>	<u>230</u>
	28,405	22,656
Rental income	14,398	4,968
Claims income	15,915	42,052
Grant income	1,105	-
Others	<u>33,128</u>	<u>53,121</u>
	<u>\$ 92,951</u>	<u>\$ 122,797</u>

b. Other gains and losses

	For the Three Months Ended March 31	
	2019	2018
Gain on disposal of biological assets	\$ -	\$ 13,735
Gain on disposal of property, plant and equipment	4,855	2,498
Loss on disposal of property, plant and equipment	(187)	(614)
Net gain on disposal of financial instruments	2,997	3,176
Net foreign exchange gain (loss)	72,055	(4,381)
Net gain on financial assets at FVTPL	64,891	41,205
Net loss on financial liabilities at FVTPL	(14,070)	(9,641)
Loss on claims	(127)	-
Impairment losses on financial assets	(311)	(2,060)
Other gains and losses	<u>(22,040)</u>	<u>(28,277)</u>
	<u>\$ 108,063</u>	<u>\$ 15,641</u>

c. Finance costs

	For the Three Months Ended March 31	
	2019	2018
Interest on bank loans	\$ 57,776	\$ 46,047
Interest on bonds payable	18,739	18,732
Other interest expense	699	13
Interest on lease liabilities	2,027	-
Less: Capitalized interest (included in construction in progress)	<u>(7,249)</u>	<u>(6,136)</u>
	<u>\$ 71,992</u>	<u>\$ 58,656</u>

Information about capitalized interest is as follows:

	For the Three Months Ended March 31	
	2019	2018
Capitalized interest	\$ 7,249	\$ 6,136
Capitalization rate	0.87%-1.48%	0.95%-1.20%

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2019	2018
Property, plant and equipment	\$ 499,856	\$ 482,248
Right-of-use assets	15,765	-
Investment properties	4,453	728
Intangible assets	6,738	15,202
Others	<u>7,809</u>	<u>8,517</u>
	<u>\$ 534,621</u>	<u>\$ 506,695</u>

(Continued)

	For the Three Months Ended March 31	
	2019	2018
An analysis of depreciation by function		
Operating costs	\$ 478,995	\$ 453,642
Operating expenses	29,271	25,624
Other gains and losses	<u>11,808</u>	<u>3,710</u>
	<u>\$ 520,074</u>	<u>\$ 482,976</u>
An analysis of amortization by function		
Operating costs	\$ 8,241	\$ 7,529
Selling and marketing expenses	2,565	-
General and administrative expenses	2,074	10,052
Research and development expenses	<u>1,667</u>	<u>6,138</u>
	<u>\$ 14,547</u>	<u>\$ 23,719</u>

(Concluded)

e. Employee benefits expense

	For the Three Months Ended March 31	
	2019	2018
Post-employment benefits (Note 25)		
Defined contribution plans	\$ 39,317	\$ 34,600
Defined benefit plans	<u>12,328</u>	<u>16,203</u>
	51,645	50,803
Other employee benefits	<u>1,038,412</u>	<u>1,068,407</u>
Total employee benefits expense	<u>\$ 1,090,057</u>	<u>\$ 1,119,210</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 666,117	\$ 758,690
Operating expenses	403,564	355,582
Non-operating income and expenses	<u>20,376</u>	<u>4,938</u>
	<u>\$ 1,090,057</u>	<u>\$ 1,119,210</u>

f. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rate of no less than 1% and no higher than 1%, respectively, of net profit before income tax. The employees' compensation and remuneration of directors for the three months ended March 31, 2019 and 2018, which were accrued by the Company's board of directors as follows:

Accrual rate

	For the Three Months Ended March 31	
	2019	2018
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.50%	0.51%

Amount

	For the Three Months Ended March 31	
	2019	2018
Employees' compensation	<u>\$ 2,760</u>	<u>\$ 2,697</u>
Remuneration of directors	<u>\$ 1,375</u>	<u>\$ 1,375</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, 2018 and 2017, which were approved by the Company's board of directors on March 8, 2019 and March 13, 2018, respectively, were as follows:

	For the Year Ended December 31	
	2018	2017
Employees' compensation	<u>\$ 6,319</u>	<u>\$ 12,247</u>
Remuneration of directors	<u>\$ 5,200</u>	<u>\$ 5,500</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, 2018 and 2017.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2019	2018
Foreign exchange gains	\$ 88,732	\$ 127,830
Foreign exchange losses	<u>(16,677)</u>	<u>(132,211)</u>
	<u>\$ 72,055</u>	<u>\$ (4,381)</u>

30. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	For the Three Months Ended March 31	
	2019	2018
Current tax		
In respect of the current year	\$ 116,074	\$ 149,456
Others	<u>(6,237)</u>	<u>(6,354)</u>
	<u>109,837</u>	<u>143,102</u>
Deferred tax		
In respect of the current year	63,153	92,793
Adjustments for prior years	25	3,096
Tax rates changes	<u>-</u>	<u>(54,911)</u>
	<u>63,178</u>	<u>40,978</u>
Income tax expense recognized in profit or loss	<u>\$ 173,015</u>	<u>\$ 184,080</u>

The Income Tax Act in the Republic of China (“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 had been reduced from 10% to 5%. The income tax rate of subsidiaries in China is 25%. The tax amount generate by other jurisdictions is calculated based on the applicable tax rate in each relevant jurisdictions.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2019	2018
<u>Deferred tax</u>		
Effect of tax rate changes	\$ -	\$ (15,063)
In respect of the current year		
Translation of foreign operations	58,998	20,204
Fair value changes of financial assets at FVTOCI	<u>873</u>	<u>2,201</u>
Total income tax recognized in other comprehensive income	<u>\$ 59,871</u>	<u>\$ 7,342</u>

c. Income tax assessments

The income tax returns of the Company, UPIIC, ACME, CGPC, TVCM, INOMA, APCI, UM, TMC, USIO, CLT and STC through 2017 have been assessed by the tax authorities. The income tax returns of APC, CGPCPOL, CGTD, USIIC, TUVV, TUVV, TTC and SPC through 2016 have been assessed by the tax authorities.

31. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2019	2018
Basic and diluted earnings per share		
From continuing operations and discontinued operations	\$ 0.24	\$ 0.23
From discontinued operations	<u>-</u>	<u>-</u>
From continuing operations	<u>\$ 0.24</u>	<u>\$ 0.23</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 3, 2018. The basic and diluted earnings per share adjusted retrospectively for the three months ended March 31, 2018 were as follows:

Unit: NT\$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
	Basic and diluted earnings per share	
From continuing operations and discontinued operations	\$ 0.24	\$ 0.23
From discontinued operations	<u>-</u>	<u>-</u>
From continuing operations	<u>\$ 0.24</u>	<u>\$ 0.23</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	
	2019	2018
Profit for the period attributable to owners of the Company (earnings used in the computation of basic and diluted earnings per share)	\$ 253,361	\$ 247,661
Add: (Gain) loss for the period from discounted operations used in computation of basic earnings per share from discounted operations	<u>(396)</u>	<u>51</u>
Earnings used in the computation of basic and diluted earnings per share from continuing operations	<u>\$ 252,965</u>	<u>\$ 247,712</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended March 31	
	2019	2018
Weighted average number of ordinary shares used in computation of basic earnings per share	1,072,298	1,072,298
Effect of potentially dilutive ordinary shares:		
Employees' compensation issued to employees	<u>615</u>	<u>806</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,072,913</u>	<u>1,073,104</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.

32. SHARE-BASED PAYMENT ARRANGEMENTS

ACME did not issue employee share options for the three months ended March 31, 2019 and 2018.

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

	For the Three Months Ended March 31			
	2019		2018	
	Number of Options	Weighted- average Exercise Price (NT\$)	Number of Options	Weighted- average Exercise Price (NT\$)
Balance at January 1	563	\$ 8.2	563	\$ 8.2
Options exercised	<u>(355)</u>	8.2	<u>-</u>	-
Balance at March 31	<u>208</u>	8.2	<u>563</u>	8.2
Options exercisable, end of period	<u>208</u>	8.2	<u>563</u>	8.2

USIO did not have new employee share option plan for the three months ended March 31, 2019 and 2018.

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

	For the Three Months Ended March 31			
	2019		2018	
	Number of Options	Weighted- average Exercise Price (NT\$)	Number of Options	Weighted- average Exercise Price (NT\$)
Balance at January 1	167	\$10.8	194	\$10.8
Options expired	<u>-</u>	-	<u>(27)</u>	10.8
Balance at March 31	<u>167</u>	10.8	<u>167</u>	10.8
Options exercisable, end of year	<u>167</u>	10.8	<u>167</u>	10.8

33. 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 personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, and the amount of new debt issued or existing debt redeemed.

