

USI CORPORATION AND SUBSIDIARIES

USI Corporation and Subsidiaries
Consolidated Financial Statements for the Three
Months Ended March 31, 2020 and 2019 and
Independent Auditors' Review Report

Address: No. 330, Fengren Rd., Renwu Dist.,
Kaohsiung City 814, Taiwan
Phone: (02)87516888

§Table of Content§

I	T	E	M	P	A	G	E	<u>FINANCIAL</u>	<u>STATEMENT</u>	<u>N O T E S</u>	<u>N U M B E R</u>
I.	Cover							1	-		
II.	Table of Content							2	-		
III.	Independent Auditors' Review Report							3~4	-		
IV.	Consolidated Balance Sheets							5	-		
V.	Consolidated Statements of Comprehensive Income							6~8	-		
VI.	Consolidated Statements of Changes in Equity							9	-		
VII.	Consolidated Statements of Cash Flows							10~11	-		
VIII.	Notes to Consolidated Financial Statements										
	(1) General Information							12		1	
	(2) Approval of Financial Statements							12		2	
	(3) Application of New, Amended and Revised Standards and Interpretations							12		3	
	(4) Summary of Significant Accounting Policies							13~14		4	
	(5) Critical Accounting Judgments and Key Sources of Estimation Uncertainty							14		5	
	(6) Information on Important Accounting Items							14~66		6~34	
	(7) Related Party Transactions							66~67		35	
	(8) Collateralised Assets							67~68		36	
	(9) Significant Contingent Liability and Unrecognized Contractual Commitments							68~69		37	
	(10) Significant Disaster Loss							-		-	
	(11) Significant Events After the Balance Sheet Date							-		-	
	(12) Others							69~75		38~39	
	(13) Separately Disclosed Items										
	1. Information on Significant Transactions							75, 78~108, 122~124		40	
	2. Information on							75, 109~115		40	

	Reinvestment Business		
3.	Information on Investments in China	75 ~ 76 , 116 ~ 121 , 125 ~ 126	40
4.	Information on Major Shareholders	76 , 127	40
(14)	Segment Information	76 ~ 77	41

Independent Auditors' Review Report

USI Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of USI Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2020 and 2019, 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, 2020 and 2019, the combined total assets of these non-significant subsidiaries and investments accounted for using the equity method were NT\$23,721,098 thousand and NT\$21,089,223 thousand, respectively, representing 33.19% and 29.57%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$3,106,873 thousand and NT\$3,526,880 thousand, respectively, representing 10.20% and 10.43%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2020 and 2019, the amounts of combined comprehensive income of these subsidiaries and share of profit of joint ventures accounted for using the equity method were NT\$82,729 thousand and NT\$146,483 thousand, respectively, representing 231.68% and 13.73%, respectively, of the consolidated total comprehensive income. The additional disclosure 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, 2020 and 2019 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 (Financial Supervisory Commission, Approval No. 1070323246) and Cheng-Hung Kuo (Securities and Futures Bureau, Approval No. 0920123784).

Notice to Readers

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

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

May 14, 2020

USI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
March 31, 2020, and December 31 and March 31, 2019

(In Thousands of New Taiwan Dollars)

Code	Assets	March 31, 2020 (Reviewed)		December 31, 2019 (Audited)		March 31, 2019 (Reviewed)	
		A m o u n t	%	A m o u n t	%	A m o u n t	%
CURRENT ASSETS							
1100	Cash and cash equivalents (Note 6)	\$ 10,885,509	15	\$ 7,927,403	11	\$ 7,790,293	11
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	4,519,769	6	6,358,025	9	7,085,562	10
1120	Financial assets at fair value through other comprehensive income (FVTOCI) - current (Note 8)	132,189	-	174,789	-	185,274	-
1136	Financial assets measured at amortized cost - current (Notes 9 and 36)	685,883	1	506,129	1	380,625	1
1150	Notes receivable, net (Note 10)	540,215	1	634,435	1	970,357	1
1170	Accounts receivable, net (Note 10)	5,686,529	8	6,411,077	9	6,880,368	10
1200	Other receivables (Notes 10 and 35)	337,724	1	277,131	-	300,026	-
1220	Current tax assets (Notes 4 and 29)	6,567	-	11,919	-	14,210	-
130X	Inventories (Note 11)	5,249,215	7	4,919,506	7	7,145,687	10
1410	Prepayments	701,531	1	782,608	1	630,728	1
1470	Other current assets	140,199	-	17,150	-	290,021	-
11XX	Total current assets	<u>28,885,330</u>	<u>40</u>	<u>28,020,172</u>	<u>39</u>	<u>31,673,151</u>	<u>44</u>
NON-CURRENT ASSETS							
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8 and 36)	1,864,614	3	2,196,724	3	2,602,521	4
1535	Financial assets measured at amortized cost - non-current (Notes 9, 36 and 37)	311,988	-	311,942	-	311,804	1
1550	Investments accounted for using the equity method (Note 14)	14,715,674	21	14,867,168	21	10,590,991	15
1600	Property, plant and equipment (Notes 15 and 36)	22,994,244	32	23,228,911	33	23,739,672	33
1755	Right-of-use assets (Notes 16 and 36)	821,187	1	885,508	1	887,285	1
1760	Investment properties (Notes 17 and 36)	516,690	1	524,408	1	288,629	-
1805	Goodwill (Note 18)	269,026	-	269,026	-	269,026	-
1821	Other intangible assets (Note 18)	14,875	-	17,004	-	26,880	-
1840	Deferred tax assets (Notes 4 and 29)	638,579	1	643,715	1	567,108	1
1990	Other non-current assets (Note 36)	448,152	1	461,208	1	367,641	1
15XX	Total non-current assets	<u>42,595,029</u>	<u>60</u>	<u>43,405,614</u>	<u>61</u>	<u>39,651,557</u>	<u>56</u>
1XXX	TOTAL	<u>\$ 71,480,359</u>	<u>100</u>	<u>\$ 71,425,786</u>	<u>100</u>	<u>\$ 71,324,708</u>	<u>100</u>
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
2100	Short-term borrowings (Notes 19 and 36)	\$ 4,345,132	6	\$ 4,258,980	6	\$ 5,435,683	8
2110	Short-term bills payable (Note 19)	1,110,631	2	1,352,810	2	2,247,249	3
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	3,872	-	4,136	-	14,000	-
2170	Notes payable and accounts payable (Note 21)	2,087,706	3	2,757,368	4	3,305,617	5
2219	Other payables (Note 22)	1,507,071	2	1,938,026	3	1,535,614	2
2230	Current tax liabilities (Notes 4 and 29)	680,157	1	517,913	1	395,375	-
2280	Lease liabilities - current (Note 16)	69,063	-	70,814	-	69,390	-
2320	Current portion of long-term borrowings (Notes 19, 20 and 36)	683,200	1	1,443,156	2	1,867,128	3
2365	Refund liabilities - current (Note 22)	17,606	-	28,221	-	24,207	-
2399	Other current liabilities	319,844	-	262,958	-	303,931	-
21XX	Total current liabilities	<u>10,824,282</u>	<u>15</u>	<u>12,634,382</u>	<u>18</u>	<u>15,198,194</u>	<u>21</u>
NON-CURRENT LIABILITIES							
2530	Bonds payable (Note 20)	6,992,067	10	6,991,327	10	4,993,590	7
2540	Long-term borrowings (Notes 19 and 36)	9,179,870	13	9,049,770	12	9,925,683	14
2550	Provisions - non-current (Notes 23 and 37)	136,375	-	136,375	-	136,375	-
2570	Deferred tax liabilities (Notes 4 and 29)	1,419,069	2	1,411,901	2	1,464,130	2
2580	Lease liabilities - non-current (Note 16)	439,150	1	481,964	1	461,666	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 24)	1,374,976	2	1,473,867	2	1,565,200	2
2670	Other non-current liabilities (Note 25)	83,658	-	69,253	-	72,273	-
25XX	Total non-current liabilities	<u>19,625,165</u>	<u>28</u>	<u>19,614,457</u>	<u>27</u>	<u>18,618,917</u>	<u>26</u>
2XXX	Total liabilities	<u>30,449,447</u>	<u>43</u>	<u>32,248,839</u>	<u>45</u>	<u>33,817,111</u>	<u>47</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 13, 26 and 29)							
3100	Share capital	11,887,635	17	11,887,635	17	11,887,635	17
3200	Capital surplus	305,578	1	271,613	-	253,825	-
Retained earnings							
3310	Legal reserve	2,979,753	4	2,979,753	4	2,925,759	4
3320	Special reserve	430,526	1	430,526	1	375,127	1
3350	Unappropriated earnings	4,563,596	6	4,346,640	6	3,759,911	5
3300	Total retained earnings	<u>7,973,875</u>	<u>11</u>	<u>7,756,919</u>	<u>11</u>	<u>7,060,797</u>	<u>10</u>
3490	Other equity	(1,217,280)	(2)	(781,058)	(1)	(7,835)	-
3500	Treasury shares	(475,606)	(1)	(475,606)	(1)	(475,606)	(1)
31XX	Total equity attributable to owners of the Company	<u>18,474,202</u>	<u>26</u>	<u>18,659,503</u>	<u>26</u>	<u>18,718,816</u>	<u>26</u>
36XX	NON-CONTROLLING INTERESTS	<u>22,556,710</u>	<u>31</u>	<u>20,517,444</u>	<u>29</u>	<u>18,788,781</u>	<u>27</u>
3XXX	Total equity	<u>41,030,912</u>	<u>57</u>	<u>39,176,947</u>	<u>55</u>	<u>37,507,597</u>	<u>53</u>
TOTAL		<u>\$ 71,480,359</u>	<u>100</u>	<u>\$ 71,425,786</u>	<u>100</u>	<u>\$ 71,324,708</u>	<u>100</u>

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

USI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Three Months Ended March 31, 2020 and 2019

(Reviewed, Not Audited)

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

Code		January 1 to March 31, 2020		January 1 to March 31, 2019	
		Amount	%	Amount	%
4100	OPERATING REVENUE (Note 27)				
	Sales	\$ 11,356,408	100	\$ 13,493,376	100
5110	COST OF GOODS SOLD (Notes 11, 15, 16, 18, 24 and 28)	<u>9,517,158</u>	<u>84</u>	<u>11,933,016</u>	<u>89</u>
5900	GROSS PROFIT	<u>1,839,250</u>	<u>16</u>	<u>1,560,360</u>	<u>11</u>
	OPERATING EXPENSES (Notes 10, 15, 16, 18, 24, 28 and 35)				
6100	Selling and marketing expenses	464,475	4	497,426	4
6200	General and administrative expenses	297,851	2	343,408	2
6300	Research and development expenses	<u>85,122</u>	<u>1</u>	<u>110,987</u>	<u>1</u>
6000	Total operating expenses	<u>847,448</u>	<u>7</u>	<u>951,821</u>	<u>7</u>
6900	PROFIT FROM OPERATIONS	<u>991,802</u>	<u>9</u>	<u>608,539</u>	<u>4</u>
	NON-OPERATING INCOME AND EXPENSES				
7010	Other income (Notes 28 and 35)	58,465	-	92,951	1
7020	Other gains and losses (Notes 24, 28 and 39)	(52,167)	-	108,063	1

(Continued)

7050	Finance costs (Notes 19, 20 and 28)	(66,464)	(1)	(71,992)	(1)
7060	Share of profit of joint ventures accounted for using the equity method (Note 14)	(43,120)	-	16,850	-
7000	Total non-operating income and expenses	(103,286)	(1)	145,872	1
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$ 888,516	8	\$ 754,411	5
7950	INCOME TAX EXPENSE (Notes 4 and 29)	243,564	2	173,015	1
8000	NET PROFIT FROM CONTINUING OPERATIONS	644,952	6	581,396	4
8100	NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Note 12)	719	-	1,109	-
8200	NET PROFIT FOR THE PERIOD	645,671	6	582,505	4
	OTHER COMPREHENSIVE INCOME (LOSS) Items that will not be reclassified subsequently to profit or loss:				
8316	Profit or loss of equity instruments at FVTOCI (Note 26)	(375,206)	(4)	123,489	1

(Continued)

<u>Code</u>		<u>January 1 to March 31,</u> <u>2020</u>		<u>January 1 to March 31,</u> <u>2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	<u>224</u>	<u>-</u>	<u>(873)</u>	<u>-</u>
8310	Items that may be reclassified subsequently to profit or loss:	<u>(374,982)</u>	<u>(4)</u>	<u>122,616</u>	<u>1</u>
8361	Exchange differences on translating foreign operations (Note 26)	<u>(258,441)</u>	<u>(2)</u>	<u>420,549</u>	<u>3</u>
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	<u>23,461</u>	<u>-</u>	<u>(58,998)</u>	<u>-</u>
8360		<u>(234,980)</u>	<u>(2)</u>	<u>361,551</u>	<u>3</u>
8300	Other comprehensive income for the period, net of income tax	<u>(609,962)</u>	<u>(6)</u>	<u>484,167</u>	<u>4</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 35,709</u>	<u>-</u>	<u>\$ 1,066,672</u>	<u>8</u>

(Continued)

Code		January 1 to March 31, 2020		January 1 to March 31, 2019	
		Amount	%	Amount	%
	NET PROFIT				
	ATTRIBUTABLE TO:				
8610	Owners of the Company	\$ 216,956	2	\$ 253,361	2
8620	Non-controlling interests	<u>428,715</u>	<u>4</u>	<u>329,144</u>	<u>2</u>
8600		<u>\$ 645,671</u>	<u>6</u>	<u>\$ 582,505</u>	<u>4</u>
	TOTAL COMPREHENSIVE INCOME				
	ATTRIBUTABLE TO:				
8710	Owners of the Company	(\$ 219,266)	(2)	\$ 541,085	4
8720	Non-controlling interests	<u>254,975</u>	<u>2</u>	<u>525,587</u>	<u>4</u>
8700		<u>\$ 35,709</u>	<u>-</u>	<u>\$ 1,066,672</u>	<u>8</u>
	EARNINGS PER SHARE (Note 30)				
	From continuing and discontinued operations				
9750	Basic	<u>\$ 0.20</u>		<u>\$ 0.24</u>	
9850	Diluted	<u>\$ 0.20</u>		<u>\$ 0.24</u>	
	From continuing operations				
9710	Basic	<u>\$ 0.20</u>		<u>\$ 0.24</u>	
9810	Diluted	<u>\$ 0.20</u>		<u>\$ 0.24</u>	

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

USI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three Months Ended March 31, 2020 and 2019
(Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company												
		Capital Surplus				Retained Earnings			Other Equity					
Code		Share Capital (Note 26)	Treasury Share Transactions (Note 26)	Shares of Changes in Capital Surplus of Associates (Notes 13 and 26)	Others (Note 26)	Legal Reserve (Note 26)	Special Reserve (Note 26)	Unappropriated Earnings (Notes 8 and 26)	Exchange Differences on Translating Foreign Operations (Notes 26 and 29)	Unrealized Gain (Loss) on Financial Assets at FVTOCI (Notes 8, 26, and 29)	Treasury Shares (Note 26)	Total	Non-controlling interests (Notes 8, 13, and 26)	Total Equity
A1	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
A3	Effects of retrospective application	-	-	-	-	-	-	(9,509)	-	-	-	(9,509)	(4,490)	(13,999)
A5	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
D1	Net profit for the three months ended March 31, 2019	-	-	-	-	-	-	253,361	-	-	-	253,361	329,144	582,505
D3	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
D5	Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	-	253,361	177,112	110,612	-	541,085	525,587	1,066,672
C7	Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	87	-	-	-	-	-	-	-	87	13	100
Q1	Disposal of equity instruments at FVTOCI	-	-	-	-	-	-	2,116	-	(2,116)	-	-	-	-
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	115	115
Z1	BALANCE, MARCH 31, 2019	\$ 11,887,635	\$ 233,983	\$ 2,679	\$ 17,163	\$ 2,925,759	\$ 375,127	\$ 3,759,911	(\$ 31,195)	\$ 23,360	(\$ 475,606)	\$ 18,718,816	\$ 18,788,781	\$ 37,507,597
A1	BALANCE AT JANUARY 1, 2020	\$ 11,887,635	\$ 245,482	\$ 7,291	\$ 18,840	\$ 2,979,753	\$ 430,526	\$ 4,346,640	(\$ 602,871)	(\$ 178,187)	(\$ 475,606)	\$ 18,659,503	\$ 20,517,444	\$ 39,176,947
D1	Net profit for the three months ended March 31, 2020	-	-	-	-	-	-	216,956	-	-	-	216,956	428,715	645,671
D3	Other comprehensive income for the three months ended March 31, 2020, net of income tax	-	-	-	-	-	-	-	(99,640)	(336,582)	-	(436,222)	(173,740)	(609,962)
D5	Total comprehensive income for the three months ended March 31, 2020	-	-	-	-	-	-	216,956	(99,640)	(336,582)	-	(219,266)	254,975	35,709
C7	Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	33,965	-	-	-	-	-	-	-	33,965	(33,970)	(5)
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,818,261	1,818,261
Z1	BALANCE, MARCH 31, 2020	\$ 11,887,635	\$ 245,482	\$ 41,256	\$ 18,840	\$ 2,979,753	\$ 430,526	\$ 4,563,596	(\$ 702,511)	(\$ 514,769)	(\$ 475,606)	\$ 18,474,202	\$ 22,556,710	\$ 41,030,912

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

USI CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the Three Months Ended March 31, 2020 and 2019
 (Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars)

<u>Code</u>		<u>January 1 to March 31, 2020</u>	<u>January 1 to March 31, 2019</u>
	CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	Income before income tax from continuing operations	\$ 888,516	\$ 754,411
A00020	Income (loss) before income tax from discontinued operations	<u>719</u>	<u>1,109</u>
A10000	Income before income tax	889,235	755,520
A20010	Adjustments for:		
A20100	Depreciation expenses	576,298	523,963
A20200	Amortization expenses	16,691	14,547
A20300	Expected credit loss reversed on accounts receivable	(270)	(5,439)
A20400	Net loss (gain) on fair value change of financial assets and liabilities as at FVTPL	388,612	(50,821)
A20900	Finance costs	67,063	79,241
A21200	Interest income	(29,253)	(28,405)
A22300	Share of loss (profit) of joint ventures accounted for using the equity method	43,120	(16,850)
A22500	Loss (gain) on disposal of property, plant and equipment	120	(4,668)
A29900	Inventory write-downs recognized (reversed)	7,423	(24,608)
A23700	Impairment loss recognized on non-financial assets	1,294	14,442
A29900	Recognition (reversed) of provisions	1,837	(7,662)
A30000	Changes in operating assets and liabilities		
A31115	Decrease (increase) in financial assets mandatorily classified as at FVTPL	1,449,380	(1,947,571)
A31130	Decrease in notes receivable	94,220	45,524
A31150	Decrease in accounts receivable	724,870	657,398
A31180	Increase in other receivables	(63,486)	(19,036)

(Continued)

Code		January 1 to March 31, 2020	January 1 to March 31, 2019
A31200	Increase in inventories	(330,979)	(402,259)
A32130	Decrease in notes payable	-	(221)
A32150	Decrease in accounts payable	(669,662)	(86,849)
A32180	Decrease in other payables	(422,521)	(277,763)
A32200	(Decrease) increase in provisions	(12,452)	1,835
A32240	Decrease in net defined benefit liabilities	(98,891)	(93,028)
A32230	Increase in other current liabilities	<u>56,886</u>	<u>20,542</u>
A33000	Cash (used in) generated from operations	2,646,355	(1,027,449)
A33100	Interest received	\$ 32,146	\$ 29,416
A33300	Interest paid	(78,500)	(94,591)
A33500	Income tax received (paid)	(<u>39,979</u>)	<u>8,168</u>
AAAA	Net cash (used in) generated from operating activities	<u>2,560,022</u>	(<u>1,084,456</u>)
CASH FLOWS FROM INVESTING ACTIVITIES			
B00020	Proceeds from sale of financial assets at FVTOCI	-	2,389
B00030	Reduction of capital by returning cash of financial assets at FVTOCI	-	11,663
B00050	(Payments for) Proceeds from sale of financial assets measured at amortized cost	(179,800)	58,464
B02700	Payments for property, plant and equipment	(387,438)	(338,532)
B02800	Proceeds from disposal of property, plant and equipment	7,004	10,310
B03800	Decrease in refundable deposits	8,610	7,917
B04500	Payments for other intangible assets	(113)	(147)
B06700	Increase in other non-current assets	(<u>9,465</u>)	(<u>67,211</u>)
BBBB	Net cash used in investing activities	(<u>561,202</u>)	(<u>315,147</u>)
CASH FLOWS FROM FINANCING ACTIVITIES			
C00100	Increase (decrease) in short-term borrowings	86,152	(1,291,171)
C00500	(Decrease) Increase in short-term bills payable	(242,000)	733,000
C01300	Repayments of bonds	(1,000,000)	-

(Continued)

Code		January 1 to March 31, 2020	January 1 to March 31, 2019
C01700	Repayments of long-term borrowings	(4,999,900)	(9,499,441)
C03000	Increase in guarantee deposits received	14,698	224
C04020	Repayments of the principal portion of lease liabilities	(17,718)	(15,120)
C04300	(Decrease) Increase in other current liabilities	(293)	567
C05800	Change in non-controlling interests	<u>1,818,261</u>	<u>115</u>
CCCC	Net cash generated from financing activities	<u>1,029,200</u>	<u>1,078,174</u>
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(<u>69,914</u>)	(<u>11,582</u>)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,958,106	(333,011)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>7,927,403</u>	<u>8,123,304</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 10,885,509</u>	<u>\$ 7,790,293</u>

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

USI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(Reviewed, Not Audited)
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and issued by the Company’s board of directors on May 14, 2020.