34. FINANCIAL INSTRUMENTS

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

March 31, 2019

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	\$ 5,993,218	\$ -	\$ 6,026,933	\$ -	\$ 6,026,933

December 31, 2018

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	\$ 5,992,604	\$ -	\$ 6,030,032	\$ -	\$ 6,030,032

March 31, 2018

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	\$ 5,990,774	\$ -	\$ 6,039,471	\$ -	\$ 6,039,471

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

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 1,190	\$ -	\$ 1,190
Domestic listed shares and over-the-counter shares	164,296	-	-	164,296
Mutual funds	5,922,620	-	-	5,922,620
Beneficiary certificates	996,657	-	-	996,657
Foreign listed shares	<u>799</u>	<u>-</u>	<u>-</u>	<u>799</u>
	<u>\$ 7,084,372</u>	<u>\$ 1,190</u>	<u>\$ -</u>	<u>\$ 7,085,562</u>
Financial assets at FVTOCI				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,953,274	\$ -	\$ -	\$ 1,953,274
Domestic emerging market shares	-	-	24,052	24,052
Domestic unlisted shares	-	-	635,140	635,140
Foreign listed shares and over-the-counter shares	8,096	-	-	8,096
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>167,233</u>	<u>167,233</u>
	<u>\$ 1,961,370</u>	<u>\$ -</u>	<u>\$ 826,425</u>	<u>\$ 2,787,795</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 14,000</u>	<u>\$ -</u>	<u>\$ 14,000</u>

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 2,181	\$ -	\$ 2,181
Domestic listed shares and over-the-counter shares	151,081	-	-	151,081
Mutual funds	3,995,963	-	-	3,995,963
Beneficiary certificates	934,252	-	-	934,252
Foreign listed shares	<u>828</u>	<u>-</u>	<u>-</u>	<u>828</u>
	<u>\$ 5,082,124</u>	<u>\$ 2,181</u>	<u>\$ -</u>	<u>\$ 5,084,305</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,828,996	\$ -	\$ -	\$ 1,828,996
Domestic emerging market shares	-	-	15,937	15,937
Domestic unlisted shares	-	-	655,575	655,575
Foreign listed shares and over-the-counter shares	6,282	-	-	6,282
Foreign unlisted shares	-	-	173,667	173,667
	<u>\$ 1,835,278</u>	<u>\$ -</u>	<u>\$ 845,179</u>	<u>\$ 2,680,457</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 11,135</u>	<u>\$ -</u>	<u>\$ 11,135</u>

(Concluded)

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	955	-	-	955
	<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	-	-	163,034	163,034
	<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>

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

	For the Three Months Ended March 31	
	2019	2018
<u>Financial assets at FVTOCI</u>		
Balance at January 1	\$ 845,179	\$ 779,889
Recognized in other comprehensive income (included in unrealized loss on financial assets at FVTOCI)	(7,091)	(24,202)
Return of capital	<u>(11,663)</u>	<u>-</u>
Balance at March 31	<u>\$ 826,425</u>	<u>\$ 755,687</u>

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

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

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

The Group applied the valuation techniques and inputs for Level 3 fair value measurement for its independent fair value authentication of financial instruments which was carried out by the financial department. Through information from independent resources, the Group keeps the results close to the market state and reviews such results periodically to ensure that they are reasonable. The fair values of domestic 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 \$8,264 thousand and \$7,557 thousand, respectively, for the three months ended March 31, 2019 and 2018.

c. Categories of financial instruments

	March 31, 2019	December 31, 2018	March 31, 2018
<u>Financial assets</u>			
Financial assets at FVTPL			
Financial assets mandatory at FVTPL	\$ 7,085,562	\$ 5,084,305	\$ 5,528,759
Loans and receivables			
Cash and cash equivalents	7,790,293	8,123,304	8,871,444
Debt investments with no active market	692,429	750,893	736,011
Notes receivable	970,357	1,015,882	1,020,999
Accounts receivable	6,880,368	7,532,851	6,373,234
Other receivables (including related parties)	300,026	279,612	365,608
Refundable deposits	152,311	151,042	143,084
Financial assets at FVTOCI - equity instrument investments	2,787,795	2,680,457	2,873,135

(Continued)

	March 31, 2019	December 31, 2018	March 31, 2018
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	\$ 14,000	\$ 11,135	\$ 10,613
Financial liabilities measured at amortized cost			
Short-term borrowings	5,435,683	6,726,854	3,951,616
Short-term bills payable	2,247,249	1,514,784	1,819,514
Notes payable and accounts payable	3,305,617	3,392,687	3,657,686
Other payables (including related parties)	1,535,614	1,897,550	1,476,775
Current portion of long-term borrowings	1,867,128	525,000	627,000
Bonds payable	4,993,590	5,992,604	5,990,774
Long-term borrowings	9,925,683	8,617,624	7,163,138
Guarantee deposits received	26,886	18,000	9,882
			(Concluded)

d. Financial risk management objectives and policies

The Group's risk control and hedging strategy are influenced by the operational environment. The Group properly monitors and manages the risks related to business nature in accordance with the principle of risk diversification. These risks include market risk (including foreign currency risk, interest rate risk and other price 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 39 and 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 (U.S. dollar denominated items). When the Group's functional currency relative to the USD appreciates/depreciates by 3%, the Group's profit before tax for the three months ended March 31, 2019 will decrease/increase by \$81,908 thousand; the profit before tax for the three months ended March 31, 2018 will decrease/increase by \$83,422 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 amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Fair value interest rate risk			
Financial assets	\$ 4,894,670	\$ 5,347,257	\$ 7,409,700
Financial liabilities	16,864,741	12,766,926	12,139,259
Cash flow interest rate risk			
Financial assets	3,299,987	3,422,707	1,791,038
Financial liabilities	8,135,648	10,609,940	7,412,783

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, 2019 and 2018 would have decreased/increased by \$6,045 thousand and \$7,027 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, 2019 and 2018 would have increased/decreased by \$354,219 thousand and \$276,155 thousand, respectively, 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, 2019 and 2018 would have increased/decreased by \$139,390 thousand and \$143,657 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in 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, 2019

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 4,841,231	\$ -	\$ -
Lease liabilities		71,510	279,456	214,375
Floating interest rate liabilities	0.82-4.58	1,459,965	6,675,683	-
Fixed interest rate liabilities	0.49-3.16	<u>8,090,095</u>	<u>8,243,590</u>	<u>-</u>
		<u>\$ 14,462,801</u>	<u>\$ 15,198,729</u>	<u>\$ 214,375</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	<u>\$ 71,510</u>	<u>\$ 279,456</u>	<u>\$ 115,391</u>	<u>\$ 51,734</u>	<u>\$ 47,250</u>

December 31, 2018

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 5,290,237	\$ -	\$ -
Floating interest rate liabilities	0.83-4.58	3,042,315	7,567,625	-
Fixed interest rate liabilities	0.49-3.65	<u>5,724,323</u>	<u>7,042,603</u>	<u>-</u>
		<u>\$ 14,056,875</u>	<u>\$ 14,610,228</u>	<u>\$ -</u>

March 31, 2018

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 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>

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, 2019

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 750,577	\$ 1,642,921	\$ 19,254
Outflows	<u>(757,653)</u>	<u>(1,652,382)</u>	<u>(20,064)</u>
	<u>\$ (7,076)</u>	<u>\$ (9,461)</u>	<u>\$ (810)</u>

December 31, 2018

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 1,254,606	\$ 1,249,421	\$ 85,474
Outflows	<u>(1,262,179)</u>	<u>(1,258,131)</u>	<u>(86,700)</u>
	<u>\$ (7,573)</u>	<u>\$ (8,710)</u>	<u>\$ (1,226)</u>

March 31, 2018

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<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>

c) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of March 31, 2019, December 31, 2018 and March 31, 2018, the unused amounts of bank loan facilities were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Bank loan facilities			
Amount unused	<u>\$ 23,029,765</u>	<u>\$ 20,493,587</u>	<u>\$ 23,932,193</u>

35. 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

Related Party Names	Relationship with the Group
Fujian Gulei Petrochemical Co., Ltd.	Joint venture
USI Education Foundation	Other related party

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

Related Party Category/Name	For the Three Months Ended March 31	
	2019	2018
Other related party USI Education Foundation	<u>\$ 8,000</u>	<u>\$ 4,500</u>

- c. Management services income (classified as other income)

Related Party Category/Name	For the Three Months Ended March 31	
	2019	2018
Joint venture	<u>\$ 6,378</u>	<u>\$ 7,125</u>

- d. Other receivables

Related Party Category/Name	March 31, 2019	December 31, 2018	March 31, 2018
Joint venture	<u>\$ 5,753</u>	<u>\$ 12,768</u>	<u>\$ 6,430</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:

	For the Three Months Ended March 31	
	2019	2018
Short-term employee benefits	\$ 7,681	\$ 10,372
Post-employment benefits	<u>81</u>	<u>81</u>
	<u>\$ 7,762</u>	<u>\$ 10,453</u>

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

36. ASSETS PLEDGED AS COLLATERAL

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

	March 31, 2019	December 31, 2018	March 31, 2018
Pledged time deposits (classified as financial assets measured at amortized cost)	\$ 692,429	\$ 750,893	\$ 736,011
Equity shares	1,017,150	970,370	1,798,625
Property, plant and equipment	4,059,783	4,082,108	4,510,909
Investment properties, net	108,178	108,178	108,178

(Continued)

	March 31, 2019	December 31, 2018	March 31, 2018
Land use rights (classified as long-term prepayments for leases)	\$ -	\$ 78,189	\$ 88,990
Land use rights (classified as right-of-use assets)	79,573	-	-
Refundable deposits (classified as other non-current assets)	<u>53,714</u>	<u>53,535</u>	<u>40,273</u>
	<u>\$ 6,010,827</u>	<u>\$ 6,043,273</u>	<u>\$ 7,282,986</u> (Concluded)

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENT

- a. As of March 31, 2019, December 31, 2018 and March 31, 2018, the Company's unused letter of credit amounted to \$3,351,307 thousand, \$3,857,537 thousand and \$3,648,853 thousand, respectively.
- b. The following is regarding the subsidiary, CGTD, who was commissioned to operate LCY Chemical Corp.'s propene pipeline resulting in a gas explosion on July 31, 2014 and the first instance judgment of criminal procedures was reached on May 11, 2018, whereby three employees of CGTD were each sentenced to four years and six months of imprisonment, and CGTD had assisted the employees in appealing against the judgment.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, to pledge certificates of bank deposits of \$227,167 thousand, included interest, to the Kaohsiung City Government as collateral for the losses 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 30, 2019, the provisionally attached properties were worth \$139,997 thousand.

As for the victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of 32 victims' families on July 17, 2015. Each victim's family received \$12,000 thousand, and the total amount of compensation was \$384,000 thousand, which was paid in four separate 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. The compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of April 23, 2019, the victims and victims' families had written letters or filed civil procedures (and criminal procedures) against CGTD, LCY Chemical Corp. and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim for \$23,919 thousand, and the amount of the settlement was \$3,899 thousand. The accumulate settlement amount for an agreement to settle the litigation case with the victims in the above-mentioned compensation was \$3,879,657 thousand. The first-instance judgments of some of the abovementioned civil cases (with a total amount of compensation of approximately \$1,177,192 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most of case judgments. The total amount that CGTD, LCY Chemical Corp.

and the other defendants should compensate was about \$383,831 thousand, of which the court ruled an exemption for CGTD in the amount of \$6,194 thousand, but was required to pay \$188,818 thousand, for the estimated portion of compensation that CGTD should pay at the moment according to the judgment of the first instance. CGTD had filed an appeal in those civil cases which were announced but not yet settled and entered into the second-instance trials. In addition, with regard to the above-mentioned compensation, CGTD estimated and recognized an amount of \$136,375 thousand based on its fault liability proportion in the first-instance judgment. The actual liability of CGTD depends on the future judgments of the remaining civil cases.

38. SIGNIFICANT CONTRACT

- a. TVCM along with Formosa Plastics Corporation, Mitsubishi Corp. and Mitsui Corp., signed a dichloromethane purchase agreement in which the purchase prices were calculated by the buyers and sellers in accordance with a pricing formula.
- b. Significant operating contract

The Company and APC entered into a joint venture contract for an investment of Fujian Gulei Petrochemical Co., Ltd. on April 17, 2014. The related entities of the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, HsinTay Petroleum Company Limited, 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 as the “Joint Venture”) and agree to pass the establishment of the 100%-owned company named Dynamic Ever Investments Limited in Hong Kong, which 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 of Taiwan’s Ministry of Economic Affairs and according to the business operation 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., at Gulei Park located in Zhangzhou Fujian Province (“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 was 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 ratios as provided by the original contract or to participate in the subsequent capital increase procedures. In order to meet the business requirement of the original contract, the Company and APC resigned the joint venture contract on September 30, 2016 and added a new contractually promised related entity, CTCI Corp.

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. Through Ever Conquest Global Limited, the Company and APC increased capital of Ever Victory Global Limited and then reinvested in Dynamic Ever Investments Limited. The shareholding ratio in the Joint Venture increased from 31.75% to 66.4% (qualified as having control) after the capital increase. Dynamic Ever Investments Limited invested RMB576,200 thousand in Gulei Company 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. Through Ever Conquest Global Limited, the Company and APC increased capital of Ever Victory Global Limited and then reinvested in Dynamic Ever Investments Limited. The shareholding ratio in the Joint Venture was 67.9% after the capital increase. Dynamic Ever Investments Limited reinvested RMB576,200 thousand in Gulei Company on August 1, 2017.

The Company and APC increased the investment in Ever Conquest Global Limited by US\$98,922 thousand (approximately \$3,034,601 thousand) and US\$56,970 thousand (approximately \$1,747,780 thousand), respectively, in August 2018. Through Ever Conquest Global Limited, the Company and APC increased the capital in Ever Victory Global Limited and then reinvested in Dynamic Ever Investments Limited. The shareholding ratio of the joint venture was 77.5% after the capital increase. Dynamic Ever Investments Limited invested RMB1,152,400 thousand in Gulei Company on November 29, 2018.

In order to increase Gulei's operating capital, Ever Victory Global Limited and Hong Kong Dor Po Investment Company Limited ("DOR PO") signed a joint venture contract for a Dynamic Ever Investment Limited investment approved by the board of directors on March 29, 2019. According to the contract, DOR PO will invest US\$109,215 thousand in Dynamic Ever Investment Limited in 2019. As of March 31, 2019, the investment was not completed.

c. 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	2019.01.01-2019.12.31
Asia Polymer Corporation	2019.01.01-2019.12.31
Formosa Plastic Corporation	2019.01.01-2019.12.31
Oriental Union Chemical Corporation	2019.01.01-2019.12.31
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.

39. 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, 2019					
	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currency	NTD	
<u>Foreign currency assets</u>					
Monetary items					
USD	\$ 142,528	30.82	(USD:NTD)	\$ 4,392,717	\$ 4,392,717
USD	4,563	6.73	(USD:RMB)	30,731	140,657
USD	3,267	4.24	(USD:MYR)	13,843	100,692
RMB	346,452	4.58	(RMB:NTD)	1,585,743	1,585,743
AUD	588	21.86	(AUD:NTD)	12,847	12,847
EUR	412	34.61	(EUR:NTD)	14,268	14,268
Non-monetary items					
Joint ventures accounted for using the equity method					
RMB	2,313,901	0.15	(RMB:USD)	343,640	10,590,991
Non-monetary items					
Derivative instruments					
USD sell	5,020	30.82	(USD:NTD)	94	94
USD buy	7,610	30.82	(USD:NTD)	398	398
USD sell	651	4.24	(USD:MYR)	28	204
RMB sell	82,000	4.58	(RMB:NTD)	428	428
EUR sell	92	4.76	(EUR:MYR)	9	66
<u>Foreign currency liabilities</u>					
Monetary items					
USD	42,861	30.82	(USD:NTD)	1,320,963	1,320,963
USD	18,911	6.73	(USD:RMB)	127,338	582,839
RMB	37,181	4.58	(RMB:NTD)	170,180	170,180
Non-monetary items					
Derivative instruments					
USD buy	1,970	30.82	(USD:NTD)	21	21
USD sell	25,300	30.82	(USD:NTD)	2,297	2,297
RMB sell	175,300	4.58	(RMB:NTD)	790,686	11,682

December 31, 2018

	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currency	NTD
<u>Foreign currency assets</u>					
Monetary items					
USD	\$ 147,405	30.72	(USD:NTD)	\$ 4,527,541	\$ 4,527,541
USD	4,965	6.86	(USD:RMB)	42,927	153,915
USD	2,995	4.32	(USD:MYR)	12,934	91,984
RMB	347,421	4.48	(RMB:NTD)	1,554,811	1,554,811
AUD	687	21.67	(AUD:NTD)	14,885	14,885
EUR	344	35.20	(EUR:NTD)	12,114	12,114
Non-monetary items					
Joint ventures accounted for using the equity method					
RMB	2,310,215	0.15	(RMB:USD)	336,609	10,338,945
Non-monetary items					
Derivative instruments					
USD buy	1,065	30.72	(USD:NTD)	9	9
USD sell	22,775	30.72	(USD:NTD)	1,412	1,412
USD sell	894	4.32	(USD:MYR)	65	464
RMB sell	27,700	4.48	(RMB:NTD)	219	219
EUR sell	117	5.00	(EUR:MYR)	11	77
<u>Foreign currency liabilities</u>					
Monetary items					
USD	41,876	30.72	(USD:NTD)	1,285,325	1,285,325
USD	19,262	6.86	(USD:RMB)	132,198	591,631
RMB	47,120	4.48	(RMB:NTD)	210,876	210,876
Non-monetary items					
Derivative instruments					
USD buy	16,965	30.72	(USD:NTD)	1,338	1,338
USD sell	4,585	30.72	(USD:NTD)	417	417
RMB sell	231,200	4.48	(RMB:NTD)	9,023	8,890
JPY sell	80,000	0.01	(JPY:USD)	16	490

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
Non-monetary items					
Derivative instruments					
USD sell	31,080	29.11	(USD:NTD)	5,330	5,330
USD sell	400	4.01	(USD:MYR)	39	275
EUR sell	62	4.94	(EUR:MYR)	8	57
<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
Non-monetary items					
Derivative instruments					
USD buy	2,360	29.11	(USD:NTD)	48	48
USD sell	4,550	29.11	(USD:NTD)	92	92
RMB sell	166,700	4.63	(RMB:NTD)	10,473	10,473

For the three months ended March 31, 2019 and 2018, realized and unrealized net foreign exchange gains (losses) were \$72,055 thousand and \$(4,381) 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.

40. 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. (Notes 7 and 34)
 - 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. (Tables 4 and 5)
 - 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. (Table 2)
 - 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)

41. 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, 2019						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	\$ 2,716,812	\$ 3,227,707	\$ 4,600,156	\$ 520,088	\$ 1,709,711	\$ 1,181,385	\$ 13,955,859
Interest income	3,275	2,401	1,700	2,746	1,842	16,441	28,405
Finance costs	(24,047)	(3,271)	(15,498)	(5,253)	(12,660)	(19,506)	(80,235)
Depreciation and amortization	(114,277)	(154,424)	(52,287)	(52,044)	(75,159)	(104,300)	(552,491)
Impairment loss	-	-	-	-	(311)	(14,131)	(14,442)
Reportable segment profit (loss) before tax	271,903	225,164	250,089	(47,241)	161,636	205,692	1,067,243
Reportable segment tax expense	(18,542)	(35,305)	(54,865)	(707)	(24,935)	(38,661)	(173,015)
Reportable segment net profit (loss)	253,361	189,859	195,224	(47,948)	136,701	167,031	894,228

	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
Finance costs	(12,963)	(2,704)	(12,495)	(5,688)	(10,527)	(20,415)	(64,792)
Depreciation and amortization	(111,478)	(128,422)	(47,344)	(55,390)	(72,579)	(94,714)	(509,927)
Impairment loss	-	-	-	-	(2,060)	-	(2,060)
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

b. Reportable segment income and other major adjusted of items

1) Segment income and operating results

	For the Three Months Ended March 31	
	2019	2018
Reportable segment net profit before tax	\$ 861,551	\$ 1,223,480
Reportable segment tax expense	(134,354)	(152,622)
Reportable segment profit after tax	727,197	1,070,858
Other non-reportable segment profit	167,031	236,332
Less: Profit between segments	(312,832)	(490,777)
Profit from continuing operations	581,396	816,413
Profit (loss) from discontinued operations	1,109	(142)
Net profit after tax	\$ 582,505	\$ 816,271