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)

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.

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

New IFRSs	Effective Date Announced by IASB (Note)
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 “Classification of Liabilities as Current or Non-current”	January 1, 2022

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

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 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 refer to Note 13, Table 7, and Table 8 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Accounting policies applied in these consolidated financial statements except for the following can be referred to in the summary of significant accounting policies of the consolidated financial statements for the year ended December 31, 2019.

1) Employee 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.

2) 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.

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, 2019 which have been followed in these consolidated financial statements.

6. CASH AND CASH EQUIVALENTS

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Cash on hand and petty cash	\$ 89,011	\$ 74,250	\$ 78,519
Checking accounts and demand deposits	5,470,174	2,174,906	2,180,009
Cash equivalents			
Time deposits	5,206,721	5,463,246	3,879,353
Reserve repurchase agreements collateralized by bonds	119,603	215,001	1,652,412
	<u>\$10,885,509</u>	<u>\$ 7,927,403</u>	<u>\$ 7,790,293</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:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Bank deposits	0.10%~3.75%	0.10%~3.75%	0.60%~6.95%
Reserve repurchase agreements collateralized by bonds	0.62%~2.40%	0.58%~1.90%	0.51%~2.40%

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

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Financial assets mandatorily at FVTPL</u>			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 11,259</u>	<u>\$ 14,066</u>	<u>\$ 1,190</u>
Non-derivative financial assets			
Domestic listed shares and over-the-counter shares	234,713	364,057	164,296
Mutual funds	4,063,578	4,907,560	5,922,620
Beneficiary securities	209,690	1,071,797	996,657
Overseas listed shares	<u>529</u>	<u>545</u>	<u>799</u>
	<u>4,508,510</u>	<u>6,343,959</u>	<u>7,084,372</u>
	<u>\$ 4,519,769</u>	<u>\$ 6,358,025</u>	<u>\$ 7,085,562</u>
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 3,872</u>	<u>\$ 4,136</u>	<u>\$ 14,000</u>

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, 2020</u>			
Sell	RMB/NTD	109.04.06-109.06.29	RMB 217,000 /NTD 929,791
Sell	USD/MYR	109.06.30-109.12.31	USD 1,690 /MYR 7,098
Sell	USD/NTD	109.04.09-109.07.10	USD 36,110 /NTD 1,089,041
Sell	EUR/MYR	109.06.30-109.11.30	EUR 497 /MYR 2,306
Buy	JPY/USD	109.04.17-109.05.20	JPY 45,000 /USD 424
Buy	NTD/USD	109.04.09-109.05.25	NTD 144,375 /USD 4,795
<u>December 31, 2019</u>			
Sell	RMB/NTD	109.01.01-109.03.30	RMB 237,700 /NTD 1,020,283
Sell	USD/MYR	109.03.31-109.06.30	USD 865 /MYR 3,626
Sell	USD/NTD	109.01.03-109.03.24	USD 41,000 /NTD 1,241,134
Sell	EUR/MYR	109.03.31-109.06.30	EUR 224 /MYR 1,041
Buy	JPY/USD	109.01.06-109.01.22	JPY 40,000 /USD 368
Buy	NTD/USD	109.01.13-109.03.04	NTD 285,868 /USD 9,480
<u>March 31, 2019</u>			
Sell	RMB/NTD	108.04.02-108.06.27	RMB 257,300 /NTD 1,164,060
Sell	USD/MYR	108.05.31-108.07.30	USD 651 /MYR 2,647
Sell	USD/NTD	108.04.02 -108.06.06	USD 30,320 /NTD 931,106
Sell	EUR/MYR	108.05.31	EUR 92 /MYR 423
Buy	NTD/USD	108.04.01-108.04.26	NTD 294,686 /USD 9,580

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

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Current</u>			
Investments in equity instruments at FVTOCI			
Domestic investments			
Domestic listed shares and over-the-counter shares	\$ 132,189	\$ 174,789	\$ 185,274
<u>Non-current</u>			
Investments in equity instruments at FVTOCI			

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Domestic investments			
Listed shares and over-the-counter shares	\$ 1,072,841	\$ 1,439,624	\$ 1,768,000
Emerging market shares	11,301	16,178	24,052
Unlisted shares	<u>672,717</u>	<u>632,134</u>	<u>635,140</u>
	<u>1,756,859</u>	<u>2,087,936</u>	<u>2,427,192</u>
Overseas investments			
Listed shares and over-the-counter shares	5,298	8,649	8,096
Unlisted shares	<u>102,457</u>	<u>100,139</u>	<u>167,233</u>
	<u>107,755</u>	<u>108,788</u>	<u>175,329</u>
	<u>\$ 1,864,614</u>	<u>\$ 2,196,724</u>	<u>\$ 2,602,521</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 NT\$3,181 thousand from other equity to retained earnings in the amount of NT\$2,116 thousand and to non-controlling interests in the amount of NT\$1,065 thousand.

The investees announced a reduction of capital by returning cash during the three months ended March 31, 2019, and the Group received NT\$11,663 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

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Current</u>			
Pledged time deposits	\$ 347,665	\$ 347,981	\$ 380,625
Time deposits with initial maturity of more than three months	200,000	-	-
Investment products	<u>138,218</u>	<u>158,148</u>	<u>-</u>
	<u>\$ 685,883</u>	<u>\$ 506,129</u>	<u>\$ 380,625</u>
<u>Non-current</u>			
Pledged time deposits	<u>\$ 311,988</u>	<u>\$ 311,942</u>	<u>\$ 311,804</u>
Range of interest rates			
Pledged time deposits	0.09%~3.75%	0.09%~3.75%	0.09%~4.10%
Time deposits with initial maturity of more than three months	0.70%~0.88%	-	-
Investment products	3.00%	3.00%~3.20%	-

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

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Notes receivable (a)</u>			
At amortized cost			
Gross carrying amount	\$ 540,215	\$ 634,435	\$ 970,359
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>(2)</u>
	<u>\$ 540,215</u>	<u>\$ 634,435</u>	<u>\$ 970,357</u>
<u>Accounts receivable (a)</u>			
At amortized cost			
Gross carrying amount	\$ 5,779,855	\$ 6,504,725	\$ 6,987,186
Less: Allowance for impairment loss	<u>(93,326)</u>	<u>(93,648)</u>	<u>(106,818)</u>
	<u>\$ 5,686,529</u>	<u>\$ 6,411,077</u>	<u>\$ 6,880,368</u>

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Other receivables (b)</u>			
Tax refund receivables	\$ 283,575	\$ 209,112	\$ 251,746
Others	<u>54,149</u>	<u>68,019</u>	<u>48,280</u>
	<u>\$ 337,724</u>	<u>\$ 277,131</u>	<u>\$ 300,026</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. 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, 2020

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Gross carrying amount	\$ 2,662,245	\$ 329	\$ 3,202	\$ 2,665,776
Loss allowance (Lifetime ECLs)	(<u>4,651</u>)	<u>-</u>	(<u>2,653</u>)	(<u>7,304</u>)
Amortized cost	<u>\$ 2,657,594</u>	<u>\$ 329</u>	<u>\$ 549</u>	<u>\$ 2,658,472</u>

Based on credit quality

	<u>Credit Rating A</u>	<u>Credit Rating B</u>	<u>Credit Rating C</u>	<u>Others</u>	<u>Total</u>
Gross carrying amount	\$ 376,882	\$ 755,819	\$ 470,689	\$2,050,904	\$3,654,294
Loss allowance (Lifetime ECLs)	(<u>3,357</u>)	(<u>6,360</u>)	(<u>9,283</u>)	(<u>67,022</u>)	(<u>86,022</u>)
Amortized cost	<u>\$ 373,525</u>	<u>\$ 749,459</u>	<u>\$ 461,406</u>	<u>\$1,983,882</u>	<u>\$3,568,272</u>

December 31, 2019

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Gross carrying amount	\$ 3,033,751	\$ 1,120	\$ 3,661	\$ 3,038,532
Loss allowance (Lifetime ECLs)	(<u>4,651</u>)	<u>-</u>	(<u>2,186</u>)	(<u>6,837</u>)
Amortized cost	<u>\$ 3,029,100</u>	<u>\$ 1,120</u>	<u>\$ 1,475</u>	<u>\$ 3,031,695</u>

Based on credit quality

	<u>Credit Rating A</u>	<u>Credit Rating B</u>	<u>Credit Rating C</u>	<u>Others</u>	<u>Total</u>
Gross carrying amount	\$ 423,655	\$ 841,666	\$ 728,221	\$2,107,086	\$4,100,628
Loss allowance (Lifetime ECLs)	(4,753)	(5,327)	(6,117)	(70,614)	(86,811)
Amortized cost	<u>\$ 418,902</u>	<u>\$ 836,339</u>	<u>\$ 722,104</u>	<u>\$2,036,472</u>	<u>\$4,013,817</u>

March 31, 2019

Based on the number of days past due

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

Based on credit quality

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

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

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Not past due	\$ 3,321,999	\$ 3,874,348	\$ 4,431,971
Up to 60 days	250,129	147,019	119,314
Over 60 days	<u>82,166</u>	<u>79,261</u>	<u>62,025</u>
	<u>\$ 3,654,294</u>	<u>\$ 4,100,628</u>	<u>\$ 4,613,310</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:

	<u>For the Three Months Ended March 31, 2020</u>	<u>For the Three Months Ended March 31, 2019</u>
Balance at January	\$ 93,648	\$ 111,779
Less: Impairment losses reversed	(270)	(5,439)
Less: Amounts written off during the period as uncollectible	-	(45)
Foreign exchange translation gains and losses	(52)	<u>525</u>

Balance on March 31	<u>\$ 93,326</u>	<u>\$ 106,820</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, 2020, December 31, 2019 and March 31, 2019.

11. INVENTORIES

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Finished goods	\$ 2,861,272	\$ 2,728,069	\$ 4,126,276
Work in progress	451,036	350,133	477,666
Raw materials	1,579,068	1,315,085	2,098,696
Supplies	330,986	317,289	355,992
Inventory in transit	<u>26,853</u>	<u>208,930</u>	<u>87,057</u>
	<u>\$ 5,249,215</u>	<u>\$ 4,919,506</u>	<u>\$ 7,145,687</u>

The costs of inventories recognized as cost of goods sold for the three months ended March 31, 2020 and 2019, were \$9,517,158 thousand and \$11,933,016 thousand, respectively.

The cost of goods sold included inventory write-down of \$7,423 thousand and reversal of inventory write-downs of \$24,608 thousand as of March 31, 2020 and 2019, 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, 2020	For the Three Months Ended March 31, 2019
Administrative expenses	(<u>\$ 5,150</u>)	(<u>\$ 6,562</u>)
Loss from operations	(5,150)	(6,562)
Non-operating income	<u>5,869</u>	<u>7,671</u>
Net profit from discontinued operations	<u>\$ 719</u>	<u>\$ 1,109</u>

For the three months ended March 31, 2020 and 2019, the cash flows which can be attributed to the discontinued operations were as follows:

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Net cash (used in) generated from operating activities	(\$ 207)	\$ 8,138
Effect of exchange rate changes	(<u>628</u>)	<u>1,817</u>
Net cash (outflow) inflow	<u>(\$ 835)</u>	<u>\$ 9,955</u>

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark	
			March 31, 2020	December 31, 2019	March 31, 2019		
The Company	USIFE Investment Co., Ltd. ("USII")	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.			<u>15.0%</u>	<u>15.0%</u>	<u>15.0%</u>		
			<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, 2020	December 31, 2019	March 31, 2019	
The Company	Taiwan United Venture Capital Corp. ("TUVC")	Venture capital	70.0%	70.0%	70.0%	
Asia Polymer Corporation ("APC")			8.3%	8.3%	8.3%	
			<u>78.3%</u>	<u>78.3%</u>	<u>78.3%</u>	
The Company	Swanson Plastics Corp. ("SPC")	Production and marketing of stretch film, embossed film and industrial use multi-layer wrap	40.6%	40.6%	40.6%	
Asia Polymer Corporation			8.0%	8.0%	8.0%	
USIFE Investment Co., Ltd.			0.4%	0.4%	0.1%	
			<u>49.0%</u>	<u>49.0%</u>	<u>48.7%</u>	
The Company	Acme Electronics Corp. ("ACME")	Production and marketing of manganese-zinc soft ferrite powder	26.9%	26.9%	26.9%	
China General Plastics Corporation			1.7%	1.7%	1.7%	
USIFE Investment Co., Ltd.			9.3%	9.3%	9.0%	
Asia Polymer Corporation			3.3%	3.3%	3.3%	
Taita Chemical Company, Ltd.			2.4%	2.4%	2.4%	
APC Investment Corporation			1.0%	1.0%	1.0%	
			<u>44.6%</u>	<u>44.6%</u>	<u>44.3%</u>	7.
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			0.2%	0.2%	0.2%	
			<u>94.3%</u>	<u>94.3%</u>	<u>94.3%</u>	
Reinvestment business	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.			5.4%	5.4%	5.4%	
			<u>84.5%</u>	<u>84.5%</u>	<u>84.5%</u>	
APC (BVI) Holding Co., Ltd.	Golden Amber Enterprises Limited	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	ACME Electronics (BVI)Corp.	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
ACME Electronics (Cayman) Corp.	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%	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			March 31, 2020	December 31, 2019	March 31, 2019	
China General Terminal & Distribution Co.			0.9%	0.9%	0.9%	
USIFE Investment Co., Ltd.			0.3%	0.3%	0.3%	
Taiwan VCM Corporation			-	-	-	
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd. ("APC (BVI)")	Reinvestment business	<u>37.3%</u>	<u>37.3%</u>	<u>37.3%</u>	7.
Asia Polymer Corporation	USI International Corp.	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
APC (BVI) Holding Co., Ltd.			70.0%	70.0%	70.0%	
			<u>30.0%</u>	<u>30.0%</u>	<u>30.0%</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.			0.4%	0.4%	0.4%	
			<u>37.8%</u>	<u>37.8%</u>	<u>37.8%</u>	7.
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co, Ltd. (TAITA (BVI))	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
TAITA (BVI) Holding Co, Ltd.	Taita Chemical (Zhong Shan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	4.
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.			0.1%	0.1%	0.1%	
			<u>35.7%</u>	<u>35.7%</u>	<u>35.7%</u>	7.
China General Plastics Corporation	Taiwan VCM Corporation ("TVCM")	Manufacture and marketing of vinyl chloride monomer and related petrochemical products	<u>87.2%</u>	<u>87.2%</u>	<u>87.2%</u>	
	CGPC (BVI) Holding Co., Ltd.	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	CGPC America Corporation	Marketing of PVC two- or three-time processed products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Krystal Star International Corporation	Marketing of PVC two- or three-time processed products	-	-	<u>100.0%</u>	2.
	CGPC Polymer Corporation ("CGPCP")	Manufacture and marketing of PVC powder	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			March 31, 2020	December 31, 2019	March 31, 2019	
CGPC (BVI) Holding Co., Ltd.	CGPC (Chung Shan) Co., Ltd. ("CGPC (CS)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	3.
	Chung Shan CGPC Polymer Co., Ltd. ("Chung Shan (GPCP)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	3.
China General Plastics Corporation	China General Terminal & Distribution Co.	Warehousing petrochemical raw materials	33.3%	33.3%	33.3%	
Taita Chemical Company, Ltd.			33.3%	33.3%	33.3%	
Asia Polymer Corporation			<u>33.4%</u>	<u>33.4%</u>	<u>33.4%</u>	
			<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
USIFE Investment Co., Ltd.	Taiwan United Venture Management Corp. ("TUVVM")	Business management consulting	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
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.	PT. Swanson Plastics Indonesia Ltd.	Production and marketing of plastic products	1.0%	1.0%	1.0%	
Swanson Plastics Company Ltd. (Singapore)			<u>99.0%</u>	<u>99.0%</u>	<u>99.0%</u>	
			<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
Swanson Plastics Corp.	Swanson Technologies Corporation	Production, marketing and development of EVA packaging film and other value added plastic products	70.0%	70.0%	70.0%	
APC Investment Corporation			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.	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (India) Private Limited	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	<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 of PE release film and other release products' production and sales	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
The Company	Ever Conquest Global Limited ("ECGL")	Investment business	60.2%	63.1%	63.1%	
Asia Polymer Corporation			<u>39.8%</u>	<u>36.9%</u>	<u>36.9%</u>	
			<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
Ever Conquest Global Limited	Ever Victory Global Limited ("EVGL")	Investment business	<u>72.2%</u>	<u>80.0%</u>	<u>77.5%</u>	5, 6. and 7.
Ever Victory Global Limited	Dynamic Ever Investments Limited ("DEIL")	Investment business	<u>89.9%</u>	<u>89.9%</u>	<u>100.0%</u>	5. and 6.

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. In July 2019, CGPC obtained the remaining assets of \$78,556 thousand returned by its subsidiary Krystal Star International Corporation, which completed its process of liquidation in December 2019.
3. CGPC disposed of CGPC (CS) and CGPCP as approved in the meeting of the board of directors in October 2011. CGPC (CS) and CGPCP had not completed the process of liquidation as of March 31, 2020.
4. As TTC assessed that there is shrinking demand in the local market for expanded polystyrene (EPS), which is the main product produced by its subsidiary Taita Chemical (Tianjin) Co., Ltd. ("TTC (Tianjin)"), TTC's management decided to suspend production from TTC (Tianjin) starting April 2019, please refer to Note 15 for the details.
5. As of March 31, 2020, the Company and APC invested capital amounted to US\$246,670 thousand (around NT\$7,645,981 thousand) and US\$162,992 thousand (around NT\$5,042,230 thousand) in ECGL, respectively, and reinvested in EVGL via ECGL as well as in DEIL. The total ownership percentage of the Group in EVGL is 72.2%. For more explanation, please refer to 6. and Note 38.
6. ECGL subscribed for additional new shares of EVGL at a percentage different from its existing ownership percentage in May and August 2019, and reinvested in DEIL through EVGL at a percentage different from its existing ownership percentage in June and August 2019. After the capital increases, the Group's ownership percentage in EVGL

increased from 77.5% to 80.0%, while EVGL's ownership percentage in DEIL decreased from 100% to 89.9%. As these transactions did not change the Group's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to increases in capital surplus of \$4,275 thousand and decreases in retained earnings of \$1,191 thousand.

ECGL subscribed for additional new shares of EVGL at a percentage different from its existing ownership percentage in March 2020, and reinvested in DEIL through EVGL at a percentage different from its existing ownership percentage in April 2020. After the capital increases, the Group's ownership percentage in EVGL decreased from 80.0% to 72.2%. As these transactions did not change the Group's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to increases in capital surplus of \$36,747 thousand.

7. This is a subsidiary of a material non-controlling interest.

For the three months ended March 31, 2020, expect for the financial statements of significant subsidiaries of CGPC, TTC, UPIIC, ECGL, EVGL, DEIL 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.