2) Other significant items reconciliation

	For the Three Months Ended March 31, 2019							Total
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	
Interest income	\$ 3,275	\$ 2,401	\$ 1,700	\$ 2,746	\$ 1,842	\$ 16,441	\$ -	\$ 28,405
Finance costs	(24,047)	(3,271)	(15,498)	(5,253)	(12,660)	(19,506)	994	(79,241)
Depreciation and amortization	(114,277)	(154,424)	(52,287)	(52,044)	(75,159)	(104,300)	13,981	(538,510)
Impairment loss	-	-	-	-	(311)	(14,131)	-	(14,442)

	For the Three Months Ended March 31, 2018							Total
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	
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)	(20,415)	-	(64,792)
Depreciation and amortization	(111,478)	(128,422)	(47,344)	(55,390)	(72,579)	(94,714)	222	(509,705)
Impairment loss	-	-	-	-	(2,060)	-	-	(2,060)

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, 2019****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance (Notes 3 and 4)	Actual Borrowing Amount (Notes 3 and 4)	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	Acme Electronics Corporation	Golden Amber Enterprises Ltd.	Other receivables - related parties	Yes	\$ 24,656 (US\$ 800 thousand)	\$ 24,656 (US\$ 800 thousand)	\$ 24,656 (US\$ 800 thousand)	3.24814-3.63263	2	\$ -	Business turnover	\$ -	-	-	\$ 556,431	\$ 556,431
		ACME Electronics (Cayman) Corp.	Other receivables - related parties	Yes	245,880 (US\$ 8,000 thousand)	215,740 (US\$ 7,000 thousand)	\$ 184,920 (US\$ 6,000 thousand)	2.95625-3.70663	2	-	Business turnover	-	-	-	556,431	556,431
		Acme Electronics (Kunshan) Co., Ltd.	Other receivables - related parties	Yes	91,986 (RMB 20,000 thousand)	91,542 (RMB 20,000 thousand)	-	-	2	-	Business turnover	-	-	-	556,431	556,431

Note 1: Total financing amounts provided to others shall not exceed 40% of ACME's net value, and the highest aggregate financing limits were calculated by the net value as of March 31, 2019.

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

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

Note 3: The amount was calculated using the spot exchange rate as of March 31, 2019.

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

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

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(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	A.S. Holding (UK) Limited	Long-term receivables - related parties	Yes	\$ 9,212	\$ 9,212	\$ 9,212	-	1	\$ -	-	\$ -	-	-	\$ 124,091	\$ 186,137
		Swanson International Ltd.	Other receivables - related parties	Yes	95,696	95,696	95,696	-	2	-	Business turnover	-	-	-	124,091	186,137
2	ASK-Swanson (Kunshan) Co., Ltd	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	188,571	187,661	187,661	4.35-4.43	2	-	Business turnover	-	-	-	534,791	534,791
3	Swanson Plastics (Singapore) Private Limited	Swanson Plastics (India) Private Limited	Other receivables - related parties	Yes	109,411	109,411	109,411	-	1	-	-	-	-	-	325,556	325,556

Note 1: The nature of financing provided is as follows:

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

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

Note 3: The foreign currency amount was calculated using the spot exchange rate as of March 31, 2019.

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

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Limited (TTC))

FINANCING PROVIDED TO OTHERS**FOR THE THREE MONTHS ENDED MARCH 31, 2019****(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 (Notes 4 and 5)	Actual Borrowing Amount (Note 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 (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	\$ 915,420 (RMB 200,000 thousand)	\$ 457,710 (RMB 100,000 thousand)	\$ 274,626 (RMB 60,000 thousand)	5.22	2	\$ -	Business turnover	\$ -	-	\$ -	\$ 2,223,897	\$ 2,223,897

Note 1: The total amount of lending to TTC for funding of a short-term period shall not exceed 40% of the net worth of TTC. As of March 31, 2019, TTC didn't loan funds to anyone.

Note 2: The total amount of lending to a company for funding of 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, 2019, the audited net worth of Taita Chemical (Zhongsan) Co., Ltd. was RMB485,873 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 was calculated using the spot exchange rate as of March 31, 2019.

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, 2019
(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	\$ 11,231,290	\$ 3,700,000	\$ 3,700,000	\$ 1,515,000	None	19.77	\$ 11,231,290	Yes	No	No
		Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	11,231,290	328,200 (US\$ 10,000 thousand) (NT\$ 20,000 thousand)	328,200 (US\$ 10,000 thousand) (NT\$ 20,000 thousand)	78,742	None	1.75	11,231,290	Yes	No	No

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 as of March 31, 2019.

USI CORPORATION AND SUBSIDIARIES
(Acme Electronics Corporation)

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(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)	\$ 2,782,154	\$ 350,340 (US\$ 12,000 thousand)	\$ 277,380 (US\$ 9,000 thousand)	\$ 123,280 (US\$ 4,000 thousand)	None	19.94	\$ 2,782,154	No	No	Yes
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	2,782,154	154,100 (US\$ 5,000 thousand)	154,100 (US\$ 5,000 thousand)	-	None	11.08	2,782,154	No	No	Yes

Note 1: The rate was calculated by the ending balance of equity of the endorser/guarantor as of March 31, 2019.

Note 2: The maximum amount of total endorsement/guarantee shall not exceed 200% 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, 2019.

Note 3: The foreign currency amount was calculated based on the spot exchange rate as of March 31, 2019.

USI CORPORATION AND SUBSIDIARIES

(Swanson Plastics Corporation (SPC))

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2019

(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	\$ 6,180,745	\$ 2,381,593	\$ 2,323,498	\$ 354,430	\$ -	93.38	\$ 6,180,745	No	No	No
		Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsiidiary	6,180,745	36,984	36,984	-	-	1.5	6,180,745	No	No	No
		PT. Swanson Plastics Indonesia Ltd.	Sub-subsiidiary	6,180,745	61,640	61,640	-	-	2.49	6,180,745	No	No	No
		Swanson Plastics (Singapore) Private Limited	Subsidiary	6,180,745	85,658	55,075	-	-	2.23	6,180,745	No	No	No
		Swanson Plastic (Tianjin) Co., Ltd.	Sub-subsiidiary	6,180,745	61,640	61,640	-	-	2.49	6,180,745	No	No	Yes
		Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsiidiary	6,180,745	123,280	123,280	-	-	4.99	6,180,745	No	No	Yes
		Swanson Technologies Corporation	Subsidiary	6,180,745	140,132	140,132	98,000	-	5.69	6,180,745	No	No	No
				<u>\$ 2,890,927</u>	<u>\$ 2,802,249</u>	<u>\$ 452,430</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 was calculated based on the spot exchange rate as of March 31, 2019.

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

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(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 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	\$ 8,559,103	\$ 2,908,200	\$ 2,908,200	\$ 215,410	None	33.98	\$ 8,559,103	No	No	No

Note 1: The ratio was calculated by the ending balance of equity of CGPC as of March 31, 2019.

Note 2: After the revisions to CGPC's guarantee procedures was approved in the shareholders' meeting on June 2018, the total amount of guarantee that may be provided by CGPC to any individual entity shall not exceed one hundred percent (100%) of CGPC's net worth.

Note 3: The foreign currency amount was calculated based on the spot exchange rate as of March 31, 2019.

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd. (TTC))

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2019

(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 (Note 1)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee 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	\$ 6,342,926	\$ 1,617,060 (US\$ 33,000 thousand) (NT\$ 600,000 thousand)	\$ 1,617,060 (US\$ 33,000 thousand) (NT\$ 600,000 thousand)	\$ 774,198 (US\$ 25,120 thousand)	\$ -	38.24	\$ 6,342,926	No	No	No
		Taita Chemical (Zhongshan) Co., Ltd.	100% voting shares directly owned by TTC	6,342,926	228,855 (RMB 50,000 thousand)	228,855 (RMB 50,000 thousand)	-	-	5.41	6,342,926	No	No	Yes
		Taita Chemical (Tianjin) Co., Ltd.	100% voting shares directly owned by TTC	6,342,926	462,300 (US\$ 15,000 thousand)	154,100 (US\$ 5,000 thousand)	154,100 (US\$ 5,000 thousand)	-	3.64	6,342,926	No	No	Yes

Note 1: The amount was calculated at the spot exchange rate as of March 31, 2019.

Note 2: The ceilings to TTC on the aggregate amounts of endorsements/guarantees permitted shall not exceed 150% of total equity of TTC. 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, 2019

(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, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Corporation	<u>Shares</u>							
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income - non-current	15,130,656	\$ 726,271	1.99	\$ 726,271	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	16,707,600	233,550	11.90	233,550	
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	8,514,006	96,634	0.09	96,364	
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	310,000	2,678	0.45	2,678	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	1,664,722	19,893	-	19,893	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	500,000	28,900	-	28,900	
	United Ra	-	Financial assets at fair value through profit or loss - current	229,127	2,291	-	2,291	
	Teratech Corp.	-	Financial assets at fair value through profit or loss - non-current	110,000	-	-	-	
	<u>Beneficiary certificates</u>							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	18,618,906	251,847	-	251,847	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,933,652	249,926	-	249,926	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	16,771,265	248,438	-	248,438	
	Cathy Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	13,988,478	174,052	-	174,052	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,131,035	154,986	-	154,986	
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	847,844	151,235	-	151,235	
Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,685,512	125,296	-	125,296		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,900,586	\$ 104,507	-	\$ 104,507	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,379,443	100,056	-	100,056	
	CTBC Hwa Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,769,576	96,627	-	96,627	
	TCB Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,898,776	70,081	-	70,081	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,800,125	61,768	-	61,768	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,948,794	59,243	-	59,243	
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,706,893	56,560	-	56,560	
	Franklin Templeton SinoAm Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,857,576	50,203	-	50,203	
	Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,531,672	50,161	-	50,161	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,103,277	50,062	-	50,062	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,995,555	50,047	-	50,047	
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,066,694	50,030	-	50,030	
	Shin Kong Chi-Shin Money- Market Fund	-	Financial assets at fair value through profit or loss - current	3,230,809	50,027	-	50,027	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,162,215	50,010	-	50,010	
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	3,436,803	49,615	-	49,615	
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,622,210	49,267	-	49,267	
	Fuh Hwa You Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,153,460	29,016	-	29,016	
	Paradigm Pion Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,905,504	22,012	-	22,012	
	KGI Victory Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,385,054	16,035	-	16,035	
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	443,144	5,303	-	5,303	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	429,056	5,018	-	5,018	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	<u>Beneficiary certificates (REIT)</u>							
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	7,980,000	\$ 105,895	-	\$ 105,895	
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	3,000,000	50,370	-	50,370	
	Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,900,000	76,342	-	76,342	
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	40,525	-	40,525	
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	20,711,939	292,038	3.74	292,038	
	China General Plastics Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	3,897,878	88,482	0.77	88,482	
	Taita Chemical Company, Ltd.	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	376,000	3,873	0.11	3,873	
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	3,258 (US\$ 136 thousand)	0.70	3,258	
USIFE Investment Co., Ltd.	<u>Shares</u> AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - current	1,266,061	14,370	0.01	14,370	
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	1,266,061	14,370	0.01	14,370	
	Wafer Works Corporation	-	Financial assets at fair value through other comprehensive income - non-current	3,001,655	110,761	0.59	110,761	
	Solargiga Energy Holdings Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	11,876,111	6,062	0.37	6,062	
	Dah Chung Bills Finance Corporation	-	Financial assets at fair value through other comprehensive income - non-current	470,914	6,715	0.10	6,715	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2019				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	213,686	\$ 3,009	0.14	\$ 3,009	
	USI Optronics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	165,279	552	0.25	552	
	Digimax, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	23,234	111	0.05	111	
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	712,000	6,152	1.03	6,152	
	Silicon Technology Investment (Cayman) Corp.	-	Financial assets at fair value through other comprehensive income - non-current	1,215,798	57,908	2.36	57,908	
	Boldworks Inc.	-	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	
	TGF Linux Communication, Inc.	-	Financial assets at fair value through profit or loss - non-current	200,000	-	-	-	
	!Hey Inc.	-	Financial assets at fair value through profit or loss - non-current	557,661	-	-	-	
	SOHWARE Ordinary	-	Financial assets at fair value through profit or loss - non-current	9,000,000	-	8.19	-	
	SOHWARE Preferred A	-	Financial assets at fair value through profit or loss - non-current	4,950,000	-	4.51	-	
	SOHWARE Preferred D	-	Financial assets at fair value through profit or loss - non-current	7,725,000	-	7.03	-	
	SOHWARE Convertible	-	Financial assets at fair value through profit or loss - non-current	-	-	-	-	
	China General Plastics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	439,086	9,967	0.09	9,967	
	Asia Polymer Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,577,809	22,247	0.28	22,247	
	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	11,661	0.35	11,661	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	100,000	5,780	-	5,780	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	554,907	6,631	0.01	6,631	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss - current	2,465,005	24,650	0.10	24,650	
	Acme Electronics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	500,000	7,075	0.27	7,075	
	Superactive Group Company Limited	-	Financial assets at fair value through profit or loss - current	678,000	799	-	799	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan United Venture Capital Corp.	<u>Beneficiary certificates</u> Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,560,710	\$ 53,926	-	\$ 53,926	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,870,081	30,488	-	30,488	
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	2,149,137	31,026	-	31,026	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,151,207	64,094	-	64,094	
	<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	12,158	-	12,158	
	<u>Beneficiary certificates</u> Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	3,544,556	51,170	-	51,170	
	<u>Shares</u> Innovation & Infinity Global Corp.	-	Financial assets at fair value through profit or loss - non-current	720,804	-	0.73	-	
	Teratech Corp.	-	Financial assets at fair value through profit or loss - non-current	90,000	-	0.58	-	
	Intergrafx, Inc.	-	Financial assets at fair value through profit or loss - non-current	167,000	-	1.20	-	
	SOHWARE Inc.	-	Financial assets at fair value through profit or loss - non-current	750,000	-	0.68	-	
	TGF Linux Communications Inc.	-	Financial assets at fair value through profit or loss - non-current	600,000	-	4.26	-	
	B4 Composites, Inc.	-	Financial assets at fair value through profit or loss - non-current	4,000	-	4.00	-	
	IWICS, Inc.	-	Financial assets at fair value through profit or loss - non-current	500,000	-	0.40	-	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	4,593,286	45,933	0.18	45,933	
	Mitac Holdings Corp.	-	Financial assets at fair value through other comprehensive income - current	1,600,933	50,509	0.17	50,509	
	Chitec Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	381,906	24,052	1.37	24,052	
	Leadwell Cnc Machines Mfg., Corp.	-	Financial assets at fair value through other comprehensive income - non-current	419,753	8,777	0.68	8,777	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Digimax, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	518,898	\$ 2,470	1.18	\$ 2,470	
	Orgchem Technology, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	594,594	9,371	1.09	9,371	
	Hexawave, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	770,000	3,711	1.08	3,711	
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	712,000	6,152	1.03	6,152	
	Uranus Chemicals Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	10,294	273	0.03	273	
	<u>Preference shares</u> Neurosky Inc. Preferred A	-	Financial assets at fair value through other comprehensive income - non-current	10,000,000	7,100	1.42	7,100	
	Neurosky Inc. Preferred B	-	Financial assets at fair value through other comprehensive income - non-current	12,595,523	17,130	1.78	17,130	
	Neurosky Inc. Preferred C	-	Financial assets at fair value through other comprehensive income - non-current	4,532,823	6,165	0.64	6,165	
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	1,324	-	1,324	
	<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
Thintec Materials Corporation	<u>Beneficiary certificates</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	930,329	12,584	-	12,584	
Inoma Corporation	<u>Beneficiary certificates</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,131,747	15,308	-	15,308	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Optronics Corporation	<u>Beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	816,483	\$ 12,095	-	\$ 12,095	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	496,715	7,055	-	7,055	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	595,369	8,053	-	8,053	
USI Management Consulting Corp.	<u>Beneficiary certificates</u> Fuh Hwa You Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	667,953	9,000	-	9,000	

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

Note 2: The amount is 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, 2019

(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, 2019				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	4,980,000	\$ 66,085	-	\$ 66,085	1	
	Cathay No. 1 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	4,268,000	66,495	-	66,495	1	
	Shin Kong No. 1 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	3,000,000	50,370	-	50,370	1	
	Cathay No. 2 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	2,500,000	40,525	-	40,525	1	
	<u>Open-end fund beneficiary certificates</u> FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,614,704	40,000	-	40,000	1	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	739,295	10,000	-	10,000	1	
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	100,910	18,000	-	18,000	1	
	<u>Ordinary shares</u> KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	8,353,800	116,786	5.95	116,786	1	
	Taiwan VCM Corporation (TVCM)	<u>Open-end fund beneficiary certificates</u> Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,161,777	50,010	-	50,010	1
		Jih Sun Money Market Fund			3,376,052	50,010	-	50,010	1
Yuanta De-Li Money Market Fund				3,067,297	50,006	-	50,006	1	
UPAMC James Bond Money Market Fund		-	Financial assets at fair value through profit or loss - current	2,993,349	50,010	-	50,010	1	
FSITC Money Market Fund		-	Financial assets at fair value through profit or loss - current	168,184	30,000	-	30,000	1	
<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	121,611	1,715	0.02	1,715	1	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
CGPC Polymer Corporation	<u>Open-end fund beneficiary certificates</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,229,416	\$ 58,156	-	\$ 58,156	1
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,334,033	51,004	-	51,004	1
CGPC (BVI) Holding Co., Ltd.	<u>Shares</u> Teratech Corporation - ordinary shares	-	Financial assets at fair value through profit or loss - non-current	112,200	-	0.67	-	1 and 3
	Sohoware, Inc. - preference shares	-	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	1, 2 and 3

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

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

Note 3: As of March 31, 2019, CGPC evaluated the fair value of equity impairments as \$0.

(Concluded)

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)

MARCH 31, 2019

(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, 2019				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	15,109,901	\$ 182,074	1.27	\$ 182,074	1	
	Harbinger Venture Capital	-	Financial assets at fair value through other comprehensive income - non-current	990	44	0.50	44	3 and 5	
	<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	76,342	-	76,342	1	
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	40,525	-	40,525	1	
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,000,000	67,160	-	67,160	1	
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	6,580,000	87,316	-	87,316	1	
	<u>Mutual funds and beneficiary certificates</u> FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	280,307	50,000	-	50,000	2	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	306,694	5,000	-	5,000	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	20,219	13 (US\$ - thousand)	2.22	13 (US\$ - thousand)	3 and 5
		Teratech Corporation - ordinary shares	-	Financial assets at fair value through profit or loss - non-current	112,000	-	0.74	-	4
Sohoware Inc. - preference shares		-	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	4	
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	20,020,822	91,637 (RMB 20,021 thousand)	-	91,637 (RMB 20,021 thousand)	2	

(Continued)

Note 1: Fair value was based on closing price of the Taiwan Stock Exchange as of March 31, 2019.

Note 2: Fair value was based on the carrying amount as of March 31, 2019.

Note 3: As of March 31, 2019, TTC evaluated the fair value of equity instruments as \$0.

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.

Note 5: The investee, Harbinger Venture Capital and Budworth Investment Ltd., announced a reduction of capital by returning cash in January 2019, and TTC received \$505 thousand and \$3,322 thousand according to its ownership percentage, respectively.