For the three months ended March 31, 2019, 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

Proportion of Ownership and Voting Rights Held
by Non-controlling Interests

Name of Subsidiary	March 31, 2020	December 31, 2019	March 31, 2019
CGPC	64.3%	64.3%	64.3%
TTC	62.2%	62.2%	62.2%
ACME	55.4%	55.4%	55.7%
APC	62.7%	62.7%	62.7%
EVGL	27.8%	20.0%	22.5%

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	For the Three Months Ended	March 31, 2020	December 31, 2019	March 31, 2019
	March 31, 2020	March 31, 2019	March 31, 2020	December 31, 2019	March 31, 2019
CGPC	\$ 204,532	\$ 121,133	\$ 5,525,712	\$ 5,275,245	\$ 5,470,904
TTC	\$ 91,666	\$ 123,630	\$ 2,730,332	\$ 2,683,447	\$ 2,642,985
ACME	(\$ 2,728)	(\$ 19,774)	\$ 683,574	\$ 694,961	\$ 770,382
APC	\$ 99,039	\$ 92,481	\$ 6,231,946	\$ 6,488,546	\$ 6,293,914
EVGL	(\$ 10,317)	\$ 2,823	\$ 4,627,154	\$ 2,885,402	\$ 2,545,211

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

CGPC and CGPC's subsidiaries

	March 31, 2020	December 31, 2019	March 31, 2019
Current assets	\$ 5,137,104	\$ 4,876,866	\$ 6,094,179
Non-current assets	7,465,759	7,454,367	7,149,003
Current liabilities	(1,637,954)	(1,695,099)	(2,063,979)
Non-current liabilities	(1,906,561)	(1,923,568)	(2,177,192)
Equity	<u>\$ 9,058,348</u>	<u>\$ 8,712,566</u>	<u>\$ 9,002,011</u>

(Continued)

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Equity attributable to:			
Owners of CGPC	\$ 3,033,284	\$ 2,975,567	\$ 3,088,199
Non-controlling interests of CGPC	5,525,712	5,275,245	5,470,904
Non-controlling interests of CGPC's subsidiaries	<u>499,352</u>	<u>461,754</u>	<u>442,908</u>
	<u>\$ 9,058,348</u>	<u>\$ 8,712,566</u>	<u>\$ 9,002,011</u>
		For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Revenue		<u>\$ 3,591,214</u>	<u>\$ 3,227,707</u>
Net profit from continuing operations		\$ 347,985	\$ 189,859
Net profit (loss) from discontinued operations		<u>719</u>	<u>1,109</u>
Profit for the period		348,704	190,968
Other comprehensive income (loss) for the period		(<u>2,916</u>)	<u>4,974</u>
Total comprehensive income for the period		<u>\$ 345,788</u>	<u>\$ 195,942</u>
Profit attributable to:			
Owners of CGPC		\$ 106,545	\$ 63,101
Non-controlling interests of CGPC		204,532	121,133
Non-controlling interests of CGPC's subsidiaries		<u>37,627</u>	<u>6,734</u>
		<u>\$ 348,704</u>	<u>\$ 190,968</u>
Total comprehensive income attributable to:			
Owners of CGPC		\$ 60,861	\$ 69,323
Non-controlling interests of CGPC		247,329	119,869
Non-controlling interests of CGPC's subsidiaries		<u>37,598</u>	<u>6,750</u>
		<u>\$ 345,788</u>	<u>\$ 195,942</u>

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Net cash inflow (outflow)		
from:		
Operating activities	\$ 112,700	\$ 273,497
Investing activities	(154,864)	(188,291)
Financing activities	76,508	(258,338)
Effects of exchange rate changes	<u>472</u>	<u>2,407</u>
Net cash inflow (outflow)	<u>\$ 34,816</u>	<u>(\$ 170,725)</u>

TTC and TTC's subsidiaries

	March 31, 2020	December 31, 2019	March 31, 2019
Current assets	\$ 4,462,268	\$ 4,801,480	\$ 5,173,844
Non-current assets	3,102,617	3,203,261	3,353,714
Current liabilities	(1,800,945)	(2,278,694)	(2,834,629)
Non-current liabilities	(<u>1,407,907</u>)	(<u>1,426,284</u>)	(<u>1,464,312</u>)
Equity	<u>\$ 4,356,033</u>	<u>\$ 4,299,763</u>	<u>\$ 4,228,617</u>
Equity attributable to:			
Owners of TTC	\$ 1,625,701	\$ 1,616,316	\$ 1,585,632
Non-controlling interests of TTC	<u>2,730,332</u>	<u>2,683,447</u>	<u>2,642,985</u>
	<u>\$ 4,356,033</u>	<u>\$ 4,299,763</u>	<u>\$ 4,228,617</u>

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Revenue	<u>\$ 2,958,085</u>	<u>\$ 4,600,156</u>
Profit for the period	\$ 144,750	\$ 195,224
Other comprehensive income for the period	(<u>88,480</u>)	<u>44,485</u>
Total comprehensive income for the period	<u>\$ 56,270</u>	<u>\$ 239,709</u>
Profit attributable to:		
Owners of TTC	\$ 53,084	\$ 71,594
Non-controlling interests of TTC	<u>91,666</u>	<u>123,630</u>
	<u>\$ 144,750</u>	<u>\$ 195,224</u>
Total comprehensive income attributable to:		
Owners of TTC	\$ 13,165	\$ 88,674

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Non-controlling interests of TTC	43,105	151,035
	<u>\$ 56,270</u>	<u>\$ 239,709</u>
Net cash inflow from:		
Operating activities	\$ 519,686	\$ 630,665
Investing activities	(24,580)	37,034
Financing activities	(265,089)	(366,100)
Effects of exchange rate changes	(7,803)	5,311
Net cash inflow	<u>\$ 222,214</u>	<u>\$ 306,910</u>

ACME and ACME's subsidiaries

	March 31, 2020	December 31, 2019	March 31, 2019
Current assets	\$ 1,763,264	\$ 1,780,507	\$ 1,878,229
Non-current assets	1,695,895	1,753,574	1,809,394
Current liabilities	(1,042,675)	(1,085,862)	(1,080,969)
Non-current liabilities	(625,654)	(612,610)	(587,564)
Equity	<u>\$ 1,790,830</u>	<u>\$ 1,835,609</u>	<u>\$ 2,019,090</u>
Equity attributable to:			
Owners of ACME	\$ 544,958	\$ 557,511	\$ 620,695
Non-controlling interests of ACME	683,574	694,961	770,382
Non-controlling interests of ACME's subsidiaries	562,298	583,137	628,013
	<u>\$ 1,790,830</u>	<u>\$ 1,835,609</u>	<u>\$ 2,019,090</u>

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Revenue	\$ 513,035	\$ 520,088
Loss for the period	(\$ 8,728)	(\$ 47,948)
Other comprehensive (loss) income for the period	(36,051)	44,334
Total comprehensive (loss) income for the period	<u>(\$ 44,779)</u>	<u>(\$ 3,614)</u>

Loss attributable to:

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Owners of ACME	(\$ 2,178)	(\$ 15,875)
Non-controlling interests of ACME	(2,728)	(19,774)
Non-controlling interests of ACME's subsidiaries	(3,822)	(12,299)
	<u>(\$ 8,728)</u>	<u>(\$ 47,948)</u>
Total comprehensive (loss) income attributable to:		
Owners of ACME	(\$ 10,628)	(\$ 3,164)
Non-controlling interests of ACME	(13,312)	(3,923)
Non-controlling interests of ACME's subsidiaries	(20,839)	3,473
	<u>(\$ 44,779)</u>	<u>(\$ 3,614)</u>
Net cash inflow from:		
Operating activities	\$ 19,077	(\$ 11,041)
Investing activities	3,363	(60,368)
Financing activities	27,847	95,457
Effects of exchange rate changes	(23,748)	24,283
Net cash inflow	<u>\$ 26,539</u>	<u>\$ 48,331</u>

APC and APC's subsidiaries

	March 31, 2020	December 31, 2019	March 31, 2019
Current assets	\$ 3,839,845	\$ 4,940,438	\$ 5,515,772
Non-current assets	11,955,479	11,982,653	11,100,496
Current liabilities	(2,304,639)	(2,469,828)	(2,685,495)
Non-current liabilities	(3,714,953)	(4,223,443)	(4,057,379)
Equity	<u>\$ 9,775,732</u>	<u>\$10,229,820</u>	<u>\$ 9,873,394</u>
Equity attributable to:			
Owners of APC	\$ 3,543,786	\$ 3,741,274	\$ 3,579,480
Non-controlling interests of APC	6,231,946	6,488,546	6,293,914
	<u>\$ 9,775,732</u>	<u>\$10,229,820</u>	<u>\$ 9,873,394</u>

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
--	---	---

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Revenue	<u>\$ 1,314,013</u>	<u>\$ 1,709,711</u>
Profit for the period	\$ 146,395	\$ 136,701
Other comprehensive income (loss) for the period	(<u>604,592</u>)	<u>135,621</u>
Total comprehensive income (loss) for the period	(<u>\$ 458,197</u>)	<u>\$ 272,322</u>
Profit attributable to:		
Owners of APC	\$ 47,356	\$ 44,220
Non-controlling interests of APC	<u>99,039</u>	<u>92,481</u>
	<u>\$ 146,395</u>	<u>\$ 136,701</u>
Total comprehensive income (loss) attributable to:		
Owners of APC	(\$ 195,898)	\$ 113,863
Non-controlling interests of APC	(<u>262,299</u>)	<u>158,459</u>
	(<u>\$ 458,197</u>)	<u>\$ 272,322</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 1,413,018	(\$ 1,007,514)
Investing activities	(816,911)	(1,850)
Financing activities	(501,225)	748,734
Effects of exchange rate changes	<u>671</u>	<u>2,722</u>
Net cash inflow (outflow)	<u>\$ 95,553</u>	(<u>\$ 257,908</u>)

EVGL and EVGL's subsidiaries

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Current assets	\$ 3,562,676	\$ 1,194,368	\$ 723,257
Non-current assets	14,715,674	14,867,168	10,590,991
Current liabilities	(11,541)	(14,346)	(15,309)
Equity	<u>\$18,266,809</u>	<u>\$16,047,190</u>	<u>\$11,298,939</u>
Equity attributable to:			
Owners of EVGL	\$12,041,170	\$11,547,692	\$ 8,753,728
Non-controlling interests of EVGL	4,627,154	2,885,402	2,545,211
Non-controlling interests of EVGL's subsidiaries	<u>1,598,485</u>	<u>1,614,096</u>	<u>-</u>
	<u>\$18,266,809</u>	<u>\$16,047,190</u>	<u>\$11,298,939</u>

	<u>For the Three Months Ended March 31, 2020</u>	<u>For the Three Months Ended March 31, 2019</u>
(Loss) profit for the year	(\$ 57,280)	\$ 12,534
Other comprehensive (loss) income for the year	(100,196)	<u>237,624</u>
Total comprehensive (loss) income for the year	<u>(\$ 157,476)</u>	<u>\$ 250,158</u>
(Loss) profit attributable to:		
Owners of EVGL	(\$ 41,289)	\$ 9,711
Non-controlling interests of EVGL	(10,317)	2,823
Non-controlling interests of EVGL's subsidiaries	<u>(5,674)</u>	<u>-</u>
	<u>(\$ 57,280)</u>	<u>\$ 12,534</u>
Total comprehensive (loss) income attributable to:		
Owners of EVGL	(\$ 113,876)	\$ 193,807
Non-controlling interests of EVGL	(27,989)	56,351
Non-controlling interests of EVGL's subsidiaries	<u>(15,611)</u>	<u>-</u>
	<u>(\$ 157,476)</u>	<u>\$ 250,158</u>

Net cash inflow from:

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Operating activities	(\$ 7,136)	\$ 5,679
Financing activities	2,377,094	-
Effects of exchange rate changes	<u>8,178</u>	<u>2,428</u>
Net cash inflow	<u>\$ 2,378,136</u>	<u>\$ 8,107</u>

Please refer to Notes 19 and 36 for the information related to part of subsidiaries' shares pledged as collateral for long-term bank borrowings.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Investments in joint ventures Associates that are individually material Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	<u>\$ 14,715,674</u>	<u>\$ 14,867,168</u>	<u>\$ 10,590,991</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, 2020, December 31, 2019 and March 31, 2019. 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 8.

The summary of financial information below represents amounts shown in the joint venture's financial statements prepared

in accordance with IFRSs adjusted by the Group for equity accounting purposes.

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Cash	<u>\$ 1,316,986</u>	<u>\$ 2,078,359</u>	<u>\$ 13,603,056</u>
Current assets	\$ 1,521,218	\$ 2,102,915	\$ 13,889,764
Non-current assets	45,919,258	40,551,677	12,799,319
Current liabilities	(8,169,376)	(8,164,871)	(5,478,750)
Non-current liabilities	(<u>9,839,752</u>)	(<u>4,755,385</u>)	(<u>28,351</u>)
Equity	29,431,348	29,734,336	21,181,982
Proportion of the Group's ownership	<u>50%</u>	<u>50%</u>	<u>50%</u>
Equity attributable to the Group	<u>\$ 14,715,674</u>	<u>\$ 14,867,168</u>	<u>\$ 10,590,991</u>
Carrying amount	<u>\$ 14,715,674</u>	<u>\$ 14,867,168</u>	<u>\$ 10,590,991</u>

	<u>For the Three Months Ended March 31, 2020</u>	<u>For the Three Months Ended March 31, 2019</u>
Shares attributable to the Group		
Net (loss) profit of the period	(<u>\$ 43,120</u>)	<u>\$ 16,850</u>

Gulei had no significant operating income for the three months ended March 31, 2020 and 2019.

For the three months ended March 31, 2020 and 2019, 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

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Freehold land	\$ 4,682,238	\$ 4,682,238	\$ 4,726,441
Land improvements	7,843	8,232	9,458
Building improvements	4,169,212	4,282,923	4,128,122
Machinery and equipment	12,168,645	12,418,786	11,085,549
Transportation equipment	43,014	46,865	53,932
Other equipment	287,426	300,065	317,578

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Construction in progress and equipment under installation	<u>1,635,866</u>	<u>1,489,802</u>	<u>3,418,592</u>
	<u>\$ 22,994,244</u>	<u>\$ 23,228,911</u>	<u>\$ 23,739,672</u>

On March 21, 2013 the board of directors of the Company decided to invest \$1,000,000 thousand for the construction of a CBC production plant. On September 23, 2014, the board of directors of the Company decided to construct a front-end material production plant and utility system, costing \$1,000,000 thousand. In addition, the amount of investment to adjust the plant configuration was increased by \$700,000 thousand after discussion by the board of directors of the Company in its meeting on August 11, 2016, and the total cost was \$2,700,000 thousand. The project was completed in 2019, and total fees and charge were \$2,331,883 thousand. In June 2014, the Company received subsidies amounting to \$160,000 thousand from the Industrial Development Bureau, and as of December 31, 2019, the Company had received \$158,841 thousand. According to the schedule and acceptance situation, the subsidy income had accumulated to \$158,841 thousand.

According to Rule No. 1072133080 issued by the Land Administration Department of the New Taipei City Government on November 7, 2018, the Company's land and buildings in Linkou which were recognized under property, plant and equipment are within the scope of the "Linkou City Land Rezoning Area". Part of the land will be reclaimed, and a portion of this reclaimed land is expected to be returned in 2022. Based on the area's land reclamation regulations, when the Company reclaims the land, it does not have the obligation to dismantle the existing buildings on the land, nor does it have the obligation to set up factories in the area after reclamation is complete; its only obligation is to vacate the existing buildings. The Company is also not required to repay or

satisfy any other obligations with respect to the compensation fees obtained from moving out of the various existing buildings, incentives for automatic relocation and compensation for operating losses after the buildings on the reclaimed land have been handed over. The related compensation and incentive fees which the Company received as a result of the aforementioned land reclamation case amounted to \$154,764 thousand and \$38,230 thousand in the months of April 2019 and July 2019, respectively, for a combined total of \$192,994 thousand. The Company had completed its obligation to move out from the existing buildings and land and completed the related handover procedures with the New Taipei City Government. As there are no repayment obligations or other obligations to be satisfied, other than recognizing the various compensation fees as adjustments to the costs of the original land and buildings, related compensation fee revenue of \$155,710 thousand was recognized.

At the end of March 2019, USIO assessed that the carrying amounts of part of the machinery equipment and other equipment were unrecoverable and recognized an impairment loss of \$14,131 thousand. The impairment loss was reported under operating expenses in the consolidated statements of comprehensive income.

Due to shrinking demand of EPS in the local market, the main product of Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)"), the management decided to suspend the production of TAITA (TJ) starting from April 2019. TAITA (TJ) determined the recoverable amounts of the property, plant and equipment (including right-of-use assets), on the basis of fair values less costs of disposal. TAITA (TJ) recognized an impairment loss of \$60,265 thousand in 2019, which was reported under operating costs in the consolidated statements of comprehensive income.

ACME (KS) assessed that the carrying amounts of part of the machinery equipment and other equipment were unrecoverable in 2019 and recognized impairment loss of \$37,939 thousand. The impairment loss was reported under operating expenses in the consolidated statements of comprehensive income.

Since the above items of property, plant and equipment showed no sign of impairment for the three months ended March 31, 2020, the Group did not conduct an impairment assessment.

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

Land improvements	7-25 years
Building improvements	
Factories and other machines	15-55 years
Main buildings	3-60 years
Storage rooms	8-45 years
Others	2-40 years
Machinery and equipment	2-25 years
Transportation equipment	2-15 years
Other equipment	2-25 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 28 (c) finance cost.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Carrying amounts			
Leasehold land	\$ 179,347	\$ 184,708	\$ 191,181
Land use rights	420,215	444,306	478,059
Buildings	162,599	195,662	209,972
Machinery and equipment	58,264	60,697	7,274
Transportation equipment	<u>762</u>	<u>135</u>	<u>799</u>
	<u>\$ 821,187</u>	<u>\$ 885,508</u>	<u>\$ 887,285</u>
		For the Three Months Ended	For the Three Months Ended
		<u>March 31, 2020</u>	<u>March 31, 2019</u>
Addition for right-of-use assets	<u>\$ 847</u>		<u>\$ -</u>
Depreciation charge for right-of-use assets			
Leasehold land	\$ 3,828		\$ 4,514
Land use rights	4,997		3,914
Buildings	6,986		7,367
Machinery and equipment	2,012		614
Transportation equipment	<u>221</u>		<u>221</u>
	<u>\$ 18,044</u>		<u>\$ 16,630</u>

Except for the recognition of depreciation expense, the Group's right-of-use assets did not experience significant impairments for the three months ended March 31, 2020 and 2019.

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 19 and 36.

b. Lease liabilities

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Carrying amounts			
Current	<u>\$ 69,063</u>	<u>\$ 70,814</u>	<u>\$ 69,390</u>
Non-current	<u>\$ 439,150</u>	<u>\$ 481,964</u>	<u>\$ 461,666</u>

Range of discount rate for lease liabilities was as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Lease land	0.83% ~ 9.25%	0.83% ~ 9.25%	1.04% ~ 2.00%
Buildings	1.04% ~ 2.00%	1.04% ~ 2.00%	1.04% ~ 2.00%
Machinery	1.04% ~ 1.16%	1.04% ~ 1.16%	1.04% ~ 1.16%
Transportation equipment	1.06% ~ 1.25%	1.06% ~ 1.25%	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.

d. Other lease information

Lease arrangements under operating leases for leasing out of investment properties are set out in Note 17. For details of lease information, please refer to the following table (the Group as lessee).

	<u>For the Three Months Ended March 31, 2020</u>	<u>For the Three Months Ended March 31, 2019</u>
Expenses relating to short-term leases	<u>\$ 9,842</u>	<u>\$ 8,194</u>
Expenses relating to low-value asset leases	<u>\$ 375</u>	<u>\$ 633</u>
Expenses relating to variable lease payments not including in the	<u>\$ 10,757</u>	<u>\$ -</u>

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
measurement of lease liabilities		
Total cash outflow for leases	(<u>\$ 40,595</u>)	(<u>\$ 25,974</u>)

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

17. INVESTMENT PROPERTIES

	March 31, 2020	December 31, 2019	March 31, 2019	
Completed investment properties				
Land	\$ 115,053	\$ 115,053	\$ 90,971	
Buildings	309,865	313,847	90,942	
Right-of-use assets	<u>91,772</u>	<u>95,508</u>	<u>106,716</u>	
	<u>\$ 516,690</u>	<u>\$ 524,408</u>	<u>\$ 288,629</u>	
	Land	Buildings	Right-of-use assets	Total
<u>Cost</u>				
Balance at January 1, 2020	\$ 119,022	\$ 428,521	\$ 110,452	\$ 657,995
Effect of foreign currency exchange differences	-	751	-	751
Balance at March 31, 2020	<u>\$ 119,022</u>	<u>\$ 429,272</u>	<u>\$ 110,452</u>	<u>\$ 658,746</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2020	\$ 3,969	\$ 114,674	\$ 14,944	\$ 133,587
Depreciation expenses	-	4,447	3,736	8,183
Effect of foreign currency exchange differences	-	286	-	286
Balance at March 31, 2020	<u>\$ 3,969</u>	<u>\$ 119,407</u>	<u>\$ 18,680</u>	<u>\$ 142,056</u>
Carrying amounts at March 31, 2020	<u>\$ 115,053</u>	<u>\$ 309,865</u>	<u>\$ 91,772</u>	<u>\$ 516,690</u>
<u>Cost</u>				
Balance at January 1, 2019	\$ 94,940	\$ 173,492	\$ -	\$ 268,432
Adjustments on initial application of IFRS 16	-	-	110,452	110,452
Balance at January 1, 2019 (restated)	94,940	173,492	110,452	378,884
Effect of foreign currency	-	321	-	321

	Land	Buildings	Right-of-use assets	Total
exchange differences				
Balance at March 31, 2019	\$ 94,940	\$ 173,813	\$ 110,452	\$ 379,205
<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	-	115	-	115
Balance at March 31, 2019	<u>\$ 3,969</u>	<u>\$ 82,871</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>

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

Except for the recognition of depreciation expense, there were no significant increases, disposals and impairment of the Group's investment properties for the three months ended March 31, 2020 and 2019.

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

Buildings	3-55 years
Right-of-use assets	3-12 years

Part of the Group's investment properties are located in the Toufen and Linyuan Industrial District. As these districts are designated for industrial use, information on comparable market transactions are uncommon and alternative reliable measurements of the fair value estimates are not available. Hence, the Group determined that the fair value of these investment properties cannot be reliably determined. The fair values of the remaining investment properties were not assessed by independent appraisers; instead,

they were arrived at by using the valuation model that most market participants would use in determining fair value by using Level 3 inputs, with reference to the transaction prices of similar properties in the vicinity. The fair value of right-of-use assets was determined by adding back the amount of related lease liabilities recognized to the net amount of the expected lease income after deducting all the expected payments.

The fair values of investment properties as of March 31, 2020, December 31, 2019 and March 31, 2019 were as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Fair value	<u>\$ 1,168,473</u>	<u>\$ 1,180,999</u>	<u>\$ 929,414</u>

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

18. GOODWILL AND OTHER INTANGIBLE ASSETS

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Goodwill (a)	<u>\$ 269,026</u>	<u>\$ 269,026</u>	<u>\$ 269,026</u>
Other intangible assets (b)			
Technology royalties and patent right	\$ 5,442	\$ 7,109	\$ 12,308
Computer software	9,433	9,895	8,128
Others	<u>-</u>	<u>-</u>	<u>6,444</u>
	<u>\$ 14,875</u>	<u>\$ 17,004</u>	<u>\$ 26,880</u>

a. Goodwill

No impairment assessment was performed periodically as there was no indication of impairment on March 31, 2020 and 2019.

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, 2020 and 2019.

The 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. BORROWINGS

a. Short-term borrowings

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Secured borrowings</u>			
Bank loans	\$ -	\$ -	\$ 153,775
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>4,345,132</u>	<u>4,258,980</u>	<u>5,281,908</u>
	<u>\$ 4,345,132</u>	<u>\$ 4,258,980</u>	<u>\$ 5,435,683</u>
Range of interest rates	0.83% ~ 3.95%	0.81% ~ 4.58%	0.82% ~ 4.58%

b. Short-term bills payable

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Commercial paper	\$ 1,111,000	\$ 1,353,000	\$ 2,248,000
Less: Unamortized discount on bills payable	(<u>369</u>)	(<u>190</u>)	(<u>751</u>)
	<u>\$ 1,110,631</u>	<u>\$ 1,352,810</u>	<u>\$ 2,247,249</u>
Range of interest rates	0.50% ~ 1.298%	0.50% ~ 1.188%	0.49% ~ 1.27%

c. Long-term borrowings

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Secured borrowings</u>	<u>\$ 2,893,200</u>	<u>\$ 1,743,200</u>	<u>\$ 3,293,200</u>
Line of credit borrowings	<u>6,850,000</u>	<u>7,650,000</u>	<u>7,300,000</u>
	<u>9,743,200</u>	<u>9,393,200</u>	<u>10,593,200</u>
Commercial paper	120,000	100,000	200,000
Unamortized discount on bills payable	(<u>130</u>)	(<u>230</u>)	(<u>17</u>)
	<u>119,870</u>	<u>99,770</u>	<u>199,983</u>
	9,863,070	9,492,970	10,793,183
Less: Current portions	(<u>683,200</u>)	(<u>443,200</u>)	(<u>867,500</u>)
Long-term borrowings	<u>\$ 9,179,870</u>	<u>\$ 9,049,770</u>	<u>\$ 9,925,683</u>

(Continued)

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Range of interest rates			
Secured borrowings	0.88%~1.30%	1.05%~1.33%	1.04%~1.30%
Line of credit borrowings	0.94%~1.34%	0.98%~1.18%	0.98%~1.34%
Commercial paper	1.528%	1.528%	1.50%

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 \$4,800,000 thousand, which is used cyclically during the validity period. As of March 31, 2020, 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 December 2022 with a total credit limit of \$2,000,000 thousand, which is used cyclically during the validity period. As of March 31, 2020, UPIIC had borrowed \$1,150,000 thousand.

CGPCPOL 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 \$1,350,000 thousand, which is used cyclically during the validity period. As of March 31, 2020, CGPCPOL had borrowed \$500,000 thousand.

TTC entered into medium- and long-term financing contracts with banks to increase working capital. The contract will be effective up to June 2022 with a total credit limit of \$1,600,000 thousand, which is used cyclically during the validity period. As of March 31, 2020, 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 February 2023 with a total credit limit of \$6,000,000 thousand, which is used cyclically during the validity period. As of March 31, 2020, APC had borrowed \$3,450,000 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 \$460,000 thousand, which is used cyclically during the validity period. As of March 31, 2020, ACME had borrowed \$340,000 thousand.

SPC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to December 2024 with a total credit limit of \$503,200 thousand, which is used cyclically during the validity period. As of March 31, 2020, SPC had borrowed \$503,200 thousand.

According to the loan contracts of part of subsidiaries, the current ratio, bank loan ratio, debt ratio, and interest protection multiples should not be less than the specified percentage. The subsidiaries should provide improvements to the bank if the requirements were not met. As of March 31, 2020, the subsidiaries did not violate the requirements.

20. BONDS PAYABLE

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
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
Domestic unsecured bonds			
104-1B - issuance on	1,000,000	1,000,000	1,000,000

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
February 12, 2015, 7 years, total amount \$1,000,000 thousand, coupon rate 1.90%, bullet repayment			
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	2,000,000	2,000,000	2,000,000
Domestic unsecured bonds 108-1 - issuance on April 26, 2019, 5 years, total amount \$2,000,000 thousand, coupon rate 0.98%, bullet repayment	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
	7,000,000	8,000,000	6,000,000
Less: Discounts on bonds payable	(<u>7,933</u>)	(<u>8,717</u>)	(<u>6,782</u>)
	6,992,067	7,991,283	5,993,218
Less: Current portions	<u>-</u>	(<u>999,956</u>)	(<u>999,628</u>)
	<u>\$ 6,992,067</u>	<u>\$ 6,991,327</u>	<u>\$ 4,993,590</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 due bonds and to increase working capital. The unsecured ordinary corporate bonds with a 5-7-year maturity, due for repayment, were all issued in February 2015. The Company repaid \$1,000,000 thousand due in February 2020.

In October 2016, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2016 with the amount of \$2,000,000 thousand in order to reimburse the bank loans, and

the unsecured ordinary corporate bonds with a 5-year maturity, due for repayment, were all issued in October 2016.

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 all issued in October 2017.

In April 2019, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2019 with the amount of \$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-year maturity, due for repayment, were all issued in April 2019.

In order to repay its bank borrowings, the Company passed its resolution to apply for the issuance of its first unsecured ordinary corporate bonds amounting to \$2,000,000 thousand in the board of directors' meeting in March 2020; the bonds are expected to be issued before the end of 2020.

21. NOTES AND ACCOUNTS PAYABLE

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Operating</u>			
Notes payable	\$ -	\$ -	\$ 262
Accounts payable	<u>2,087,706</u>	<u>2,757,368</u>	<u>3,305,355</u>
	<u>\$ 2,087,706</u>	<u>\$ 2,757,368</u>	<u>\$ 3,305,617</u>

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

22. OTHER PAYABLES

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 460,853	\$ 790,918	\$ 464,096
Payables for purchases of equipment	195,015	191,407	108,967

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Payables for water and electricity	193,299	188,541	192,010
Payables for fares	\$ 164,576	\$ 174,702	\$ 158,039
Payables for interests	43,392	55,434	27,923
Payables for professional service expenses	31,427	21,814	22,534
Payables for insurance	27,085	26,576	25,041
Payable for VAT	21,069	19,236	20,464
Payables for fuel fees	18,201	20,779	23,790
Payable for dividends	17,739	17,771	20,082
Others	<u>334,415</u>	<u>430,848</u>	<u>472,668</u>
	1,507,071	1,938,026	1,535,614
Other liabilities			
Refund liabilities	<u>17,606</u>	<u>28,221</u>	<u>24,207</u>
	<u>\$ 1,524,677</u>	<u>\$ 1,966,247</u>	<u>\$ 1,559,821</u>

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

23. PROVISIONS

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Non-current</u>			
Litigation provision	<u>\$ 136,375</u>	<u>\$ 136,375</u>	<u>\$ 136,375</u>

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

24. RETIREMENT BENEFIT PLANS

Related retirement expenses of defined benefit plans for the three months ended March 31, 2020 and 2019 were calculated based on the annual retirement cost rate for the respective year ended December 31, 2019 and 2018 and were recognized as follows:

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Operating cost	\$ 7,652	\$ 9,131
Selling and marketing expenses	799	1,015
General and administrative expenses	1,212	1,700
Research and development expenses	351	404
Other gains and losses	49	78
	<u>\$ 10,063</u>	<u>\$ 12,328</u>

25. GOVERNMENT GRANTS

Acme Electronics Corporation (Kunshan) reached an agreement with Kunshan Zhoushizhen People's Government in 2006 in which Acme Electronics Corporation (Kunshan) promised to relocate its new plant and raise its investment amount to US\$15,000 thousand; Zhoushizhen People's Government then promised to assist Acme Electronics Corporation (Kunshan) in acquiring land for a new plant. Furthermore, by applying the tax refund, Kunshan Zhoushizhen People's Government subsidized Acme Electronics Corporation (Kunshan)'s acquisition of the land for its new plant with a difference in price of over RMB50 thousand per acre. According to this agreement, Acme Electronics Corporation (Kunshan) raised the capital by cash and share dividends to meet its capital increase requirement for the relocation of the new plant. Acme Electronics Corporation (Kunshan) also recognized RMB10,591 thousand of the subsidy as long-term deferred revenue, which will be amortized along with the land use rights when the new plant is constructed. The related government subsidies were retrieved in January 2014.

Besides this, Acme Electronics (Kunshan) Co., Ltd. arrived at an agreement with Kunshan Zhoushizhen People's Government for an additional subsidy for the external line project for high voltage

power during the relocation process. The amount of the subsidy was RMB8,145 thousand in total, which was recognized as long-term deferred revenue by Acme Electronics (Kunshan) Co., Ltd. and will be amortized based on the duration of the power equipment.

As of March 31, 2020, December, 31, 2019 and March 31, 2019, the amounts of deferred income (accounted for as other current liabilities) that had not been amortized were RMB8,760 thousand (\$37,371 thousand), RMB8,893 thousand (\$38,216 thousand) and RMB9,290 thousand (\$42,522 thousand), respectively.

26. EQUITY

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Share capital	\$ 11,887,635	\$ 11,887,635	\$ 11,887,635
Capital surplus	305,578	271,613	253,825
Retained earnings	7,973,875	7,756,919	7,060,797
Other equity items	(1,217,280)	(781,058)	(7,835)
Treasury shares	(475,606)	(475,606)	(475,606)
Non-controlling interests	22,556,710	20,517,444	18,788,781
	<u>\$ 41,030,912</u>	<u>\$ 39,176,947</u>	<u>\$ 37,507,597</u>

a. Share capital

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
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>1,188,763</u>
Shares issued	<u>\$ 11,887,635</u>	<u>\$ 11,887,635</u>	<u>\$ 11,887,635</u>

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

b. Capital surplus

The capital surplus generated from donations and the excess of the issuance price over the par value of share capital (including the 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 28 (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 2019 and 2018 as approved in the shareholders' meetings on March 9, 2020 and June 12, 2019, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2019	2018	2019	2018
Legal reserve	\$ 129,872	\$ 53,994		
Special reserve	350,532	55,399		
Cash dividends	<u>594,382</u>	<u>356,629</u>	\$ 0.5	\$ 0.3
	<u>\$ 1,074,786</u>	<u>\$ 466,022</u>		

The appropriation of earnings for 2019 are subject to resolution in the shareholders' meeting to be held on June 12, 2020.

d. Other equity items

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

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Balance at January 1	(\$ 602,871)	(\$ 208,307)
Recognized during the period		
Exchange differences on translating foreign operations	(113,179)	214,150
Related income tax	<u>13,539</u>	<u>(37,038)</u>
Balance at March 31	<u>(\$ 702,511)</u>	<u>(\$ 31,195)</u>

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

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Balance at January 1	(\$ 178,187)	(\$ 85,136)
Recognized during the period		
Unrealized gain Equity instruments	(336,654)	110,901
Related income tax	72	(289)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposals	<u>-</u>	<u>(2,116)</u>
Balance at March 31	<u>(\$ 514,769)</u>	<u>\$ 23,360</u>

e. Non-controlling interests

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Balance at January 1	\$ 20,517,444	\$ 18,267,556
Adjustment on initial application of IFRS 16	<u>-</u>	<u>(4,490)</u>
Balance at January 1	20,517,444	18,263,066
Share in profit for the period	428,715	329,144
Other comprehensive income (loss) in the period		
Exchange difference on translating foreign operations	(145,262)	206,399
Income tax relating to exchange difference on translating foreign operations	9,922	(21,960)
Unrealized (loss) gain on financial assets at FVTOCI	(38,552)	12,588
Income tax relating to unrealized gain (loss) on financial assets at FVTOCI	152	(584)
Adjustments relating to	(33,970)	13

	<u>For the Three Months Ended March 31, 2020</u>	<u>For the Three Months Ended March 31, 2019</u>
changes accounted for using the equity method		
Changes in non-controlling interests	<u>1,818,261</u>	<u>115</u>
Balance at March 31	<u>\$ 22,556,710</u>	<u>\$ 18,788,781</u>

f. Treasury shares

<u>Purpose of Buy-Back</u>	<u>Number of Shares at January 1 (In Thousands of Shares)</u>	<u>Increase During the Period</u>	<u>Decrease During the Period</u>	<u>Number of Shares at March 31 (In Thousands of Shares)</u>
<u>For the three months ended March 31, 2020</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, 2019</u>				
Shares held by subsidiaries	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>

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

<u>Name of Subsidiary</u>	<u>Number of Shares Held (In Thousands of Shares)</u>	<u>Carrying Amount</u>	<u>Market Price</u>
<u>March 31, 2020</u>			
Asia Polymer Corporation ("APC")	101,356	\$ 1,377,381	\$ 1,018,625
Taita Chemical Company, Limited ("TTC")	15,110	<u>81,875</u> <u>\$ 1,459,256</u>	<u>151,854</u> <u>\$ 1,170,479</u>
<u>December 31, 2019</u>			
APC	101,356	\$ 1,377,381	\$ 1,403,776
TTC	15,110	<u>81,875</u> <u>\$ 1,459,256</u>	<u>209,272</u> <u>\$ 1,613,048</u>

<u>Name of Subsidiary</u>	<u>Number of Shares Held (In Thousands of Shares)</u>	<u>Carrying Amount</u>	<u>Market Price</u>
<u>Mrch 31, 2019</u>			
APC	101,356	\$ 1,377,381	\$ 1,221,336
TTC	15,110	<u>81,875</u>	<u>182,074</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,403,410</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, 2020, December 31, 2019 and March 31, 2019. The carrying amounts of investments accounted for using the equity method and the unrealized gain (loss) on financial assets at FVTOCI were reduced by \$(90,396) thousand, \$55,255 thousand and \$(13,738) thousand, respectively.

27. REVENUE

	<u>For the Three Months Ended March 31, 2020</u>	<u>For the Three Months Ended March 31, 2019</u>
Product sales revenue		
Plastic materials	\$ 10,712,895	\$ 12,848,120
Electronic materials	510,633	517,984
Others	<u>132,880</u>	<u>127,272</u>
	<u>\$ 11,356,408</u>	<u>\$ 13,493,376</u>

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

Contract balances

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>	<u>January 1, 2019</u>
Notes and accounts receivables (Note 10)	<u>\$ 6,226,744</u>	<u>\$ 7,045,512</u>	<u>\$ 7,850,725</u>	<u>\$ 8,548,733</u>

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Owners of the Company	\$ 216,699	\$ 252,965
Non-controlling interests	<u>428,253</u>	<u>328,431</u>
	<u>\$ 644,952</u>	<u>\$ 581,396</u>

Net profit from continuing operations includes the following:

a. Other income

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Interest income		
Cash and cash equivalents	\$ 28,948	\$ 27,577
Financial assets at FVTPL	-	119
Financial assets at amortized cost	242	406
Others	<u>63</u>	<u>303</u>
	29,253	28,405
Rental income	10,203	14,398
Management service income (Note 35)	7,490	6,378
Grant income	\$ 572	\$ 1,105
Claims income	-	15,915
Others	<u>10,947</u>	<u>26,750</u>
	<u>\$ 58,465</u>	<u>\$ 92,951</u>

b. Other gains and losses

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Gain on disposal of property, plant and equipment	\$ 4,978	\$ 4,855
Loss on disposal of property, plant and equipment	(5,098)	(187)
Net gain on disposal of financial instruments	342,430	2,997
Net foreign exchange gain	25,372	72,055

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Net (loss) gain on financial assets at FVTPL	(383,812)	64,891
Net loss on financial liabilities at FVTPL	(4,800)	(14,070)
Impairment losses on non-financial assets	(1,294)	(311)
Depreciation of investment properties	(9,876)	(7,658)
Other gains and losses	(<u>20,067</u>)	(<u>14,509</u>)
	(<u>\$ 52,167</u>)	(<u>\$ 108,063</u>)

c. Finance costs

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Interest on bank loans	\$ 43,931	\$ 57,776
Interest on bonds payable	21,214	18,739
Other interest expense	15	699
Interest on lease liabilities	1,903	2,027
Less: Capitalized interest (included in construction in progress)	(<u>599</u>)	(<u>7,249</u>)
	(<u>\$ 66,464</u>)	(<u>\$ 71,992</u>)

Information about capitalized interest is as follows:

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Capitalized interest	\$ 599	\$ 7,249
Capitalization rate	0.71% ~ 1.23%	0.87% ~ 1.48%

d. Depreciation and amortization

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Property, plant and equipment	\$ 547,213	\$ 499,856
Right-of-use assets	17,227	15,765
Investment properties	8,183	4,453
Intangible assets	2,780	6,738
Others	<u>13,911</u>	<u>7,809</u>
	<u>\$ 589,314</u>	<u>\$ 534,621</u>
An analysis of depreciation by function		
Operating costs	\$ 534,467	\$ 483,145
Operating expenses	28,280	29,271
Other gains and losses	<u>9,876</u>	<u>7,658</u>
	<u>\$ 572,623</u>	<u>\$ 520,074</u>
Other gains and losses		
Operating costs	\$ 13,891	\$ 8,241
Selling and marketing expenses	136	2,565
General and administrative expenses	909	2,074
Research and development expenses	<u>1,755</u>	<u>1,667</u>
	<u>\$ 16,691</u>	<u>\$ 14,547</u>

e. Employee benefits expense

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Post-employment benefits (Note 24)		
Defined contribution plans	\$ 32,240	\$ 39,317
Defined benefit plans	<u>10,063</u>	<u>12,328</u>
	42,303	51,645
Other employee benefits	<u>1,078,106</u>	<u>1,038,412</u>
Total employee benefits expense	<u>\$ 1,120,409</u>	<u>\$ 1,090,057</u>

An analysis of employee

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
benefits expense by function		
Operating costs	\$ 784,714	\$ 666,117
Operating expenses	331,630	403,564
Non-operating income and expenses	<u>4,065</u>	<u>20,376</u>
	<u>\$ 1,120,409</u>	<u>\$ 1,090,057</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, 2020 and 2019, which were accrued by the Company's board of directors as follows:

Accrual rate

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.55%	0.50%

Amount

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Employees' compensation	<u>\$ 2,478</u>	<u>\$ 2,760</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, 2019 and 2018, which were

approved by the Company's board of directors on March 9, 2020 and March 8, 2019, respectively, were as follows:

	<u>2019</u>	<u>2018</u>
Employees' compensation	<u>\$ 14,793</u>	<u>\$ 6,319</u>
Remuneration of directors	<u>\$ 5,500</u>	<u>\$ 5,200</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, 2019 and 2018.

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

	<u>For the Three Months Ended March 31, 2020</u>	<u>For the Three Months Ended March 31, 2019</u>
Foreign exchange gains	\$ 103,379	\$ 88,732
Foreign exchange losses	(78,007)	(16,677)
	<u>\$ 25,372</u>	<u>\$ 72,055</u>

29. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	<u>For the Three Months Ended March 31, 2020</u>	<u>For the Three Months Ended March 31, 2019</u>
Current tax		
In respect of the current year	\$ 207,316	\$ 116,074
Adjustments for prior years	<u>-</u>	<u>(6,237)</u>
	<u>207,316</u>	<u>109,837</u>
Deferred tax		

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
In respect of the current year	36,248	63,153
Adjustments for prior years	<u>-</u>	<u>25</u>
	<u>36,248</u>	<u>63,178</u>
Income tax expense recognized in profit or loss	<u>\$ 243,564</u>	<u>\$ 173,015</u>

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

In July 2019, the President of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, except for CGPC, whose amount of capital expenditure from the unappropriated earnings that was reinvested was deducted, the Group has not deducted the amount of capital expenditure from the unappropriated earnings that was reinvested.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	(\$ 23,461)	\$ 58,998
Fair value changes of financial assets at	(<u>224</u>)	<u>873</u>

FVTOCI		
Total income tax recognized in other comprehensive income	(\$ <u>23,685</u>)	<u>\$ 59,871</u>

c. Income tax assessments

The income tax returns of UPIIC, TVCM, APCI, UM, TUVC, TUVM, INOMA, TMC, STC, CLT and USIO through 2018 have been assessed by the tax authorities. The income tax returns of TTC through 2018 have been assessed by the tax authorities, except for that of 2017. The income tax returns of the Company, UPIIC, ACME, CGPC, TVCM, USIIC and CGTD through 2017 have been assessed by the tax authorities. The income tax returns of SPC through 2016 have been assessed by the tax authorities.

30. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Basic and diluted earnings per share		
From continuing operations and discontinued operations	\$ 0.20	\$ 0.24
From discontinued operations	-	-
From continuing operations	<u>\$ 0.20</u>	<u>\$ 0.24</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:

Profit for the period

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Profit for the period	\$ 216,956	\$ 253,361

attributable to owners of the Company (earnings used in the computation of basic and diluted earnings per share)		
Less: (Gain) loss for the period from discounted operations used in computation of basic earnings per share from discounted operations	(<u>257</u>)	(<u>396</u>)
Earnings used in the computation of basic and diluted earnings per share from continuing operations	<u>\$ 216,699</u>	<u>\$ 252,965</u>

Weighted Average Number of Ordinary Shares Outstanding

(In Thousands of Shares)

	<u>For the Three Months Ended March 31, 2020</u>	<u>For the Three Months Ended March 31, 2019</u>
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>1,173</u>	<u>615</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u><u>1,073,471</u></u>	<u><u>1,072,913</u></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.

31. SHARE-BASED PAYMENT ARRANGEMENTS

- a. ACME did not issue employee share options for the three months ended March 31, 2020 and 2019.

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

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

As of March 31, 2020, ACME did not have any outstanding employee share options.

- b. USIO did not have new employee share option plan for the three months ended March 31, 2020 and 2019.

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

<u>Employee share options</u>	<u>For the Three Months Ended March 31, 2020</u>		<u>For the Three Months Ended March 31, 2019</u>	
	<u>Number of Options</u>	<u>Weighted average Exercise Price (NT\$)</u>	<u>Number of Options</u>	<u>Weighted average Exercise Price (NT\$)</u>
Balance at January 1 and March 31	<u>133</u>	\$ 10.8	<u>167</u>	\$ 10.8
Options exercisable, end of period	<u>133</u>	10.8	<u>167</u>	10.8

32. CASH FLOW INFORMATION

a. Non-cash transactions

For the three months ended March 31, 2020 and 2019, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows:

1. As of March 31, 2020, December 31, 2019, and March 31, 2019, the amounts of payables for purchases of equipment were \$195,015 thousand, \$191,407 thousand, and \$108,967 thousand, respectively.
2. As of March 31, 2020, December 31, 2019, and March 31, 2019, the amounts of payables for dividends declared but not issued were \$17,739 thousand, \$17,771 thousand and \$20,082 thousand, respectively.

b. Changes in liabilities arising from financing activities

	January 1, 2020	Cash Flows	Non-cash Changes				March 31, 2020
			New Leases	Allocated Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Short-term borrowings	\$ 4,258,980	\$ 86,152	\$ -	\$ -	\$ -	\$ -	\$ 4,345,132
Short-term bills payable	1,352,810	(242,000)	-	-	-	(179)	1,110,631
Bonds payable (including current portions)	7,991,283	(1,000,000)	-	784	-	-	6,992,067
Long-term borrowings (including current portions)	9,492,970	370,100	-	-	-	-	9,863,070
Guarantee deposits received	27,475	14,698	-	-	-	-	42,173
Lease liabilities (including current portions)	552,778	(17,718)	847	1,903	(1,643)	(27,954)	508,213
Other non-current liabilities	41,778	(293)	-	-	-	-	41,485
	<u>\$ 23,718,074</u>	<u>(\$ 789,061)</u>	<u>\$ 847</u>	<u>\$ 2,687</u>	<u>(\$ 1,643)</u>	<u>(\$ 28,133)</u>	<u>\$ 22,902,771</u>

	January 1, 2019	Cash Flows	Non-cash Changes				March 31, 2019
			New Leases	Allocated Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Short-term borrowings	\$ 6,726,854	(\$ 1,291,171)	\$ -	\$ -	\$ -	\$ -	\$ 5,435,683
Short-term bills payable	1,514,784	733,000	-	-	-	(535)	2,247,249
Bonds payable (including current portions)	5,992,604	-	-	614	-	-	5,993,218
Long-term borrowings (including current portions)	9,142,624	1,650,559	-	-	-	-	10,793,183
Guarantee deposits received	26,662	224	-	-	-	-	26,886

	January 1, 2019	Cash Flows	Non-cash Changes				March 31, 2019
			New Leases	Allocated Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Lease liabilities (including current portions)	546,116	(15,120)	-	2,027	60	(2,027)	531,056
Other non-current liabilities	44,820	567	-	-	-	-	45,387
	<u>\$ 23,994,464</u>	<u>\$ 1,078,059</u>	<u>\$ -</u>	<u>\$ 2,641</u>	<u>\$ 60</u>	<u>(\$ 2,562)</u>	<u>\$ 25,072,662</u>

33. CAPITAL MANAGEMENT

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

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

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

34. FINANCIAL INSTRUMENTS

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

March 31, 2020

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	\$ 6,992,067	\$ -	\$ 7,023,936	\$ -	\$ 7,023,936

December 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	\$ 7,991,283	\$ -	\$ 8,027,387	\$ -	\$ 8,027,387

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

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, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 11,259	\$ -	\$ 11,259
Domestic listed shares and over-the-counter shares	234,713	-	-	234,713

	Level 1	Level 2	Level 3	Total
Mutual funds	4,063,578	-	-	4,063,578
Beneficiary certificates	209,690	-	-	209,690
Foreign listed shares	529	-	-	529
	<u>\$ 4,508,510</u>	<u>\$ 11,259</u>	<u>\$ -</u>	<u>\$ 4,519,769</u>
<u>Financial assets at FVTOCI</u>				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,205,030	\$ -	\$ -	\$ 1,205,030
Domestic emerging market shares	-	-	11,301	11,301
Domestic unlisted shares	\$ -	\$ -	\$ 672,717	\$ 672,717
Foreign listed shares and over-the-counter shares	5,298	-	-	5,298
Foreign unlisted shares	-	-	102,457	102,457
	<u>\$ 1,210,328</u>	<u>\$ -</u>	<u>\$ 786,475</u>	<u>\$ 1,996,803</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	\$ -	\$ 3,872	\$ -	\$ 3,872

December 31, 2019

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 14,066	\$ -	\$ 14,066
Domestic listed shares and over-the-counter shares	364,057	-	-	364,057
Mutual funds	4,907,560	-	-	4,907,560
Beneficiary certificates	1,071,797	-	-	1,071,797
Foreign listed shares	545	-	-	545
	<u>\$ 6,343,959</u>	<u>\$ 14,066</u>	<u>\$ -</u>	<u>\$ 6,358,025</u>
<u>Financial assets at FVTOCI</u>				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,614,413	\$ -	\$ -	\$ 1,614,413
Domestic emerging market shares	-	-	16,178	16,178
Domestic unlisted shares	-	-	632,134	632,134
Foreign listed shares and	8,649	-	-	8,649

	Level 1	Level 2	Level 3	Total
over-the-counter shares				
Foreign unlisted shares	-	-	100,139	100,139
	<u>\$ 1,623,062</u>	<u>\$ -</u>	<u>\$ 748,451</u>	<u>\$ 2,371,513</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	\$ -	\$ 4,136	\$ -	\$ 4,136
<u>March 31, 2019</u>				
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
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	799	-	-	799
	<u>\$ 7,084,372</u>	<u>\$ 1,190</u>	<u>\$ -</u>	<u>\$ 7,085,562</u>
<u>Financial assets at FVTOCI</u>				
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	-	-	167,233	167,233
	<u>\$ 1,961,370</u>	<u>\$ -</u>	<u>\$ 826,425</u>	<u>\$ 2,787,795</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	\$ -	\$ 14,000	\$ -	\$ 14,000

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2020 and 2019.

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

	<u>For the Three Months Ended March 31, 2020</u>	<u>For the Three Months Ended March 31, 2019</u>
<u>Financial assets at FVTOCI</u>		
Balance at January 1	\$ 748,451	\$ 845,179
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	38,024	(7,091)
Return of capital	<u>-</u>	<u>(11,663)</u>
Balance at March 31	<u>\$ 786,475</u>	<u>\$ 826,425</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 per-hundred price is calculated according to the credit rating and the expiration date through interpolation method.
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

The Group applied the valuation techniques and inputs for Level 3 fair value measurement for its independent fair value authentication of financial instruments which was carried out by the financial department. Through information from independent resources, the Group keeps the results close to the market state and reviews such results periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities

were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of its observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the discount for lack of marketability increases/decreases by 10%, the fair value will decrease/increase by \$78,648 thousand and \$82,643 thousand, respectively, for the three months ended March 31, 2020 and 2019.

c. Categories of financial instruments

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Financial assets</u>			
Financial assets at FVTPL			
Financial assets mandatorily classified as at FVTPL	\$ 4,519,769	\$ 6,358,025	\$ 7,085,562
Financial assets measured at amortized cost			
Cash and cash equivalents	10,885,509	7,927,403	7,790,293
Time deposits with initial maturity of more than three months	200,000	-	-
Pledged time deposits	659,653	659,923	692,429
Investment products	138,218	158,148	-
Notes receivable	540,215	634,435	970,357
Accounts receivable	5,686,529	6,411,077	6,880,368
Other receivables (including related parties)	337,724	277,131	300,026
Refundable deposits	173,219	181,829	152,311
Financial assets at FVTOCI – equity instrument	1,996,803	2,371,513	2,787,795

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
investments			
<u>Financial liabilities</u>			
Financial liabilities at			
FVTPL – Held for			
trading	\$ 3,872	\$ 4,136	\$ 14,000
Financial liabilities			
measured at			
amortized cost			
Short-term			
borrowings	4,345,132	4,258,980	5,435,683
Short-term bills			
payable	1,110,631	1,352,810	2,247,249
Notes payable and			
accounts payable	2,087,706	2,757,368	3,305,617
Other payables (not			
including salaries			
payable or taxes			
payable)	1,025,149	1,127,872	1,051,054
Current portion of			
long-term			
borrowings	683,200	1,443,156	1,867,128
Bonds payable	6,992,067	6,991,327	4,993,590
Long-term			
borrowings	9,179,870	9,049,770	9,925,683
Guarantee deposits			
received	42,173	27,475	26,886

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 risks.

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

(1) 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, 2020 will decrease/increase by \$90,701 thousand; the profit

before tax for the three months ended March 31, 2019 will decrease/increase by \$81,908 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.

(2) 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:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Fair value interest rate risk			
Financial assets	\$ 5,073,861	\$ 5,253,127	\$ 4,894,670
Financial liabilities	15,990,256	15,821,920	16,864,741
Cash flow interest rate risk			
Financial assets	6,502,661	3,441,301	3,299,987
Financial liabilities	6,828,857	7,826,901	8,135,648

Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Group's computation was based on financial assets and financial liabilities with cash flow interest rate risk. A 0.5% increase/decrease of market interest was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's profit before tax for the three months ended March 31, 2020 and 2019 would have decreased/increased by \$408 thousand and \$6,045 thousand, respectively.

(3) 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 price of equity securities at the balance sheet date.

If equity prices fluctuates by 5%, the pre-tax profit for the three months ended March 31, 2020 and 2019 would have increased/decreased by \$225,426 thousand and \$354,219 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, 2020 and 2019 would have

increased/decreased by \$99,840 thousand and \$139,390 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2. Credit risk

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

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

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

The counterparties of the Group's trade receivables cover a wide range of customers distributed in different districts include numerous clients distributed over a variety of areas, and are not centered on a single client or location. Besides this, ongoing credit evaluations are performed on the financial condition of counterparties of the trade receivables, so the Group's credit risk is limited. On the 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 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.

(1) 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 dates on which the Group can be required to pay. The table has been drawn up based on the undiscounted cash flows of financial liabilities, including the cash flows of interests and principals.

March 31, 2020

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest bearing liabilities		\$ 3,594,777	\$ -	\$ -
Lease liabilities	0.83-9.25	71,933	271,986	346,841
Floating interest rate liabilities	0.83-3.95	1,049,117	5,779,870	-
Fixed interest rate liabilities	0.50-2.90	<u>5,090,345</u>	<u>10,400,000</u>	-
		<u>\$ 9,806,172</u>	<u>\$16,451,856</u>	<u>\$ 346,841</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 71,933</u>	<u>\$ 271,986</u>	<u>\$ 113,151</u>	<u>\$ 53,681</u>	<u>\$ 52,399</u>	<u>\$ 127,610</u>

December 31, 2019

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest				
bearing				
liabilities				
Lease liabilities	0.83-9.25	\$ 4,695,394 76,667	\$ - 279,108	\$ - 357,825
Floating interest				
rate liabilities	0.83-4.58	1,427,131	6,400,000	-
Fixed interest				
rate liabilities	0.50-2.60	<u>5,628,050</u>	<u>9,649,999</u>	<u>-</u>
		<u>\$11,827,242</u>	<u>\$16,329,107</u>	<u>\$ 357,825</u>

Additional information about the maturity analysis
for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease						
liabilities	<u>\$ 76,667</u>	<u>\$ 279,108</u>	<u>\$ 121,078</u>	<u>\$ 54,321</u>	<u>\$ 52,399</u>	<u>\$ 130,027</u>

March 31, 2019

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest				
bearing				
liabilities				
Lease liabilities	1.04-2.00	\$ 4,841,231 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>

(2) 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, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 994,646	\$ 1,182,549	\$ 62,565
Outflows	(992,297)	(1,183,362)	(66,009)
	<u>\$ 2,349</u>	<u>(\$ 813)</u>	<u>(\$ 3,444)</u>

December 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	\$ 976,924	\$ 1,557,083	\$ 28,793
Outflows	(972,818)	(1,552,082)	(29,358)
	<u>\$ 4,106</u>	<u>\$ 5,001</u>	<u>(\$ 565)</u>

March 31, 2019

On Demand or	1-3 Months	3 Months to 1 Year
-----------------	------------	-----------------------

	<u>Less than 1 Month</u>		
<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>)

(3) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of March 31, 2020, December 31, 2019 and March 31, 2019, the unused amounts of bank loan facilities were as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Bank loan facilities			
Amount unused	<u>\$ 26,371,015</u>	<u>\$ 23,210,225</u>	<u>\$ 23,029,765</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

<u>Related Party Names</u>	<u>Relationship with the Group</u>
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, 2020	For the Three Months Ended March 31, 2019
Other related party USI Education Foundation	<u>\$ 7,250</u>	<u>\$ 8,000</u>

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

Related Party Category/Name	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Joint venture	<u>\$ 7,490</u>	<u>\$ 6,378</u>

- d. Other Receivables

Related Party Category/Name	March 31, 2020	December 31, 2019	March 31, 2019
Joint venture	<u>\$ 6,785</u>	<u>\$ 16,494</u>	<u>\$ 5,753</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, 2020	For the Three Months Ended March 31, 2019
Short-term employee benefits	\$ 9,057	\$ 7,681
Post-employment benefits	<u>81</u>	<u>81</u>
	<u>\$ 9,138</u>	<u>\$ 7,762</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, financing facilities, or the gas explosion case compensation:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Pledged time deposits (classified as financial assets measured at amortized cost)	\$ 659,653	\$ 659,923	\$ 692,429
Equity shares	-	-	1,017,150
Property, plant and equipment	3,724,740	3,802,055	4,059,783
Investment properties, net	108,178	108,178	108,178
Land use rights (classified as right-of-use assets)	\$ 21,577	\$ 31,666	\$ 79,573
Refundable deposits (classified as other non-current assets)	<u>89,395</u>	<u>93,105</u>	<u>53,714</u>
	<u>\$ 4,603,543</u>	<u>\$ 4,694,927</u>	<u>\$ 6,010,827</u>

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENT

- a. As of March 31, 2020, December 31, 2019 and March 31, 2019, the Company's unused letter of credit amounted to \$1,308,043 thousand, \$2,715,961 thousand and \$3,351,307 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. The second instance judgment of criminal procedures was reached on April 24, 2020, whereby three employees of CGTD were all acquitted of the charges.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, to pledge certificates of bank deposits of \$227,351 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. As of April 30, 2020, the provisionally attached properties were worth \$146,706 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 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 30, 2020, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against CGTD, LCY Chemical Corp. and CPC for compensation claims. To reduce the lawsuit costs, CGTD came to a compromise and reduced the original claim of \$26,890 thousand and settled for a compensation amount of \$4,019 thousand instead. The compensation amount still in the lawsuit and the settlement

amount for the victims and the seriously injured as mentioned in the previous paragraph amounted to \$3,876,234 thousand. The first-instance judgments of some of the abovementioned civil cases (with a total amount of compensation of approximately \$1,199,809 thousand) have been gradually announced starting from June 22, 2018. The proportion of fault-based liabilities of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most of the case judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants are liable for was approximately \$390,304 thousand, of which the court ruled an exemption for CGTD in the amount of \$6,194 thousand. CGTD had filed an appeal in those civil cases which were announced but not yet settled and entered into the second-instance trials. CGTD had signed a settlement agreement with the insurance company, where based on CGTD's proportion of fault-based liabilities in the first-instance judgment, an amount of \$136,375 thousand, which is the amount of settlement and civil-case compensation for the victims and the seriously injured (including settled cases) after deducting the maximum insurance claims, was estimated and recognized as liability. However, the actual amount of the aforementioned settlement and compensation still depends on the future judgments of the remaining civil cases.

38. SIGNIFICANT CONTRACTS

- a. TVCM along with CPC Corporation, Formosa Plastics Corporation, Mitsui Corp., signed a dichloromethane purchase agreement in which the purchase prices are calculated by the buyers and sellers in accordance with a pricing formula.
- b. The Company and 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 competent authorities of the Republic of China 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.

Dynamic Ever Investments Limited and Fujian Refining and Chemical Co. signed "Fujian Gulei Petrochemical Corporation Limited Joint Venture Contract" which stipulated an increase in the investment amount, and this contract led to part of the original related contract entities being unable to keep their respective investment ratios as provided by the original contract or to participate in the subsequent capital increase procedures. In order to meet the business requirement of the original contract, the Company and APC resigned the joint venture contract on September 30, 2016 and added a new contractually promised related entity, CTCI Corp. On December 18, 2019, the Company and APC again resigned the joint venture contract and added new

contractually promised related entities, Fubon Financial Holding Venture Capital Corporation and Hongfu Investment Co., Ltd.

In order to increase Gulei Company's operating capital, Ever Victory Global Limited and Hong Kong Dor Po Investment Company Limited ("DOR PO") signed a joint venture contract for an investment in Dynamic Ever Investment Limited on June 5, 2019. According to the contract, DOR PO will invest US\$109,215 thousand in Dynamic Ever Investment Limited in 2019. As of March 31, 2020, DOR PO had invested US\$54,608 thousand and held 10.1% ownership interest in Dynamic Ever Investment Limited.

As of December 31, 2018, the Company and APC had invested US\$176,268 thousand (approximately \$5,442,336 thousand) and US\$103,240 thousand (approximately \$3,190,905 thousand), respectively, in Ever Conquest Global Limited. 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%. Dynamic Ever Investments Limited had invested RMB2,304,800 thousand in Gulei Company.

The Company and APC increased the investment in Ever Conquest Global Limited by US\$35,201 thousand (approximately \$1,109,563 thousand) and US\$20,460 thousand (approximately \$644,801 thousand), respectively, in May 2019. 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 78.9% after the capital increase. Dynamic Ever Investments Limited invested RMB576,200 thousand in Gulei Company on June 26, 2019.

The Company and APC increased their investment in Ever Conquest Global Limited by US\$35,201 thousand (approximately \$1,094,082 thousand) and US\$20,460 thousand (approximately \$635,917 thousand), respectively, in August 2019. 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 80.0% after the capital increase. Dynamic Ever Investments Limited invested RMB576,200 thousand in Gulei Company on August 15, 2019.