(Concluded)

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation)

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)

MARCH 31, 2019

(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, 2019				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	2,377	\$ 106	1.20	\$ 106	
	Riselink Venture Capital	-	Financial assets at fair value through other comprehensive income - non-current	438,624	4,671	1.67	4,671	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	16,707,600	233,572	11.90	233,572	
	USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	101,355,673	1,221,336	8.53	1,221,336	
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income - non-current	14,446,107	693,413	1.89	693,413	
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	9,618,516	109,170	0.10	109,170	
	Wafer Works Corporation	-	Financial assets at fair value through other comprehensive income - current	2,017,946	74,462	0.39	74,462	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss - current	229,127	2,291	0.01	2,291	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	1,664,722	19,894	0.04	19,894	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	500,000	28,900	0.01	28,900	
	<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	76,358	-	76,358	
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	40,525	-	40,525	
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,000,000	33,580	-	33,580	
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,980,000	66,085	-	66,085	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	<u>Beneficiary certificates</u>							
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,951,815	\$ 250,154	-	\$ 250,154	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,978,852	48,055	-	48,055	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	16,421,566	243,258	-	243,258	
	Paradigm Pion Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,905,290	22,010	-	22,010	
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,070,291	50,089	-	50,089	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,183,308	50,344	-	50,344	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,993,389	100,132	-	100,132	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	18,159,763	245,636	-	245,636	
	CTBC Hwa Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,311,519	113,616	-	113,616	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,203,360	45,498	-	45,498	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,165,573	19,002	-	19,002	
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	841,197	150,049	-	150,049	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,081,220	154,224	-	154,224	
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	835,890	10,002	-	10,002	
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,332,917	100,132	-	100,132	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,568,971	150,082	-	150,082	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,026,027	12,000	-	12,000	
	Taishin Lucky Money Market Fund	-	Financial assets at fair value through profit or loss - current	719,670	8,001	-	8,001	
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,356,241	100,056	-	100,056	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,364,176	100,130	-	100,130	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,809,752	103,131	-	103,131	
	Shin Kong Chi-Shi Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,749,710	58,062	-	58,062	
	Cathy Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	13,990,007	174,071	-	174,071	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2019				Note
				Number of Shares	Number of Shares	Number of Shares	Number of Shares	
APC (BVI) Holding Co., Ltd.	Hwa Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,439,400	\$ 72,158	-	\$ 72,158	
	Fuh Hwa Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,465,028	50,022	-	50,022	
	TCB Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,639,471	128,398	-	128,398	
	Fuh Hwa You Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,301,769	31,014	-	31,014	
	<u>Shares</u>							
	Budworth Investment Ltd. - ordinary shares	-	Financial assets at fair value through other comprehensive income - non-current	40,467	20	4.45	20	
	Silicon Technology Investment (Cayman) Corp. - preference shares	-	Financial assets at fair value through other comprehensive income - non-current	1,519,701	72,380	2.95	72,380	
	NeuroSky, Inc. - series D preference shares	-	Financial assets at fair value through other comprehensive income - non-current	2,397,364	3,259	0.37	3,259	
	Solargiga Energy Holdings Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	15,863,333	8,096	0.49	8,096	
	Teratech Corp. - ordinary shares	-	Financial assets at fair value through profit or loss - current	112,000	-	0.67	-	1
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	
APC Investment Corporation	<u>Ordinary shares</u>							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	540	-	540	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	554,907	6,631	0.01	6,631	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	100,000	5,780	-	5,780	
	<u>Beneficiary securities</u>							
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,784,986	27,033	-	27,033	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,999,525	24,879	-	24,879	
<u>Ordinary shares</u>								
United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	1,131,920	11,319	0.04	11,319		

Note 1: As of March 31, 2019, APC evaluated the fair value of equity instruments as \$0.

(Concluded)

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

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)
MARCH 31, 2019
(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, 2019				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	4,939,760	\$ 69,651	0.89	\$ 69,651	Note 2
	China General Plastics Corporation	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	2,564,791	58,221	0.51	58,221	Note 1
	Taita Chemical Company, Ltd.	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	1,877,484	19,338	0.57	19,338	Note 1
	China Steel Corporation	-	Financial assets at fair value through profit or loss - current	499,552	12,639	-	12,639	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 was provided to Taiwan Power Company as a provisional attachment.

Note 3: Part of 257,000 shares was 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, 2019
(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	\$ 192,921	9.89	Payments within 60 days after purchasing on credit	No significant difference	No significant difference	\$ 137,715	8.41	Note

Note: 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, 2019
(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	\$ 1,072,317	74	45 days	No significant difference	No significant difference	Accounts payable to related parties	\$ (673,152)	(73)	Note
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(1,072,317)	(44)	45 days	No significant difference	No significant difference	Accounts receivable from related parties	673,152	41	Note
	CGPC Polymer Corporation	Fellow subsidiary	Sale	(1,070,046)	(44)	45 days	No significant difference	No significant difference	Accounts receivable from related parties	804,167	48	Note
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchase	1,070,046	96	45 days	No significant difference	No significant difference	Accounts payable to related parties	(804,167)	(97)	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, 2019
(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	\$ (232,486) (US\$ -7,562 thousand)	(7.43)	30 days	No significant difference	No significant difference	Accounts receivables from related parties	\$ -	-	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, 2019

(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		
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Sale	\$ 193,022	(11.29)	60 days	No significant difference	No significant difference	Accounts receivable - related parties	\$ 141,549	16.45	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, 2019

(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 Taiwan VCM Corporation	Subsidiary of the Company Subsidiary of the Company	Other receivables - related parties	\$ 102,081	-	\$ -	-	\$ 102,081	Note 1
			Other receivables - related parties	126,301	-	-	-	126,301	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, 2019 and May 13, 2019.

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, 2019

(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 \$ 170,123	1.88	\$ -	-	\$ 31,585	Note 1
Acme Electronics Corporation	ACME Electronics (Cayman) Corp	Subsidiary of ACME	Other receivables - related parties 186,578	-	-	-	29,301	Note 1

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, 2019

(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 (India) Private Ltd.	The same ultimate parent company	Accounts receivable - related parties \$ 187,200 (US\$ 6,073,974)	-	\$ -	-	\$ -	\$ -
	Swanson Plastics (Kunshan) Co., Ltd.	The same ultimate parent company	Accounts receivable - related parties (Note 2) \$ 210,875 (US\$ 6,842,143)	-	-	-	-	-
Swanson Plastics (Singapore) Private Limited	Swanson Plastics (India) Private Ltd.	Subsidiary	Accounts receivable - related parties (Note 2) \$ 109,411 (US\$ 3,550,002)	-	-	-	-	-

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, 2019 and May 9, 2019.

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, 2019
(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			
Taiwan VCM Corporation	China General Plastics Corporation CGPC Polymer Corporation	Parent company Fellow subsidiary	Accounts receivable from related parties	\$ 673,152	5.93	\$ -	-	\$ 339,969	Note 1
			Accounts receivable from related parties	\$ 804,167	5.41	-	-	375,039	Note 1

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

Note 2: The subsequent period is between April 1, 2019 and April 26, 2019.

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, 2019****(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 (Tianjin) Co., Ltd.	Sub-subsidiary	Other receivables \$ 297,548 (US\$ 9,654 thousand) (Note 1)	-	\$ -	-	\$ -	\$ -
Taita Chemical (Zhongsan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Subsidiary	Other receivables 276,515 (RMB 60,413 thousand) (Note 2)	-	-	-	-	-

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

Note 2: The total amount of other receivables of Taita Chemical (Zhongsan) 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 is made from January 1, 2019 to May 9, 2019.

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

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation (APC))

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

MARCH 31, 2019

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Asia Polymer Corporation	USI Corporation	Parent company	Trade receivable from related parties \$ 141,549 Other receivable from related parties 282	1.27	\$ - -	- -	\$ 61,017 282	Note 1 Note 1

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

Note 2: The subsequent period is between April 1, 2019 and May 9, 2019.

Note 3: 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, 2019
(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, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2019	December 31, 2018	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	87,250,800	100.00	\$ 706,174	\$ 4,435	\$ 4,435	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	1,361,900	5,019	5,019	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	132,255	(159)	(159)	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	521,440,500	100.00	5,695,429	154,870	154,930	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	203,027	(1,796)	(1,257)	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	46,881	2,763	2,761	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	62,616,299	40.58	1,031,622	17,378	7,051	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	26.94	359,479	(35,648)	(9,624)	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	93.18	40,225	(4,354)	(4,057)	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	(1,296)	13	13	Subsidiary
	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	133,141	502	502	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	4,405	(32)	(10)	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	5,442,335	2,407,735	176,268,000	63.06	5,530,790	9,711	6,124	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	129,782	(54,588)	(27,756)	
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	8,614,437 (US\$ 279,508 thousand)	8,614,437 (US\$ 279,508 thousand)	279,508,000	77.47	8,770,169 (US\$ 284,561 thousand)	12,534 (US\$ 407 thousand)		Subsidiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investment	11,112,983 (US\$ 360,577 thousand)	11,112,983 (US\$ 360,577 thousand)	360,577,000	100.00	11,297,342 (US\$ 366,559 thousand)	12,777 (US\$ 414 thousand)		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	1,763,759	195,224		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	179,330,846	32.25	3,693,304	136,701		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	122,632,069	24.20	2,200,915	184,234		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	8.99	134,468	(35,648)		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	(12,330)	(3,070)		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	15,724	518		Sub-subsiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2019	December 31, 2018	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	\$ 2,173	\$ (32)		
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	British Virgin Islands	Engaging in import and export trade	6,780 (US\$ 220)	6,780 (US\$ 220)	220,000	100.00	30,828	(725) (US\$ -24 thousand)		
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Reinvestment	109,027 (US\$ 3,538 thousand)	109,027 (US\$ 3,538 thousand)	5,609,231	11.23	144,606 (US\$ 4,692 thousand)	(28,285) (US\$ -917 thousand)	Sub-subsiary	