APC increased its investment in Ever Conquest Global Limited by US\$18,832 thousand (approximately \$570,606 thousand) in March 2020. Through Ever Conquest Global Limited, APC increased the capital in Ever Victory Global Limited and then reinvested in Dynamic Ever Investments Limited in April 2020. The shareholding ratio of the joint venture was 72.2% after the capital increase.

c. Significant operating contracts

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

Commissioned Company	Operation Contract Period
Taita Chemical Company, Ltd.	2020.01.01-2021.12.31
Taiwan VCM Corporation	2020.01.01-2021.12.31
USI Corporation	2020.01.01-2020.12.31
Asia Polymer Corporation	2020.01.01-2020.12.31
Formosa Plastic Corporation	2020.01.01-2021.12.31
Oriental Union Chemical Corporation	2020.01.01-2020.12.31
LCY Chemical Corporation	2020.01.01-2021.12.31
Taiwan Styrene Monomer Corporation	2020.01.01-2021.12.31

Commissioned Company	Operation Contract Period
Transformational Chemistry Corporation	2020.01.01-2021.12.31
NANTEX Industry Co., Ltd.	2020.01.01-2021.12.31
En Chuan Chemical Industries Co., Ltd.	2020.01.01-2021.12.31
Xin Long Guang Plastics Co., Ltd.	2020.01.01-2021.12.31

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, 2020				
	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currency	NTD
Foreign currency assets					
<u>Monetary items</u>					
USD	\$ 139,171	30.23	(USD : NTD)	\$4,206,452	\$4,206,452
USD	4,962	7.09	(USD : RMB)	35,148	149,938
USD	3,252	4.50	(USD : MYR)	14,632	98,288
RMB	278,682	4.27	(RMB : NTD)	1,188,861	1,188,861
RMB	3,891	0.14	(RMB : USD)	549	16,594
AUD	680	18.64	(AUD : NTD)	12,671	12,671
EUR	462	33.24	(EUR : NTD)	15,375	15,375
<u>Non-monetary items</u>					
Joint ventures accounted for using the equity method					
RMB	3,449,529	0.14	(RMB : USD)	486,871	14,715,674
Derivative instruments					
USD buy	2,599	30.23	(USD : NTD)	336	336
USD sell	17,460	30.23	(USD : NTD)	1,299	1,299
USD sell	100	4.50	(USD : MYR)	13	84

(Continued)

March 31, 2020					
	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currency	NTD	
RMB sell	\$ 183,900	4.27 (RMB : NTD)	\$ 9,250	\$ 9,250	
EUR sell	110	4.95 (EUR : MYR)	5	35	
JPY buy	45,000	0.01 (JPY : USD)	424	255	
Foreign currency liabilities					
<u>Monetary items</u>					
USD	32,843	30.23 (USD : NTD)	992,654	992,654	
USD	13,743	7.09 (USD : RMB)	97,374	415,395	
USD	770	4.50 (USD : MYR)	3,465	23,275	
RMB	21,693	4.27 (RMB : NTD)	92,542	92,542	
<u>Non-monetary items</u>					
Derivative instruments					
USD buy	2,196	30.23 (USD : NTD)	214	214	
USD sell	18,650	30.23 (USD : NTD)	2,078	2,078	
USD sell	1,590	4.50 (USD : MYR)	123	826	
RMB sell	33,100	4.27 (RMB : NTD)	536	536	
EUR sell	387	4.95 (EUR : MYR)	32	218	
December 31, 2019					
	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currency	NTD	
Foreign currency assets					
<u>Monetary items</u>					
USD	\$ 148,885	29.98 (USD : NTD)	\$4,463,547	\$4,463,547	
USD	3,775	6.98 (USD : RMB)	26,338	113,188	
USD	3,072	4.26 (USD : MYR)	13,095	92,609	
RMB	310,792	4.30 (RMB : NTD)	1,335,629	1,335,629	
RMB	3,227	0.14 (RMB : USD)	463	13,882	
AUD	611	21.01 (AUD : NTD)	12,835	12,835	
EUR	343	33.59 (EUR : NTD)	11,518	11,518	
<u>Non-monetary items</u>					
Joint ventures accounted for using the equity method					
RMB	3,459,518	0.14 (RMB : USD)	495,903	14,867,168	
Derivative instruments					

December 31, 2019

	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currency	NTD
USD buy	720	29.98 (USD : NTD)	23	23
USD sell	41,000	29.98 (USD : NTD)	11,784	11,784
USD sell	865	4.26 (USD : MYR)	136	960
RMB sell	81,800	4.30 (RMB : NTD)	1,083	1,083
EUR sell	224	4.78 (EUR : MYR)	28	198
JPY buy	40,000	0.01 (JPY : USD)	1	18
<u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	\$ 34,005	29.98 (USD : NTD)	\$ 1,019,462	\$ 1,019,462
USD	13,611	6.98 (USD : RMB)	94,955	408,069
USD	737	4.26 (USD : MYR)	3,142	22,218
RMB	26,824	4.30 (RMB : NTD)	115,276	115,276
<u>Non-monetary items</u>				
Derivative instruments				
USD buy	8,760	29.98 (USD : NTD)	1,395	1,395
RMB sell	155,900	4.30 (RMB : NTD)	2,741	2,741

March 31, 2019

	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currency	NTD
<u>Foreign currency assets</u>				
<u>Monetary items</u>				
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
<u>Non-monetary items</u>				
Joint ventures accounted for using the equity method				
RMB	2,313,901	0.15 (RMB : USD)	343,640	10,590,991
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

March 31, 2019

	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currency	NTD
Foreign currency liabilities				
<u>Monetary items</u>				
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
<u>Non-monetary items</u>				
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

For the three months ended March 31, 2020 and 2019, realized and unrealized net foreign exchange gains were \$25,372 thousand and \$72,055 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 on significant transactions and b. Information on reinvestment business:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (Table 4)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)

- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
 - 9) Trading in derivative instruments. (Notes 7 and 34)
 - 10) Others: Intercompany relationships and significant intercompany transactions. (Table 9)
 - 11) Information on investees. (Table 7)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 10)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 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 1)
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (None)
- d. Information on main shareholders: Names of shareholders with a shareholding ratio of more than 5%, and numbers and ratios of shares held. (Table 11)

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, 2020						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	\$ 2,304,599	\$ 3,591,214	\$ 2,958,085	\$ 513,035	\$ 1,314,013	\$ 1,056,921	\$ 11,737,867
Interest income	1,096	1,169	5,229	3,549	2,363	15,847	29,253
Finance costs	(31,017)	(2,418)	(8,802)	(4,814)	(13,785)	(7,114)	(67,950)
Depreciation and amortization	(154,965)	(171,863)	(56,604)	(49,650)	(78,088)	(96,399)	(607,569)
Impairment loss	-	-	-	-	(1,294)	-	(1,294)
Reportable segment profit (loss) before tax	243,955	445,457	186,567	(5,367)	180,523	162,529	1,213,664
Reportable segment tax expense	(26,999)	(97,472)	(41,817)	(3,361)	(34,128)	(39,787)	(243,564)
Reportable segment net profit (loss)	216,956	347,985	144,750	(8,728)	146,395	122,742	970,100

	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	(31,284)	(3,271)	(15,498)	(5,253)	(12,660)	(12,269)	(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

b. Reportable segment income and other major adjustments of items

1. Segment income and operating results

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Reportable segment net profit before tax	\$ 1,051,135	\$ 861,551
Reportable segment tax expense	(203,777)	(134,354)
Reportable segment profit after tax	847,358	727,197
Other non-reportable segment profit	\$ 122,742	\$ 167,031
Less: Profit between segments	(325,148)	(312,832)
Profit from continuing operations	644,952	581,396
Profit from discontinued operations	719	1,109
Net profit after tax	<u>\$ 645,671</u>	<u>\$ 582,505</u>

2. Other significant items reconciliation

	For the Three Months Ended March 31, 2020							
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	Total
Interest income	\$ 1,096	\$ 1,169	\$ 5,229	\$ 3,549	\$ 2,363	\$ 15,847	\$ -	\$ 29,253
Finance costs	(31,017)	(2,418)	(8,802)	(4,814)	(13,785)	(7,114)	887	(67,063)
Depreciation and amortization	(154,965)	(171,863)	(56,604)	(49,650)	(78,088)	(96,399)	14,580	(592,989)
Impairment loss	-	-	-	-	(1,294)	-	-	(1,294)

	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	Reconciliation	Total
Interest income	\$ 3,275	\$ 2,401	\$ 1,700	\$ 2,746	\$ 1,842	\$ 16,441	\$ -	\$ 28,405
Finance costs	(31,284)	(3,271)	(15,498)	(5,253)	(12,660)	(12,269)	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)

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, 2020

TABLE 1-1

(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 (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)	Remark
													Item	Value			
0	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Other receivables - related parties	Yes	\$ 241,800 (USD8,000 thousand)	\$ 241,800 (USD8,000 thousand)	\$ 211,575 (USD7,000 thousand)	2.37463~ 3.68375	2	\$ -	Business turnover	\$ -	-	-	\$ 491,413	\$ 491,413	

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, 2020.

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, 2020.

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, 2020

TABLE 1-2

(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 (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)	Remark
													Item	Value			
0	Forever Young Company Limited	Swanson International Ltd.	Other receivables - related parties	Yes	\$ 93,926	\$ 93,849	\$ 93,849	-	2	\$ -	Business turnover	\$ -	-	-	\$ 139,757	\$ 209,635	
2	ASK-Swanson (Kunshan) Co., Ltd	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	188,478	183,438	183,438	4.15~4.25	2	-	Business turnover	-	-	-	516,037	516,037	

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

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

- 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, 2020.

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

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Limited (TTC))
FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 1-3

(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 (Notes 4 and 5)	Interest Rate (%)	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2 and 4)	Aggregate Financing Limit (Notes 1, 2 and 4)	Remark
													Item	Value			
1	Taita Chemical (Zhongsan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	\$ 234,630 (RMB 55,000 thousand)	\$ 63,990 (RMB 15,000 thousand)	\$ 63,990 (RMB 15,000 thousand)	5.0025	2	\$ -	Business turnover	\$ -	-	-	\$ 2,309,530	\$ 2,309,530	

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, 2020, 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, 2020, the audited net worth of Taita Chemical (Zhongsan) Co., Ltd. was RMB541,381 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, 2020.

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, 2020

TABLE 2

(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 (Note 2)	Outstanding Endorsement/Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 1)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent <input type="checkbox"/>	Endorsement/Guarantee Given on Behalf of Companies in Mainland China	Remark
		Name	Relationship											
0	USI Corporation	Union Polymer Int'l Investment Corp.	Subsidiary which directly held more than 50% of ordinary shares	\$ 11,084,521	\$ 3,600,000	\$ 3,300,000	\$ 1,488,000	\$ -	17.85	\$ 11,084,521	Yes	No	No	
0	USI Corporation	Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	11,084,521	322,250 (USD 10,000 thousand) (NTD 20,000 thousand)	322,250 (USD 10,000 thousand) (NTD 20,000 thousand)	56,981	-	1.74	11,084,521	Yes	No	No	

Note 1: 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, 2020.

Note 2: The amount was calculated using the spot exchange rate as of March 31, 2020.

USI CORPORATION AND SUBSIDIARIES
(Acme Electronics Corporation)
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 2-1

(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 3)	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)	Endorsemen t/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsemen t/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsemen t/ Guarantee Given on Behalf of Companies in Mainland China	Remark
		Name	Relationship											
0	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	\$ 2,457,064	\$ 363,000 (USD 12,000 thousand)	\$ 362,700 (USD 12,000 thousand)	\$ 105,788 (USD 3,500 thousand)	\$ -	29.52	\$ 2,457,064	No	No	Yes	
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	2,457,064	151,250 (USD 5,000 thousand)	151,125 (USD 5,000 thousand)	-	-	12.30	2,457,064	No	No	Yes	

Note 1: The rate was calculated by the ending balance of equity of the endorser/guarantor as of March 31, 2020.

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, 2020.

Note 3: The foreign currency amount was calculated based on the spot exchange rate as of March 31, 2020.

USI CORPORATION AND SUBSIDIARIES
(Swanson Plastics Corporation (SPC))
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 2-2

(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	Remark
		Name	Relationship											
0	Swanson Plastics Corporation	Forever Young Co., Ltd.	Subsidiary	\$ 6,228,973	\$ 1,875,850	\$ 1,874,465	\$ 45,338	\$ -	75.23	\$ 6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	Subsidiary	6,228,973	54,078	54,033	241	-	2.17	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsubsidiary	6,228,973	36,300	36,270	-	-	1.46	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsubsidiary	6,228,973	121,000	120,900	-	-	4.85	6,228,973	No	No	Yes	
0	Swanson Plastics Corporation	Swanson Technologies Corporation	Subsidiary	6,228,973	138,650	138,585	112,530	-	5.56	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (India) Private Limited	Sub-subsubsidiary	6,228,973	90,750	90,675	-	-	3.64	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastic (Tianjin) Co., Ltd.	Sub-subsubsidiary	6,228,973	60,500	60,450	-	-	2.43	6,228,973	No	No	Yes	
0	Swanson Plastics Corporation	PT. Swanson Plastics Indonesia	Subsidiary	6,228,973	60,500	60,450	-	-	2.43	6,228,973	No	No	No	

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, 2020.

USI CORPORATION AND SUBSIDIARIES
 (China General Plastics Corporation (CGPC))
 ENDORSEMENTS/GUARANTEES PROVIDED
 FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 2-3

(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	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China	Remark
		Name	Relationship											
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 8,558,996	\$ 2,200,000	\$ 2,200,000	\$ 15,113	No	25.70	\$ 8,558,996	No	No	No	

Note 1: The ratio was calculated by the ending balance of equity of CGPC as of March 31, 2020.

Note 2: 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.

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Ltd. (TTC))
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 2-4

(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	Remark
		Name	Relationship											
0	Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	Subsidiary which directly held 100% ordinary shares	\$ 6,534,050	\$ 1,446,300 (USD 28,000 thousand) (NTD 600,000 thousand)	\$ 1,446,300 (USD 28,000 thousand) (NTD 600,000 thousand)	\$ 789,477 (USD 26,120 thousand)	\$ -	33.20	\$ 6,534,050	No	No	No	
0	Taita Chemical Company, Ltd.	Taita Chemical (Zhongsan) Co., Ltd.	100% voting shares directly owned by TTC	6,534,050	213,300 (RMB50,000 thousand)	213,300 (RMB50,000 thousand)	-	-	4.90	6,534,050	No	No	Yes	

Note 1: The amount was calculated at the spot exchange rate as of March 31, 2020.

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

MARCH 31, 2020

TABLE 3

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Corporation	Shares							
	CTCI Corporation	—	Financial assets at fair value through other comprehensive income - non-current	15,130,656	\$ 443,328	1.98	\$ 443,328	
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	15,329,223	252,094	11.90	252,094	
	AU Optronic Corporation	—	Financial assets at fair value through other comprehensive income - non-current	8,514,006	53,979	0.09	53,979	
	Global BioPharma, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	310,000	2,473	0.45	2,473	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	1,753,251	16,217	-	16,217	
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	1,000,000	39,149	-	39,149	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	1,430,000	19,090	-	19,090	
	United Renewable Energy Co., Ltd.	—	Financial assets at fair value through profit or loss - current	229,580	1,086	-	1,086	
Teratech Corp.	—	Financial assets at fair value through profit or loss - non-current	110,000	-	-	-	Note 2	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Beneficiary certificates							
	Nomura Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,222,003	\$ 36,441	-	\$ 36,441	
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	10,227,799	157,345	-	157,345	
	TCB Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	14,008,651	143,039	-	143,039	
	Fubon Chi-Hsiang Money Market Fund	—	Financial assets at fair value through profit or loss - current	634,586	10,003	-	10,003	
	Eastspring Investments Well Pool Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,622,210	49,529	-	49,529	
	Yuanta De- Bao Money Market Fund	—	Financial assets at fair value through profit or loss - current	828,205	10,004	-	10,004	
	Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,810,715	128,028	-	128,028	
	CTBC Hwa-win Money Market Fund	—	Financial assets at fair value through profit or loss - current	12,287,838	136,105	-	136,105	
	UPAMC James Bond Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,977,520	50,018	-	50,018	
	Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,503,560	50,030	-	50,030	
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,920,509	47,365	-	47,365	
	Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	19,933,652	251,331	-	251,331	
	FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,001,300	179,561	-	179,561	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Union Polymer Int'l Investment Corp.	Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,162,215	\$ 50,290	-	\$ 50,290	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	18,375,170	249,954	-	249,954	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	596,883	7,018	-	7,018	
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	16,833,145	250,785	-	250,785	
	Beneficiary certificates Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at fair value through profit or loss - current	3,290,000	55,239	-	55,239	
	Shares Asia Polymer Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	20,711,939	288,932	3.74	288,932	
	China General Plastics Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	4,053,793	57,361	0.77	57,361	
Taita Chemical Company, Ltd.	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	383,520	3,126	0.11	3,126		
Swanlake Traders Ltd.	Shares SOHOware Inc.	—	Financial assets at fair value through other comprehensive income - non-current	1,150,000	-	1.05	-	Note 2
	TGF Linux Communications Inc.	—	Financial assets at fair value through other comprehensive income - non-current	300,000	-	2.14	-	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USIFE Investment Co., Ltd.	Neurosky Inc. Preferred D Shares	—	Financial assets at fair value through other comprehensive income - non-current	2,397,364	\$ -	0.70	\$ -	Note 2
	AU Optronic Corporation	—	Financial assets at fair value through other comprehensive income - current	1,266,061	8,027	0.01	8,027	
	AU Optronic Corporation	—	Financial assets at fair value through other comprehensive income - non-current	1,266,061	8,027	0.01	8,027	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - non-current	3,001,655	77,893	0.59	77,893	
	Solargiga Energy Holdings Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	11,876,111	2,268	0.37	2,268	
	Dah Chung Bills Finance Corporation	—	Financial assets at fair value through other comprehensive income - non-current	470,914	6,842	0.10	6,842	
	Swanson Plastics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	629,017	8,372	0.41	8,372	
	USI Optronics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	165,279	402	0.25	402	
	Digimax, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	23,234	-	0.05	-	
	Global BioPharma, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	712,000	5,682	1.03	5,682	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Silicon Technology Investment (Cayman) Corp.	—	Financial assets at fair value through other comprehensive income - non-current	911,849	\$ 45,529	1.77	\$ 45,529	
	China General Plastics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	472,511	6,686	0.09	6,686	
	Asia Polymer Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,577,809	22,010	0.28	22,010	
	Taita Chemical Company, Ltd.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,163,206	9,480	0.35	9,480	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	584,416	5,406	0.01	5,406	
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	500,000	19,575	0.31	19,575	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	470,000	6,275	0.40	6,275	
	United Renewable Energy Co., Ltd.	—	Financial assets at fair value through profit or loss - current	2,474,681	11,705	0.09	11,705	
	Acme Electronics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	500,000	4,200	0.27	4,200	
	Superactive Group Company Limited	—	Financial assets at fair value through profit or loss - current	678,000	529	-	529	
	Beneficiary certificates Yuanta Wan Tai Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,360,710	20,711	-	20,711	
	Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,870,081	30,653	-	30,653	
	Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	4,223,969	61,281	-	61,281	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan United Venture Capital Corp.	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,151,207	\$ 64,399	-	\$ 64,399	
	Beneficiary certificates							
	Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,399,556	49,320	-	49,320	
	Shares							
	Innovation & Infinity Global Corp.	—	Financial assets at fair value through profit or loss - non-current	720,804	-	0.73	-	Note 2
	Teratech Corp.	—	Financial assets at fair value through profit or loss - non-current	90,000	-	0.58	-	Note 2
	United Renewable Energy Co., Ltd.	—	Financial assets at fair value through other comprehensive income - current	4,611,242	21,811	0.17	21,811	
	Mitac Holdings Corp.	—	Financial assets at fair value through other comprehensive income - current	1,841,072	49,985	0.17	49,985	
	Chitec Technology Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	381,906	11,301	1.37	11,301	
	Leadwell Cnc Machines Mfg., Corp.	—	Financial assets at fair value through other comprehensive income - non-current	419,753	9,554	0.68	9,554	
Digimax, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	518,898	-	1.18	-		
Orgchem Technology, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	594,594	8,865	1.09	8,865		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Hexawave, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	109,109	\$ 913	0.27	\$ 913	
	Global BioPharma, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	712,000	5,682	1.03	5,682	
	Uranus Chemicals Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	12,610	334	0.03	334	
	Neuro Sky Inc. Preferred A	—	Financial assets at fair value through other comprehensive income - non-current	10,000,000	-	1.42	-	Note 2
	Neuro Sky Inc. Preferred B	—	Financial assets at fair value through other comprehensive income - non-current	12,595,523	-	1.78	-	Note 2
	Neuro Sky Inc. Preferred C	—	Financial assets at fair value through other comprehensive income - non-current	4,532,823	-	0.64	-	Note 2
Taiwan United Venture Management Corp.	Beneficiary certificates Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss - current	91,730	1,331	-	1,331	
Inoma Corporation	Beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	759,460	10,331	-	10,331	
USI Optronics Corporation	Beneficiary certificates Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,016,620	15,146	-	15,146	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	141,919	\$ 2,027	-	\$ 2,027	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,070,929	28,170	-	28,170	
	Yuanta De-Bao Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,412,688	17,063	-	17,063	

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.

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

USI CORPORATION AND SUBSIDIARIES
(China General Plastics Corporation (CGPC))
MARKETABLE SECURITIES HELD
MARCH 31, 2020

TABLE 3-1

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note Number of Shares	
				Number of Shares	Carrying Amount	Number of Shares	Carrying Amount		
China General Plastics Corporation	Closed-end fund beneficiary certificates Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	2,668,000	\$ 44,796	-	\$ 44,796	Note 1	
	Open-end fund beneficiary certificates Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,684,906	40,001	-	40,001	Note 1	
	Shares KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	7,664,611	126,083	5.95	126,083	Note 1	
Taiwan VCM Corporation (TVCM)	Open-end fund beneficiary certificates Shin Kong Chi-Shin Money-Market Fund	—	Financial assets at fair value through profit or loss - current	3,213,492	50,010	-	50,010	Note 1	
	Nomura Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,049,394	50,010	-	50,010	Note 1	
	UPAMC James Bond Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,977,041	50,010	-	50,010	Note 1	
	FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	278,876	50,010	-	50,010	Note 1	
	Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,362,074	48,010	-	48,010	Note 1	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,720,628	37,008	-	37,008	Note 1	
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,281,880	37,008	-	37,008	Note 1	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,440,058	18,004	-	18,004	Note 1	
	Shares 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	1,696	0.02	1,696	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note Number of Shares
				Number of Shares	Carrying Amount	Number of Shares	Carrying Amount	
CGPC Polymer Corporation	Open-end fund beneficiary certificates							
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	9,868,558	\$ 147,025	-	\$ 147,025	Note 1
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,609,163	103,506	-	103,506	Note 1
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,210,074	34,000	-	34,000	Note 1
CGPC (BVI) Holding Co., Ltd.	Shares							
	Teratech Corp.	—	Financial assets at fair value through profit or loss - non-current	112,000	-	0.67	-	Notes 1 and 3
	SOHOware, Inc. - preference shares	—	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	Notes 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, 2020, CGPC evaluated the fair value of equity impairments as \$0.