Note 1: The Company gained control over USI Management Consulting Corp. and recognized the investment gain (loss) using the equity method, but reclassified 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, 2019
 (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, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2019	December 31, 2018	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	\$ 659,985	\$ (28,285) (US\$ -917 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	832,113	585		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	435	(57) (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	86,774	(54,588)		
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	42,600,000	100.00	US\$ 20,115 thousand	US\$ 109 thousand (MYR 465 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 37,964 thousand	MYR 37,964 thousand	9,120,000	100.00	MYR 83,501 thousand	MYR 487 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, 2019
 (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, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2019 (Note 2)	December 31, 2018 (Note 2)	Number of Shares	%	Carrying Amount (Notes 2 and 4)			
Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	2 Venture Drive Vision Exchange #12-10 Singapore 608526	Production and marketing of plastic products	\$ 808,506	\$ 808,506	36,863	100	\$ 1,909,848	\$ 12,151	Note 3	
	Forever Young Company Limited	Skelton Building Main Street P.O. Box 3136 Road Town, Tortola British Virgin Islands	Import, export and agency services	1,297	1,297	50	100	73,968	11,961		
	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	1,446,156	27,488		Note 3
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	4,850	4,850	1,600	100	6,658	(9)		Note 3
	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	(57,540)	(3,070)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	7,979	7,979	261	1	6,936	7,821		Note 1
Swanson Plastics (Singapore) Private Limited	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	203,209 (US\$ 6,593,398)	203,209 (US\$ 6,593,398)	20,000	100	649,351 (US\$ 21,069,141)	34,496		
	Swanson Plastics (India) Private Ltd.	PLOT No. 2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Production and marketing of plastic products	229,943 (US\$ 7,460,850)	229,943 (US\$ 7,460,850)	42,970	100	75,218 (US\$ 2,440,566)	(17,306)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	796,390 (US\$ 25,840,033)	796,390 (US\$ 25,840,033)	25,840	99	686,637 (US\$ 22,278,936)	7,743	Note 1	
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	218,640 (US\$ 7,094,082)	218,640 (US\$ 7,094,082)	-	100	529,281 (US\$ 17,173,297)	3,695	Notes 1 and 3	

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

Note 2: The original investment amount and carrying amount were translated at the spot exchange rate as of March 31, 2019.

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, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Nature of Activities	Original Investment Amount		As of March 31, 2019			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				March 31, 2019	December 31, 2018	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	\$ 2,930,995	\$ 2,930,995	206,008,832	87.22	\$ 2,991,645	\$ 52,679	Subsidiary	
	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	78,859,281	100.00	1,119,342	16,557	Subsidiary	
	CGPC (BVI) Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100.00	361,934	1,585	Subsidiary	
	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	18,667,465	33.33	239,187	31,507	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	202,107	(2,082)	Subsidiary	
	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	77,285	533	Subsidiary	
	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	24,171	(35,648)	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	1,448	(32)	Associate accounted for using the equity method	

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

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

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Limited)

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(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, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
Taita Chemical Co., Ltd.	Taita (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 1,902,765 (US\$ 61,738 thousand)	\$ 1,902,765 (US\$ 61,738 thousand)	61,738,000	100.00	\$ 1,540,735 (US\$ 49,985 thousand)	\$ 52,873 (US\$ 1,715 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	10,043,760	1.98	169,638	184,234		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	18,667,463	33.33	239,187	31,507		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	33,828	(35,648)		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	1,448	(32)		Investments accounted for using the equity method (Note 2)
Taita (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corporation	British Cayman Islands	Reinvestment	52,395 (US\$ 1,700 thousand)	52,395 (US\$ 1,700 thousand)	2,695,619	5.39	69,493 (US\$ 2,255 thousand)	(28,285) (US\$ -917 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, 2019
 (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, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 424,540 (US\$ 13,774,806)	\$ 424,540 (US\$ 13,774,806)	11,342,594	100.00	\$ 488,355	\$ (882)	Subsidiary (Note 1)	
	APC Investment Corporation	Taipei, Taiwan	Investment	200,000	200,000	20,000,000	100.00	99,886	(297)	Subsidiary (Note 1)	
	USI International Corp.	British Virgin Islands	Reinvestment	86,296 (US\$ 2,800,000)	86,296 (US\$ 2,800,000)	2,800,000	70.00	132,189	2,364	Subsidiary (Note 1)	
	China General Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	247,412	247,412	40,891,494	8.07	690,652	184,234	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	18,667,464	33.33	239,187	31,507	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	12,266,779	7.95	203,074	17,378	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	3.31	46,093	(35,648)	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	24,151	(1,796)	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	4,405	(32)	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	23,488	(54,588)	Investments accounted for using the equity method	
APC (BVI) Holding Co., Ltd.	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	3,181,857 (US\$ 103,240,000)	3,181,857 (US\$ 103,240,000)	103,240,000	36.94	3,239,379	9,711	Investments accounted for using the equity method	
	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	161,648 (US\$ 5,244,903)	161,648 (US\$ 5,244,903)	8,316,450	16.64	214,399	(28,285)	Investments accounted for using the equity method	
APC Investment Corporation	USI International Corp.	British Virgin Islands	Reinvestment	36,984 (US\$ 1,200,000)	36,984 (US\$ 1,200,000)	1,200,000	30.00	56,652	2,364	Investments accounted for using the equity method (Note 1)	
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	14,889	14,889	1,884,548	1.03	14,342	(35,648)	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	(12,330)	(3,070)	Investments accounted for using the equity method	

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

Note 2: Investments in mainland China are included in Table 7-5.

USI CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(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, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2019	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, 2019 (Notes 6 and 7)	Accumulated Repatriation of Investment Income as of March 31, 2019
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 946,945 (US\$ 30,725,000)	Note 1	\$ 86,836 (US\$ 2,817,528)	\$ -	\$ -	\$ 86,836 (US\$ 2,817,528)	\$ (26,581) (US\$ -862,212)	11.23	\$ (2,984) (US\$ -96,784)	\$ 94,038 (US\$ 3,051,219)	\$ -
Usig (Shanghai) Co., Ltd.	Importing and distributing various chemical raw materials and products	154,100 (US\$ 5,000,000)	Note 2	154,100 (US\$ 5,000,000)	-	-	154,100 (US\$ 5,000,000)	502 (US\$ 16,299)	100.00	502 (US\$ 16,299)	133,141 (US\$ 4,319,970)	-
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	Manufacture of crude oil and petroleum products	21,098,600 (RMB 4,609,600,000)	Note 3	5,050,333 (US\$ 163,865,447)	-	-	5,050,333 (US\$ 163,865,447)	33,699 (US\$ 1,093,108)	24.43	8,232 (US\$ 267,035)	5,174,534 (US\$ 167,895,325)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$5,551,929 (US\$180,140,475)	\$8,197,180 (US\$265,969,510)	\$ - (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 via Ever Conquest Global Limited (63.06%), then via Ever Victory Global Limited (77.47%), 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 the balance of ACME Electronics (Kunshan) Co., Ltd. which was calculated based on financial statements which were reviewed by the CPA of the ROC parent company, the balances for other subsidiaries were calculated based on financial statements which were not reviewed by the auditors.

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corporation (ACME))

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2019**

(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, 2019 (Note 5)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2019 (Note 5)	Net Income (Loss) of the Investee (Note 6)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 4 and 6)	Carrying Amount as of March 31, 2019 (Notes 7 and 8)	Accumulated Repatriation of Investment Income as of March 31, 2019
					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)	\$ (26,581) (RMB -5,816 thousand)	51.27	\$ (13,629) (RMB -2,982 thousand)	\$ 429,515 (RMB 93,840 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)	1,086 (RMB 238 thousand)	100.00	1,086 (RMB 238 thousand)	859,925 (RMB 187,875 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$935,202 (US\$30,344 thousand) (Note 7)	\$1,129,029 (US\$36,633 thousand) (Notes 3 and 7)	\$ - (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: ACME recognized the investment gain (loss), according to Certified Public Accountants and auditing financial report accepted in the ROC.

Note 5: The calculation was based on the exchange rate on the original investment date.

Note 6: The calculation was based on the average exchange rate from January 1, 2019 to March 31, 2019.

Note 7: The calculation was based on the spot exchange rate on March 31, 2019.

Note 8: All the transactions were written off when preparing the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES
 (Swanson Plastics Corporation)

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2019
 (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, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of March 31, 2019 (Note 5)	Accumulated Repatriation of Investment Income as of March 31, 2019
					Outflow	Inflow						
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	\$ 409,598 (US\$ 13,290,000)	Indirect investment via Swanson (BVI) International Ltd.	\$ 223,930	-	-	\$ 223,930	\$ 23,793 (US\$ 771,783)	100	\$ 23,793 (US\$ 771,783)	\$ 1,012,541 (US\$ 32,853,389)	\$ -
ASK-Swanson (Kunshan) Co., Ltd.	Management of PE release film and other release products	280,462 (US\$ 9,100,000)	Indirect investment A.S. Holdings (UK) Limited via Swanson International Ltd.	193,447	-	-	193,447	3,695 (US\$ 119,840)	100	3,695 (US\$ 119,840)	538,493 (US\$ 17,472,189)	-
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	329,774 (US\$ 10,700,000)	Indirect investment it via Swanson (Singapore) Private Ltd.	170,754	-	-	170,754	(14,733) (US\$ -477,892)	100	(14,733) (US\$ -477,892)	179,577 (US\$ 5,826,626)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$588,131	\$1,010,457 (US\$32,785,753)	\$ - (Note 3)

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 investment amount stipulated by Industrial Development Bureau, MOEA were calculated based on the spot exchange rate on March 31, 2019.