Note 4: Please refer to Tables 7-3 and 8-3 for detailed information on subsidiaries and associates.

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Ltd. (TTC))
MARKETABLE SECURITIES HELD
MARCH 31, 2020

TABLE 3-2

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	Shares							
	USI Corporation – ordinary shares	Parent Company	Financial assets at fair value through other comprehensive income - non-current	15,109,901	\$ 151,855	1.27	\$ 151,855	Note 1
	Harbinger Venture Capital – ordinary shares	–	Financial assets at fair value through other comprehensive income - non-current	990	27	0.50	27	Note 3
	Beneficiary securities Cathay No. 1 Real Estate Investment Trust Fund	–	Financial assets at fair value through profit or loss - current	3,250,000	54,568	-	54,568	Note 1
	Beneficiary certificates Jih Sun Money Market Fund	–	Financial assets at fair value through profit or loss - current	6,715,624	100,051	-	100,051	Note 2
	Taishin 1699 Money Market Fund	–	Financial assets at fair value through profit or loss - current	5,147,819	70,025	-	70,025	Note 2
TAITA (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd. – ordinary shares	–	Financial assets at fair value through other comprehensive income - non-current	20,219	6 (USD - thousand)	2.22	6 (USD - thousand)	Note 3
	Teratech Corp. – ordinary shares	–	Financial assets at fair value through profit or loss - non-current	112,000	-	0.73	-	Note 4
	Sohoware Inc. – preference shares	–	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	Note 4

Note 1: Fair value was based on closing price of the Taiwan Stock Exchange as of March 31, 2020.

Note 2: Fair value is calculated based on the net asset value as of March 31, 2020.

Note 3: TTC utilized the assets approach and took into account the most recent net asset value, observable financial status as well as the financing activities of investees in order to determine their net asset value.

Note 4: As of March 31, 2020, TTC evaluated the fair value of equity instruments as \$0.

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

USI CORPORATION AND SUBSIDIARIES
(Asia Polymer Corporation)
MARKETABLE SECURITIES HELD
MARCH 31, 2020

TABLE 3-3

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	Ordinary Shares							
	Harbinger Venture Capital Corp.	—	Financial assets at fair value through other comprehensive income - non-current	2,377	\$ 65	1.20	\$ 65	
	Riselink Venture Capital	—	Financial assets at fair value through other comprehensive income - non-current	131,587	1,937	1.67	1,937	
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	15,329,223	252,166	11.90	252,166	
	USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	101,355,673	1,018,624	8.53	1,018,624	
	CTCI Corporation	—	Financial assets at fair value through other comprehensive income - non-current	14,446,107	423,271	1.89	423,271	
	AU Optronic Corporation	—	Financial assets at fair value through other comprehensive income - non-current	9,618,516	60,981	0.10	60,981	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - current	2,017,946	52,366	0.39	52,366	
United Renewable Energy Co., Ltd.	—	Financial assets at fair value through profit or loss - current	229,580	1,086	0.01	1,086		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	1,753,251	\$ 16,218	0.04	\$ 16,218	
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	1,000,000	39,150	0.62	39,150	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	1,430,000	19,090	1.21	19,090	
	Beneficiary securities Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at fair value through profit or loss - current	3,281,000	55,088	-	55,088	
	Beneficiary certificates Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	19,951,815	251,561	-	251,561	
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,093,667	50,173	-	50,173	
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	16,818,904	250,573	-	250,573	
	Nomura Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,056,580	50,128	-	50,128	
	Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,183,308	50,625	-	50,625	
	UPAMC James Bond Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,986,943	50,177	-	50,177	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	18,356,835	249,704	-	249,704	
	CTBC Hwa Win Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,272,921	36,252	-	36,252	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	195,175	\$ 35,000	-	\$ 35,000	
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,219,966	80,304	-	80,304	
	Budworth Investment Ltd. - ordinary shares	—	Financial assets at fair value through other comprehensive income - non-current	40,467	15	4.45	15	
	Silicon Technology Investment (Cayman) Corp. - preference shares	—	Financial assets at fair value through other comprehensive income - non-current	1,139,776	56,907	2.19	56,907	
	NeuroSky, Inc. - series D preference shares	—	Financial assets at fair value through other comprehensive income - non-current	2,397,364	-	0.37	-	Note 1
	Solargiga Energy Holdings Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	15,863,333	3,030	0.49	3,030	
	Teratech Corp. - ordinary shares	—	Financial assets at fair value through profit or loss - non-current	112,000	-	0.67	-	Note 1
	TGF Linux Communication, Inc. - preference shares	—	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	Note 1
	Sohoware, Inc. - preference shares	—	Financial assets at fair value through profit or loss - non-current	450,000	-	-	-	Note 1
	Boldworks, Inc. - preference shares	—	Financial assets at fair value through profit or loss - non-current	689,266	-	-	-	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC Investment Corporation	Ordinary shares							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	\$ 450	-	\$ 450	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	584,416	5,406	0.01	5,406	
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	500,000	19,575	0.31	19,575	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	465,000	6,208	0.39	6,208	
	Beneficiary securities	—						
	Yuanta Wan Tai Money Market Fund	—	Financial assets at fair value through profit or loss - current	714,986	10,883	-	10,883	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	499,525	6,245	-	6,245	
Ordinary shares	—							
United Renewable Energy Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	1,133,531	5,362	0.04	5,362		

Note 1: Due to the recognition of investment losses over the past years, APC evaluated the fair value of equity instruments as 0.

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

USI CORPORATION AND SUBSIDIARIES
(China General Terminal & Distribution Co.)
MARKETABLE SECURITIES HELD
MARCH 31, 2020

TABLE 3-4

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Terminal & Distribution Co.	Shares							
	Asia Polymer Corporation	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	4,939,760	\$ 68,910	0.89	\$ 68,910	Note 2
	China General Plastics Corporation	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	2,667,382	37,743	0.51	37,743	Note 1
	Taita Chemical Company, Ltd.	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	1,915,033	15,608	0.57	15,608	Note 1
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	499,552	9,467	-	9,467	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
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 4

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Notes 1 and 2)		Acquisition		Disposal				Ending Balance (Notes 1 and 2)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Ever Conquest Global Limited	Shares Ever Victory Global Limited	Investment accounted for using the equity method	—	Subsidiary	390,830,000	\$ 11,563,685	18,832,000	\$ 570,606	-	-	-	-	409,662,000	\$ 12,057,293

Note 1: The ending balance includes the original investment amount, the share of profit (loss) of investee and other related adjustments.

Note 2: The amount as of March 31, 2020 was calculated at the original investment cost.

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

USI CORPORATION AND SUBSIDIARIES
 (China General Plastics Corporation (CGPC))
 MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 4-1

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
China General Plastics Corporation	Beneficiary certificates Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	12,751,358	\$ 189,601	24,108,007	\$ 359,000	26,990,807	\$ 401,883	\$ 401,601	\$ 282	9,868,558	\$ 147,000

Note: The amount as of March 31, 2020 was calculated at the original investment cost.

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation)

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

FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 4-2

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
Asia Polymer Corporation	Shares Ever Conquest Global Limited.	Investment accounted for using the equity method	—	Equity method investee	144,160,000	\$ 4,265,335	18,832,000	\$ 570,606	-	\$ -	\$ -	\$ -	162,992,000	\$ 4,797,229 (Note 1)

Note 1: The carrying amount includes the original investment amount, the investment profit (loss) recognized using equity method, foreign exchange conversion, and adjustments to changes in net value.

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, 2020

TABLE 5

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

Buyer/Seller	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	\$ 169,976	10.71	Payments within 60 days after purchasing on credit	No significant difference	No significant difference	(\$ 124,481)	(18.29)	

Note: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

(Swanson Plastics Corporation (SPC))

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, 2020

TABLE 5-1

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Note Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	
Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	(\$ 108,158)	(44)	90 days	No significant difference	No significant difference	Accounts receivable from related parties \$ 33,580	24	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	108,158	52	90 days	No significant difference	No significant difference	Accounts payable to related parties (33,580)	(49)	

Note: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

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

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, 2020

TABLE 5-2

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

Buyer/Seller	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	
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchase	\$ 1,223,418	76	45 days	No significant difference	No significant difference	Accounts payable to related parties (\$ 828,969)	(77)	Note
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(1,223,418)	(48)	45 days	No significant difference	No significant difference	Accounts receivable from related parties 828,969	49	Note
	CGPC Polymer Corporation	Fellow subsidiary	Sale	(1,117,173)	(44)	45 days	No significant difference	No significant difference	Accounts receivable from related parties 760,501	45	Note
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchase	1,117,173	97	45 days	No significant difference	No significant difference	Accounts payable to related parties (760,501)	(97)	Note

Note: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

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, 2020

TABLE 5-3

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

Buyer/Seller	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 (Zhongshan) Co., Ltd.	Sub-subsidiary	Sale	(\$ 186,142) (USD 6,221 thousand)	(7.86)	30 days	No significant difference	No significant difference	Accounts receivable from related parties \$ - (USD - thousand)	-	
Taita Chemical (Zhongshan) Co., Ltd.	Taita Chemical Company, Ltd.	Sub-subsidiary	Purchase	186,142 (USD 6,221 thousand)	7.86	30 days	No significant difference	No significant difference	Accounts payable to related parties - (USD - thousand)	-	

Note: All the transactions were fully eliminated upon preparation of 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, 2020

TABLE 5-4

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Accounts receivable from related parties		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	(\$ 169,981)	(12.94)	60 days	No significant difference	No significant difference	Accounts receivable from related parties \$ 127,967	20.98	
USI Trading(Shanghai) Co., Ltd.	USI Corporation	Ultimate parent company	Sale	(59)	-	30 days	No significant difference	No significant difference	Accounts receivable from related parties -	-	

Note: All the transactions were fully eliminated upon preparation of 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, 2020

TABLE 6

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

Company Name	Related Party	Relationship	Ending Balance (Note 3)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
USI Corporation	Taiwan VCM Corporation	Subsidiary of the Company	Other receivables - related parties \$ 153,779	-	\$ -	-	\$ 153,779	Note 1
	Asia Polymer Corporation	Subsidiary of the Company	Other receivables - related parties 124,966	-	-	-	122,919	Note 1

Note 1: An allowance for impairment loss is not needed after assessment.

Note 2: The subsequent period refers to the period from April 1, 2020 to May 13, 2020.

Note 3: All the transactions were fully eliminated upon preparation of 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, 2020

TABLE 6-1

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

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Acme Electronics Corporation	ACME Electronics (Cayman) Corp	Subsidiary	Other receivables - related parties \$ 213,068	-	\$ -	-	\$ 30,861	Note 1

Note 1: An allowance for impairment loss is not needed after assessment.

Note 2: All the transactions were fully eliminated upon preparation of 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, 2020

TABLE 6-2

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

Company Name	Related Party	Relationship	Ending Balance (Note 3)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
API-Swanson (Kunshan) Ltd. Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Fellow subsidiary	Other receivable - related parties \$ 185,794 (RMB 43,552 thousand)	-	\$ -	—	\$ -	Note 1

Note 1: An allowance for impairment loss is not needed after assessment

Note 2: The subsequent period refers to the period from April 1, 2020 to May 8, 2020.

Note 3: All the transactions were fully eliminated upon preparation of 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, 2020

TABLE 6-3

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

Company Name	Related Party	Relationship	Ending Balance (Note 3)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Accounts receivable from related parties \$ <u>125,411</u>	3.34	\$ -	—	\$ 37,519	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable from related parties \$ <u>828,969</u>	5.77	-	—	412,707	Note 1
	CGPC Polymer Corporation	Fellow subsidiary	Accounts receivable from related parties \$ <u>760,501</u>	5.85	-	—	380,840	Note 1

Note 1: An allowance for impairment loss is not needed after assessment

Note 2: The subsequent period refers to the period from April 1, 2020 to April 27, 2020.

Note 3: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

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

MARCH 31, 2020

TABLE 6-4

(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 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Sub-subsidiary	Other receivables \$ 281,608 (USD 9,317 thousand) (Note 1)	-	\$ -	—	\$ -	\$ -

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

Note 2: There was no amount received as of May 13, 2020.

Note 3: All the transactions were fully eliminated upon preparation of 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, 2020

TABLE 6-5

(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		
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Accounts receivable - related parties \$ 127,967	4.91	\$ -	—	\$ -	Note 1
	USI Corporation	Ultimate parent company	Other receivables - related parties 94	-	-	—	62	Note 1

Note 1: An allowance for impairment loss is not needed after assessment

Note 2: The subsequent period refers to the period from April 1, 2020 to May 14, 2020.

Note 3: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 7

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
USI Corporation	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focused on "product, transportation, storage, building, bank, securities investment and trading industry")	\$ 550,000	\$ 550,000	87,250,800	100.00	\$ 637,847	(\$ 27,216)	(\$ 27,216)	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	1,349,915	5,870	5,870	Subsidiary
	USI Far East (HK) Co., Ltd.	6/F., Caltex House, 258 Hennessy Road, Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	127,701	(1,753)	(1,753)	Subsidiary
	Union Polymer Int'l Investment Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focused on "product and service industry")	3,490,255	3,490,255	565,276,555	100.00	6,004,603	171,318	171,076	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Venture capital (focused on "high technology industry")	471,800	471,800	32,900,000	70.00	152,698	(1,742)	(1,219)	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Import and export trade	28,323	28,323	4,358,183	99.93	55,415	1,135	1,180	Subsidiary
	Swanson Plastics Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of stretch film, embossed film and industrial-use multi-layer wrap	171,210	171,210	62,616,299	40.58	975,761	33,589	13,630	Subsidiary
	Acme Electronics Corp.	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of manganese-zinc soft ferrite powder	221,513	221,513	49,250,733	26.91	315,306	(4,906)	(1,320)	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Optical products and fireproof materials	250,354	250,354	9,126,786	93.18	24,771	(2,725)	(2,539)	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Providing management services	1,000	1,000	671,400	100.00	(570)	6	6	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	124,350	239	239	Subsidiary
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Reinforced plastic products manufacturing	36,250	36,250	1,825,000	30.42	4,403	15	4	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	7,645,980	5,442,335	246,670,000	60.21	7,260,064	(41,289)	(26,059)	Subsidiary
	USI Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of sapphire crystal	330,000	330,000	33,000,000	50.85	94,348	(13,452)	(6,840)	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	\$ 12,382,034 (USD 409,662 thousand)	\$ 11,812,837 (USD 390,880 thousand)	409,662,000	72.24	\$ 12,057,293 (USD 398,918 thousand)	(\$ 51,605) (USD -1,714 thousand)	\$	Subsidiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Gargen One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investment	14,758,444 (USD 488,286 thousand)	14,758,444 (USD 488,286 thousand)	488,286,000	89.94	14,293,234 (USD 472,894 thousand)	(56,415) (USD -1,874 thousand)		Sub-subsidiary
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glasswool insulation products and plastic materials	1,749,212	1,749,212	122,562,945	36.67	1,810,486	144,750		Sub-subsidiary
	Asia Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	1,965,437	1,965,437	179,330,846	32.35	3,661,762	146,395		Sub-subsidiary
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	1,320,045	1,320,045	127,537,351	24.20	2,200,889	311,077		Sub-subsidiary
USIFE Investment Co., Ltd.	Acme Electronics Corp.	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of manganese-zinc soft ferrite powder	155,632	155,632	16,424,242	8.98	119,737	(4,906)		Subsidiary
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production, marketing and development of EVA packaging film and other value added plastic products	30,000	30,000	3,000,000	15.00	(14,528)	(3,199)		Sub-subsidiary
	Taiwan United Venture Management Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Business management consulting	8,000	8,000	800,000	100.00	16,094	447		Sub-subsidiary
Taiwan United Venture Capital Corp.	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Reinforced plastic products manufacturing	21,465	21,465	900,000	15.00	2,171	15		Subsidiary
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	British Virgin Islands	Import and export trade	6,650 (USD 200 thousand)	6,650 (USD 200 thousand)	220,000	100.00	6,979	(71) (USD 2 thousand)		Sub-subsidiary
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Investment	106,922 (USD3,538 thousand)	106,922 (USD3,538 thousand)	5,609,231	11.23	129,497 (USD4,284 thousand)	(7,414) (USD-246 thousand)		Sub-subsidiary

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 8.

Note 3: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES
(Acme Electronics Corporation)
INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 7-1

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount (Note 2)		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2020	December 31, 2019	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 (USD 18,336 thousand)	\$ 605,182 (USD 18,336 thousand)	25,621,692	51.27	\$ 591,374	(\$ 7,414) (USD-246 thousand)	(\$ 4,022) (USD-134 thousand)	
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Investment	669,072 (USD 20,800 thousand)	669,072 (USD 20,800 thousand)	20,800,000	100.00	800,564	179	179	
	ACME Electronics (BVI) Corp.	CITCO Building, Wickhams Cay P.O. Box 662, Road Town, Tortola, British Virgin Islands	Investment	23,923 (USD 730 thousand)	23,923 (USD 730 thousand)	730,000	100.00	350	(76) (USD -3 thousand)	(76) (USD -3 thousand)	
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of sapphire monocrystals	646,200	646,200	22,064,224	34.00	63,082	(13,452)	(4,573)	
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	USD 11,891 thousand	USD 11,891 thousand	42,600,000	100.00	USD 19,658 thousand	USD 127 thousand (MYR 553 thousand)		
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Production and marketing of soft ferrite core	MYR 37,964 thousand	MYR 37,964 thousand	9,120,000	100.00	MYR 86,804 thousand	MYR 573 thousand		

Note 1: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

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

Note 3: Information on investments in mainland China is provided in Table 8-1.

USI CORPORATION AND SUBSIDIARIES
(Swanson Plastics Corporation)
INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 7-2

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2020 (Note 2)	December 31, 2019 (Note 2)	Number of Shares	%	Carrying Amount			
Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	2 Venture Drive Vision Exchange #12-10 Singapore 608526	Production and marketing of plastic products	\$ 808,50	\$ 808,506	36,863	100.00	\$ 1,851,850	\$ 28,475	\$ 28,475	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	1,29	1,297	50	100.00	70,615	749	749	
	Swanson International Ltd.	Ugland House, P.O.Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	454,13	454,134	14,541	100.00	1,470,657	27,558	27,558	Note 3
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	4,85	4,850	1,600	100.00	6,585	-	-	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihsu Dist., Taipei City 114, Taiwan (ROC)	EVA packaging film and production, planting, development and sales of agri-technologies	140,00	140,000	14,000	70.00	(67,799)	(3,199)	2,239	
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	7,97	7,979	261	1.00	6,401	13,129	131	
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	199,28 (USD6,593 thousand)	199,285 (USD6,593 thousand)	20,000	100.00	643,327 (USD 21,285 thousand)	21,820 (MYR5,010 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Production and marketing of plastic products	499,04 (USD16,511 thousand)	499,041 (USD 16,511 thousand)	107,351	100.00	309,206 (USD 10,230 thousand)	(839) (INR-2,019 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	781,01 (USD25,840 thousand)	781,015 (USD 25,840 thousand)	25,840	99.00	633,747 (USD 20,968 thousand)	13,129 (IDR 5,967,752 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	214,41 (USD7,094 thousand)	214,419 (USD7,094 thousand)	-	100.00	523,869 (USD 17,332 thousand)	7,926 (USD 263 thousand)		Notes 1 and 3

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

Note 2: The original investment amount and carrying amount were calculated using the spot exchange rate as of March 31, 2020.

Note 3: Information on investments in mainland China is provided in Table 8-2.

Note 4: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES
(China General Plastics Corporation)
INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 7-3

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (ROC)	Manufacture and marketing of vinyl chloride monomer	\$ 2,930,995	\$ 2,930,995	222,609,751	87.22	\$ 3,320,009	\$ 294,373	\$ 194,069	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of PVC resin	800,000	800,000	80,000,000	100.00	975,388	44,161	44,161	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	346,144	1,052	1,052	Subsidiary
	China General Terminal & Distribution Corporation	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (ROC)	Warehouse of petrochemical raw materials	41,106	41,106	18,667,465	33.33	251,782	15,697	5,232	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881	Marketing of PVC second - and third-time processed products	648,931	648,931	100	100.00	201,828	4,686	4,686	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of manganese-zinc soft ferrite powder	33,995	33,995	3,176,019	1.74	21,324	(4,906)	(85)	Associate accounted for using the equity method
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of reinforced plastic products	15,000	15,000	600,000	10.00	1,447	15	2	Associate accounted for using the equity method (Note 1)

Note 1: On April 12, 2019, the board of director of TMC resolved to dissolve from May 25, 2019. As of March 31, 2020, the dissolution procedures have not yet been completed.

Note 2: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

Note 3: Information on investments in mainland China is provided in Table 8-3.