Note 3: 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 4: 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, 2019**
(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, 2019 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2019 (Note 1)	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of March 31, 2019 (Notes 1 and 5)	Accumulated Repatriation of Investment Income as of March 31, 2019
					Outflow	Inflow						
Continental General Plastics (ZhongShan) Co., Ltd. (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	\$ 616,400 (US\$ 20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd.	\$ 616,400 (US\$ 20,000 thousand)	\$ -	\$ -	\$ 616,400 (US\$ 20,000 thousand)	\$ 1,103) (US\$ 36 thousand)	100.00	\$ 1,103) (US\$ 36 thousand)	\$ 271,606 (US\$ 8,813 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	46,230 (US\$ 1,500 thousand)	Investment through CGPC (BVI) Holding Co., Ltd.	46,230 (US\$ 1,500 thousand)	-	-	46,230 (US\$ 1,500 thousand)	6 (US\$ - thousand)	100.00	6 (US\$ - thousand)	14,255 (US\$ 463 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2019 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$834,667 (US\$27,082 thousand)	\$1,056,972 (US\$34,295 thousand)	\$ - (Note 2)

Note 1: The calculation was based on the spot exchange rate as of March 31, 2019.

Note 2: As the CGPC obtained the certificate of qualification of operating headquarters issued by the Industrial Development Bureau No. 10620424930 on September 22, 2017, 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: 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 \$21,081 thousand (US\$684 thousand), the investment amount of Union (ZS) of \$27,676 thousand (US\$898 thousand) and the investment amount of Continental General Plastics (SanHe) Co., Ltd. of \$123,280 thousand (US\$4,000 thousand).

Note 4: The board of directors of CGPC passed a resolution to dissolve CGPC (ZS) and CGPC (CP) in October 2011. As of March 31, 2019, the dissolution procedures have not yet been completed.

Note 5: 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, 2019**

(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, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2019	Net Income (Loss) of the Investee (Note 5)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of March 31, 2019 (Note 5)	Accumulated Repatriation of Investment Income as of March 31, 2019
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	\$ 1,425,425 (US\$ 46,250 thousand) (Note 1)	Investment through a holding company registered in a third region	\$ 1,325,260 (US\$ 43,000 thousand)	\$ -	\$ -	\$ 1,325,260 (US\$ 43,000 thousand)	\$ 80,805 (US\$ 2,621 thousand)	100.00	\$ 80,805 (US\$ 2,621 thousand) (Note 6)	\$ 2,223,897 (US\$ 72,158 thousand) (Note 6)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Producing and marketing of polystyrene derivatives	842,927 (US\$ 27,350 thousand) (Note 2)	Investment through a holding company registered in a third region	801,320 (US\$ 26,000 thousand)	-	-	801,320 (US\$ 26,000 thousand)	(18,824) (US\$ -611 thousand)	100.00	(18,824) (US\$ -611 thousand) (Note 6)	24,870 (US\$ 807 thousand) (Note 6)	-
ACME Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	946,945 (US\$ 30,725 thousand)	Investment through a holding company registered in a third region	41,731 (US\$ 1,354 thousand)	-	-	41,731 (US\$ 1,354 thousand)	(1,434) (US\$ -47 thousand)	5.39	(26,581) (US\$ -862 thousand)	45,192 (US\$ 1,466 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$2,168,311 (US\$70,354 thousand)	\$2,336,690 (US\$75,817 thousand) (Note 3)	\$2,537,170 (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, 2019
(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, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2019	Net Income (Loss) of Investee (Note 2)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2019 (Note 3)	Accumulated Repatriation of Investment Income as of March 31, 2019
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 946,945 (US\$ 30,725,000)	(2) ACME Electronics (Cayman) Corp.	\$ 128,747 (US\$ 4,177,369)	\$ -	\$ -	\$ 128,747 (US\$ 4,177,369)	(Note 2,2) \$ (26,581)	16.64	\$ (4,424)	\$ 139,425	\$ -
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	77,050 (US\$ 2,500,000)	(2) APC (BVI) Holding Co., Ltd.	93,557 (US\$ 3,035,601)	-	-	93,557 (US\$ 3,035,601)	(Note 2,3) 3,050	100.00	3,050	105,311	-
Fujian Gulei Petrochemical Co., Ltd.	Manufacture of crude oil and petroleum products	21,098,600 (RMB 4,609,600)	(2) Dynamic Ever Investments Ltd.	2,958,615 (US\$ 95,996,586)	-	-	2,958,615 (US\$ 95,996,586)	(Note 2,3) 33,700	14.31	4,822	3,030,708	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$3,329,475 (Note 4) (US\$108,029,692)	\$4,973,781 (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, 2019.

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, 2019
(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	Forever Young Company Ltd.	a	Sales revenue	\$ 77,920	No significant difference	0.58
		USI Far East (HK) Co., Ltd.	a	Sales revenue	39,689	No significant difference	0.29
		USI Trading (Shanghai) Co., Ltd.	a	Sales revenue	30,502	No significant difference	0.23
		Swanson Plastics Corporation	a	Sales revenue	13,705	No significant difference	0.10
		Asia Polymer Corporation	a	Purchases	192,921	No significant difference	1.43
		Swanson Plastics Corporation	a	Purchases	14,344	No significant difference	0.11
		Forever Young Company Ltd.	a	Accounts receivable	57,987	No significant difference	0.43
		USI Far East (HK) Co., Ltd.	a	Accounts receivable	34,482	No significant difference	0.26
		USI Trading (Shanghai) Co., Ltd.	a	Accounts receivable	20,081	No significant difference	0.03
		Asia Polymer Corporation	a	Other receivables	102,001	No significant difference	0.14
		Taiwan VCM Corporation	a	Other receivables	125,932	No significant difference	0.18
		Asia Polymer Corporation	a	Other company related payables	141,549	No significant difference	0.20
		USI Management Consulting Corporation	a	Management services expense	22,989	No significant difference	0.03
1	Asia Polymer Corporation	Taita Chemical Company, Limited	c	Purchases	18,477	No significant difference	0.14
		Taita Chemical Company, Limited	c	Accounts payable	18,787	No significant difference	0.14
		Taiwan VCM Corporation	c	Other payable	13,325	No significant difference	0.10
		USI Trading (Shanghai) Co., Ltd.	c	Sales revenue	16,439	No significant difference	0.02
2	China General Plastics Corporation (CGPC)	China General Terminal & Distribution Corporation	c	Purchase costs	32,055	No significant difference	0.24
		China General Terminal & Distribution Corporation	c	Other payables	10,455	No significant difference	0.08
		USI Management Consulting Corporation	c	Management services expense	20,638	No significant difference	0.03
		Taiwan VCM Corporation	c	Accounts payable	673,152	No significant difference	4.99
		Taiwan VCM Corporation	c	Purchases	1,072,317	No significant difference	1.50
		CGPC America Corporation	c	Accounts receivable	99,958	No significant difference	0.74
		CGPC America Corporation	c	Sales revenue	94,131	No significant difference	0.70
3	Taita Chemical Company, Limited	USI Management Consulting Corporation	c	Management services expense	12,243	No significant difference	0.09
		Taita Chemical (Zhong Shan) Co., Ltd.	c	Sales revenue	232,486	No significant difference	0.33
		Taita Chemical (Tianjin) Co., Ltd.	c	Other receivables	297,548	No significant difference	2.21

(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 (Kunshan) Co., Ltd.	c	Sales revenue	\$ 34,442	No significant difference	0.05
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Sales revenue	25,224	No significant difference	0.04
		Acme Electronics (Kunshan) Co., Ltd.	c	Cost of goods sold	10,919	No significant difference	0.08
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Accounts receivable	12,942	No significant difference	0.10
		Acme Electronics (Cayman) Corp.	c	Other receivables	186,578	No significant difference	1.38
		Golden Amber Enterprises Limited	c	Other receivables	25,034	No significant difference	0.19
		Acme Electronics (Kunshan) Co., Ltd.	c	Other receivables	15,995	No significant difference	0.12
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Notes and accounts payable	170,123	No significant difference	1.26
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Processing costs	88,058	No significant difference	0.65
5	Taita Chemical (Zhong Shan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	c	Other receivables	276,515	No significant difference	0.39
6	Acme Electronics (Kunshan) Co., Ltd.	Acme Ferrite Product Sdn. Bhd.	c	Sales revenue	12,499	No significant difference	0.02
7	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Accounts payable	804,167	No significant difference	1.13
		Taiwan VCM Corporation	c	Other payables	25,397	No significant difference	0.04
		Taiwan VCM Corporation	c	Purchases	1,070,046	No significant difference	1.50
8	Swanson Plastics Corporation	USI Corporation	b	Sales revenue	14,344	No significant difference	0.02
		USI Corporation	b	Cost of goods sold	13,705	No significant difference	0.02
		USI Corporation	b	Accounts payable	10,819	No significant difference	0.08
9	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Sales revenue	153,635	No significant difference	1.14
		Swanson Plastics (Kunshan) Co., Ltd.	c	Sales revenue	119,068	No significant difference	0.88
		PT. Swanson Plastics Indonesia	c	Sales revenue	91,760	No significant difference	0.13
		Swanson Plastics (India) Private Ltd.	c	Sales revenue	18,171	No significant difference	0.03
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	54,836	No significant difference	0.41
		Swanson Plastics (Kunshan) Co., Ltd.	c	Accounts receivable	210,874	No significant difference	0.30
		Swanson Plastics (India) Private Ltd.	c	Accounts receivable	187,200	No significant difference	1.39
		Swanson International Ltd.	c	Accounts receivable	95,696	No significant difference	0.71
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts receivable	74,896	No significant difference	0.56
		PT. Swanson Plastics Indonesia	c	Accounts receivable	60,846	No significant difference	0.09
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts payable	15,790	No significant difference	0.02
		10	API-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	c	Accounts receivable	190,684
11	Swanson Plastics (Kunshan) Corp.	API-Swanson (Kunshan) Co., Ltd.	c	Sales revenue	18,782	No significant difference	0.14
12	Swanson Plastics (Singapore) Pte Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	62,090	No significant difference	0.46
		PT. Swanson Plastics Indonesia	c	Cost of goods sold	19,652	No significant difference	0.03
		Swanson Plastics (India) Private Ltd.	c	Accounts receivable	109,411	No significant difference	0.81
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts payable	22,921	No significant difference	0.17

(Continued)

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 are 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)