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Ltd.)
INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 7-4

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 1,866,031 (USD61,738 thousand)	\$ 1,866,031 (USD61,738 thousand)	61,738,000	100.00	\$ 1,444,392 (USD47,809 thousand)	\$ 15,411 (USD 512 thousand)	\$ 15,411 (USD 512 thousand)	Subsidiary (Notes 1 and 3)
	China General Plastics Corporation	Taipei	Manufacturing and marketing of PVC plastic cloth and three-time processed products	65,365	65,365	10,445,510	1.98	169,636	311,077	6,164	Investments accounted for using the equity method (Note 1)
	China General Terminal & Distribution Corporation	Taipei	Warehousing of petrochemical raw materials	41,082	41,082	18,667,463	33.33	251,783	15,697	5,233	Investments accounted for using the equity method (Note 2)
	Acme Electronics Corporation	Taipei	Manufacturing and marketing of manganese-zinc and ferrite core	44,771	44,771	4,445,019	2.43	29,842	(4,906)	(119)	Investments accounted for using the equity method (Note 1)
	Thintec Materials Corporation	Taipei	Manufacturing of reinforced plastic products	15,000	15,000	600,000	10.00	1,448	15	2	Investments accounted for using the equity method (Note 2)
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	51,384 (USD1,700 thousand)	51,384 (USD1,700 thousand)	2,695,619	5.39	62,232 (USD2,059 thousand)	(7,414) (USD -246 thousand)		Investments accounted for using the equity method (Note 1)

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

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

Note 3: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

Note 4: Investments in mainland China are included in Table 8-4.

USI CORPORATION AND SUBSIDIARIES
(Asia Polymer Corporation)
INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 7-5

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 416,344 (USD 13,775 thousand)	\$ 416,344 (USD 13,775 thousand)	11,342,594	100.00	\$ 488,160	\$ 2,413	\$ 2,413	Subsidiary (Note 1)
	APC Investment Corporation	Taipei	Investment	200,000	200,000	20,000,000	100.00	84,944	(6,775)	(6,775)	Subsidiary (Note 1)
	USI International Corp.	British Virgin Islands	Reinvestment	84,630 (USD 2,800 thousand)	84,630 (USD 2,800 thousand)	2,800,000	70.00	135,178	1,923	1,346	Subsidiary (Note 1)
	China General Plastics Corporation	Taipei	Production and sales of plastic sheets, plastic leather, plastic tubes, plastic granules, plastic powder, profile extrusion materials, chlor-akali products and other related products	247,412	247,412	42,527,153	8.07	690,643	311,077	25,101	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei	Warehousing and transportation of petro chemical raw materials	41,082	41,082	18,667,464	33.33	251,783	15,697	5,232	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei	Manufacture and marketing of stretch film and industrial multi-layer packaging film	75,242	75,242	12,266,779	7.95	192,131	33,589	2,670	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei	Manufacture and marketing of manganese zinc, manganese-zinc ferrite, magnetic powder and ferrite core	61,348	61,348	6,056,623	3.31	40,661	(4,906)	(162)	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei	Investment in high technology businesses	52,791	52,791	3,913,533	8.33	18,164	(1,742)	(145)	Investments accounted for using the equity method
	Thintec Materials Corporation	Taipei	Manufacture of reinforced plastic products	36,250	36,250	1,825,000	30.42	4,403	15	4	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20	17,075	(13,452)	(1,238)	Investments accounted for using the equity method
Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	4,926,433 (USD 162,992 thousand)	4,357,236 (USD 144,160 thousand)	162,992,000	39.79	4,797,229	(41,289)	(15,229)	Investments accounted for using the equity method	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	\$ 158,527 (USD 5,245 thousand)	\$ 158,527 (USD 5,245 thousand)	8,316,450	16.64	\$ 191,998	(\$ 7,414)	\$ -	Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	36,270 (USD 1,200 thousand)	36,270 (USD 1,200 thousand)	1,200,000	30.00	57,934	1,923	-	
APC Investment Corporation	Acme Electronics Corporation	Taipei	Manufacture and marketing of manganese zinc, manganese-zinc ferrite, magnetic powder and ferrite core	14,889	14,889	1,884,548	1.03	12,652	(4,906)	-	Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei	Manufacture and marketing of EVA film	30,000	30,000	3,000,000	15.00	(14,528)	(3,199)	-	Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment	12,382,034 (USD 409,662 thousand)	11,812,837 (USD 390,830 thousand)	409,662,000	72.24	12,057,293 (USD 398,918)	(51,605) (USD 1,714)	-	Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Limited	Hong Kong	Reinvestment	14,758,444 (USD 488,286 thousand)	14,758,444 (USD 488,286 thousand)	488,286,000	89.94	14,293,234 (USD 472,894)	(56,415) (USD 1,874)	-	Investments accounted for using the equity method

Note 1: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

Note 2: Investments in mainland China are included in Table 8-5.

USI CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 8

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 7)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 7)	Investment Flows (Note 7)		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020 (Note 7)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 6 and 8)	Carrying Amount as of March 31, 2020 (Notes 6 and 8)	Accumulated Repatriation of Investment Income as of March 31, 2020
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 928,663 (USD30,725 thousand)	Note 1	\$ 85,160 (USD 2,818 thousand)	\$ -	\$ -	\$ 85,160 (USD 2,818 thousand)	(\$ 6,242) (USD 207 thousand)	11.23	(\$ 701) (USD 23 thousand)	\$ 84,594 (USD 2,799 thousand)	\$ -
Usig (Shanghai) Co., Ltd.	Importing and distributing various chemical raw materials and products	151,125 (USD 5,000 thousand)	Note 2	151,125 (USD 5,000 thousand)	-	-	151,125 (USD 5,000 thousand)	239 (USD 8 thousand)	100.00	239 (USD 8 thousand)	124,350 (USD 4,114 thousand)	-
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	Crude oil processing and petroleum products manufacturing	29,496,830 (RMB 6,914,400 thousand)	Note 3	6,825,110 (USD 227,655 thousand)	-	-	6,825,110 (USD 227,655 thousand)	(86,239) (USD 2,865 thousand)	19.56	(19,585) (USD 651 thousand)	5,756,772 (USD 190,464 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2020 (Note 7)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 5 and 7)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 7,297,236 (USD 241,430 thousand)	\$ 8,263,017 (USD 273,384 thousand)	\$ - (Note 2)

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 (60.21%), then via Ever Victory Global Limited (72.24%), and finally via Dynamic Ever Investments Limited (89.94%).

Note 4: As the Company has obtained the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920403810 on February 11, 2020, the upper limit on investment in mainland China is not applicable.

Note 5: As included in the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10500116380 on September 1, 2016, No. 10500234240 on December 29, 2016, and No. 10500234240 on February 26, 2020, the Company was able to wire transfer US\$257,939 thousand to Gulei.

Note 6: Except for Gulei, All the transactions were fully eliminated upon preparation of the consolidated financial statements.

Note 7: The amount was calculated using the spot exchange rate as of March 31, 2020.

Note 8: Except for ACME Electronics (Kunshan) Co., Ltd., whose numbers were based on its financial statements reviewed by the Certified Public Accountants of its ROC parent company, all the other companies' were based on non-reviewed financial statements. .

USI CORPORATION AND SUBSIDIARIES
(Acme Electronics Corporation (ACME))
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 8-1

(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, 2020 (Note 5)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020 (Note 5)	Net Income (Loss) of the Investee (Note 6)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 4, 6 and 8)	Carrying Amount as of March 31, 2020 (Notes 7 and 8)	Accumulated Repatriation of Investment Income as of March 31, 2020
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	USD 30,725 thousand	II	\$ 374,188 (USD 11,144 thousand)	\$ -	\$ -	\$ 374,188 (USD 11,144 thousand)	(\$ 6,242) (RMB -1,446 thousand)	51.27	(\$ 3,200) (RMB-741 thousand)	\$ 386,408 (RMB 90,578 thousand)	\$ -
Acme Electronics (Guang-Zhou) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	USD 19,200 thousand	II	\$ 619,676 (USD 19,200 thousand)	-	-	\$ 619,676 (USD 19,200 thousand)	405 (RMB 94 thousand)	100.00	405 (RMB 94 thousand)	797,283 (RMB 186,892 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 917,147 (USD 30,344 thousand) (Notes 3 and 7)	\$ 1,107,232 (USD 36,633 thousand) (Notes 3 and 7)	\$ - (Note 2)

Note 1: Investemnt method II indicates that ACME reinvested in the China area via another investment area.

Note 2: As the Company has obtained 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 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, 2020 to March 31, 2020.

Note 7: The amount was calculated using the spot exchange rate on March 31, 2020.

Note 8: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES
(Swanson Plastics Corporation)
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 8-2

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of March 31, 2020 (Note 3)	Accumulated Repatriation of Investment Income as of March 31, 2020
					Outflow	Inflow						
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	\$ 401,690 (USD 13,290 thousand)	Indirect investment via Swanson International Ltd. of British Cayman Islands	\$ 223,930	\$ -	\$ -	\$ 223,930	\$ 19,632 (USD 652 thousand)	100.00	\$ 19,632 (USD 652 thousand)	\$ 1,040,608 (USD 34,429 thousand)	\$ -
ASK-Swanson (Kunshan) Co., Ltd.	Management of PE release film and other release products	275,048 (USD 9,100 thousand)	Indirect investment in A.S. Holdings (UK) Limited via Swanson International Ltd.	193,447	-	-	193,447	7,926 (USD 263 thousand)	100.00	7,926 (USD 263 thousand)	523,869 (USD 17,332 thousand)	-
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	323,408 (USD 10,700 thousand)	Indirect investment via Swanson (Singapore) Private Ltd.	170,754	-	-	170,754	(10,008) (USD -332 thousand)	100.00	(10,008) (USD -332 thousand)	123,445 (USD 4,084 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 588,131	\$ 990,949 (USD 32,786 thousand)	\$ - (Note 2)

Note 1: Paid in capital and upper limit on the investment amount stipulated by Industrial Development Bureau, MOEA were calculated using the spot exchange rate on March 31, 2020.

Note 2: 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 3: All the transactions were fully eliminated upon preparation of 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, 2020

TABLE 8-3

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of March 31, 2020 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2020
					Outflow	Inflow						
Continental General Plastics (ZhongShan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	\$ 604,500 (USD 20,000 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	\$ 604,500 (USD 20,000 thousand)	\$ -	\$ -	\$ 604,500 (USD 20,000 thousand)	\$ 711 (USD24 thousand)	100.00	\$ 711 (USD24 thousand)	\$ 256,798 (USD 8,496 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacture and marketing of PVC third-time processed products	45,338 (USD 1,500 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	45,338 (USD 1,500 thousand)	-	-	45,338 (USD 1,500 thousand)	8 (USD - thousand)	100.00	8 (USD - thousand)	13,217 (USD 437 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2020 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
\$ 818,553 (USD 27,082 thousand)	\$ 949,065 (USD 31,400 thousand)	\$ -

Note 1: The amount was calculated using the spot exchange rate as of March 31, 2020.

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 \$20,674 thousand (US\$684 thousand), the investment amount of Union (ZS) of \$27,142 thousand (US\$898 thousand) and the investment amount of Continental General Plastics (SanHe) Co., Ltd. of \$120,900 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 24, 2011. As of March 31, 2020, the dissolution procedures have not yet been completed.

Note 5: All the transactions were fully eliminated upon preparation of the consolidated financial statements. The recognition of investment income (loss) was based on financial statements which had not been reviewed by CPA.

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Ltd. (TTC))
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 8-4

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020	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, 2020 (Note 5)	Accumulated Repatriation of Investment Income as of March 31, 2020
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	\$ 1,397,906 (USD46,250 thousand) (Note 1)	Investment through a holding company registered in a third region	\$ 1,299,675 (USD43,000 thousand)	\$ -	\$ -	\$ 1,299,675 (USD43,000 thousand)	\$ 38,938 (USD1,293 thousand)	100.00	\$ 38,938 (USD1,293 thousand) (Note 6)	\$ 2,309,530 (USD76,411 thousand) (Note 6)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	826,654 (USD27,350 thousand) (Note 2)	Investment through a holding company registered in a third region	785,850 (USD26,000 thousand)	-	-	785,850 (USD26,000 thousand)	(16,934) (USD -562 thousand)	100.00	(16,934) (USD -562 thousand) (Note 6)	(137,087) (USD4,536 thousand) (Note 6)	-
ACME Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	928,663 (USD30,725 thousand)	Investment through a holding company registered in a third region ACME Electronics (Cayman) Corp	40,925 (USD1,354 thousand)	-	-	40,925 (USD1,354 thousand)	(6,242) (USD -207 thousand)	5.39	(337) (USD -11 thousand)	753,618 (USD24,934 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$2,126,450 (USD 70,354 thousand)	\$ 2,291,578 (USD 75,817 thousand) (Note 3)	\$ - (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: As the TTC obtained the certificate of qualification of operating headquarters issued by the Industrial Development Bureau No. 10820415160 on June 6, 2019, 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: The recognition of investment income (loss) was based on financial statements audited by CPA of the parent company of TTC in Taiwan.

Note 6: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND REINVESTMENT COMPANIES
(Asia Polymer Corporation (APC))
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 8-5

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 3)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020	Net Income (Loss) of the Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of March 31, 2020 (Note 4)	Accumulated Repatriation of Investment Income as of March 31, 2020
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 928,663 (USD30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 126,261 (USD4,177 thousand)	\$ -	\$ -	\$ 126,261 (USD4,177 thousand)	B (\$ 6,242)	16.64	(\$ 1,039)	\$ 125,423	\$ -
USI Trading(Shanghai) Co.,Ltd	Sales of chemical engineering products and equipment	75,563 (USD 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	91,751 (USD3,036 thousand)	-	-	91,751 (USD3,036 thousand)	B 2,753	100.00	2,753	108,787	-
Fujian Gulei Petrochemical Co., Ltd.	Processing of crude oil and manufacturing of petroleum products	29,496,830 (RMB 6,914,400 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	4,022,146 (USD 133,073 thousand)	-	-	4,022,146 (USD 133,073 thousand)	A (86,239)	12.93	(11,444)	3,805,478	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$4,385,846 (Note 5) (USD 145,107 thousand)	\$6,348,326 (USD 215,036 thousand)	\$ - (Note 6)

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

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

Note 2: The Company reinvested in 50% of the outstanding shares of Gulei via Ever Conquest Global Limited (37.97%), then via Ever Victory Global Ltd. (72.24%), and finally via Dynamic Ever Investments Ltd. (89.94%).

Note 3: For the column of investment gain (loss):

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

Note 4: The amount was calculated using the exchange rate as at March 31, 2020.

Note 5: APC indirectly invested subsidiaries in Mainland China through APC (BVI) Holding Co., Ltd. investing in Silicon Technology Investment (Cayman) Corp. (STIC) and Solargiga Energy Holdings Ltd.

Note 6: As APC has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10800262940 on February 26, 2020, the upper limit on investments in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

Note 7: Except for the investment in Fujian Gulei Petrochemical Co., Ltd., all the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 9

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

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	Swanson Plastics Corporation	a	Sales revenue	\$ 15,656	No significant difference	0.14%
0	USI Corporation	Forever Young Company Limited	a	Sales revenue	20,965	No significant difference	0.18%
0	USI Corporation	USI Trading (Shanghai) Co., Ltd	a	Sales revenue	16,777	No significant difference	0.15%
0	USI Corporation	USI Far East (HK) Co., Ltd.	a	Sales revenue	21,213	No significant difference	0.19%
0	USI Corporation	Asia Polymer Corporation	a	Sales revenue	25,559	No significant difference	0.23%
0	USI Corporation	Asia Polymer Corporation	a	Purchases	169,981	No significant difference	1.50%
0	USI Corporation	Swanson Plastics Corporation	a	Purchases	14,021	No significant difference	0.12%
0	USI Corporation	Asia Polymer Corporation	a	Raw materials sales revenue	19,835	No significant difference	0.17%
0	USI Corporation	Swanson Plastics Corporation	a	Accounts receivable	12,448	No significant difference	0.02%
0	USI Corporation	USI Far East (HK) Co., Ltd.	a	Accounts receivable	17,560	No significant difference	0.02%
0	USI Corporation	Forever Young Company Limited	a	Accounts receivable	15,756	No significant difference	0.02%
0	USI Corporation	USI Trading (Shanghai) Co., Ltd	a	Accounts receivable	14,349	No significant difference	0.02%
0	USI Corporation	Asia Polymer Corporation	a	Other receivables	117,912	No significant difference	0.16%
0	USI Corporation	Taiwan VCM Corporation	a	Other receivables	153,218	No significant difference	0.21%
0	USI Corporation	Asia Polymer Corporation	a	Other company related payables	124,481	No significant difference	0.17%
0	USI Corporation	USI Management Consulting Corporation	a	Management services expense	32,034	No significant difference	0.28%

(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)
1	Asia Polymer Corporation	China General Terminal & Distribution Corporation	c	Storage tank operating expense	\$ 14,345	No significant difference	0.13%
1	Asia Polymer Corporation	USIG (Shanghai) Co., Ltd	c	Sales revenue	26,003	No significant difference	0.23%
1	Asia Polymer Corporation	USIG (Shanghai) Co., Ltd	c	Accounts receivable	25,900	No significant difference	0.23%
2	China General Plastics Corporation	China General Terminal & Distribution Corporation	c	Cost of goods sold	28,429	No significant difference	0.04%
2	China General Plastics Corporation	China General Terminal & Distribution Corporation	c	Accounts receivable	14,771	No significant difference	0.02%
2	China General Plastics Corporation	USI Management Consulting Corporation	c	Management services expense	20,716	No significant difference	0.18%
2	China General Plastics Corporation	Taiwan VCM Corporation	c	Purchases	1,223,418	No significant difference	10.77%
2	China General Plastics Corporation	Taiwan VCM Corporation	c	Accounts payable	828,969	No significant difference	7.30%
2	China General Plastics Corporation	CGPC America Corporation	c	Sales revenue	97,535	No significant difference	0.86%
2	China General Plastics Corporation	CGPC America Corporation	c	Accounts receivable	125,411	No significant difference	1.10%
3	Taita Chemical Company, Ltd.	USI Management Consulting Corporation	c	Management services expense	13,701	No significant difference	0.02%
3	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	c	Sales revenue	186,142	No significant difference	1.64%
3	Taita Chemical Company, Ltd.	Taida Chemical (Tianjin) Co., Ltd.	c	Other receivables	281,608	No significant difference	2.48%
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Sales revenue	28,197	No significant difference	0.25%
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	c	Sales revenue	15,888	No significant difference	0.14%
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Cost of goods sold	16,237	No significant difference	0.14%
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	c	Processing fee (entered as cost of goods sold)	82,196	No significant difference	0.72%
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Accounts receivable	25,281	No significant difference	0.04%
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	c	Accounts receivable	11,099	No significant difference	0.02%
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Other receivables	12,580	No significant difference	0.02%

(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 Corporation	ACME Electronics (Cayman) Corp.	c	Other receivables	\$ 213,068	No significant difference	0.30%
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	c	Note payables and accounts payable	92,458	No significant difference	0.13%
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Note payables and accounts payable	21,012	No significant difference	0.19%
5	USI Management Consulting Corporation	Asia Polymer Corporation	c	Management services revenue	10,691	No significant difference	0.01%
6	Taita Chemical (Zhongshan) Co., Ltd.	Taida Chemical (Tianjin) Co., Ltd.	c	Other receivables	64,714	No significant difference	0.57%
7	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	c	Sales revenue	15,375	No significant difference	0.02%
7	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	c	Accounts receivable	10,671	No significant difference	0.01%
8	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Purchases	1,117,173	No significant difference	9.84%
8	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Accounts payable	760,501	No significant difference	1.06%
8	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Other payables	22,793	No significant difference	0.03%
9	Swanson Plastics Corporation	USI Corporation	b	Sales revenue	14,201	No significant difference	0.02%
9	Swanson Plastics Corporation	USI Corporation	b	Cost of goods sold	12,824	No significant difference	0.02%
9	Swanson Plastics Corporation	USI Corporation	b	Accounts payable	12,448	No significant difference	0.11%
9	Swanson Plastics Corporation	Forever Young Company Limited	c	Accounts receivable	18,712	No significant difference	0.16%
9	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Corp.	c	Accounts receivable	12,919	No significant difference	0.11%
10	Forever Young Company Limited	SWANSON PLASTICS (INDIA) PRIVATE LTD.	c	Accounts receivable	16,819	No significant difference	0.15%
10	Forever Young Company Limited	SWANSON PLASTICS (INDIA) PRIVATE LTD.	c	Sales revenue	15,948	No significant difference	0.14%
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Corp.	c	Accounts receivable	60,445	No significant difference	0.53%
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Corp.	c	Sales revenue	52,937	No significant difference	0.07%
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts receivable	33,580	No significant difference	0.30%

(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)
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts payable	\$ 12,305	No significant difference	0.11%
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	39,454	No significant difference	0.35%
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Sales revenue	108,158	No significant difference	0.15%
10	Forever Young Company Limited	PT Swanson Plastics Indonesia	c	Sales revenue	29,955	No significant difference	0.26%
10	Forever Young Company Limited	SWANSON INTERNATIONAL LTD.	c	Accounts receivable	93,849	No significant difference	0.83%
10	Forever Young Company Limited	USI Corporation	b	Accounts payable	12,756	No significant difference	0.11%
10	Forever Young Company Limited	USI Corporation	b	Cost of goods sold	20,332	No significant difference	0.03%
11	Swanson Plastics (Kunshan) Corp.	API-Swanson (Kunshan) Co., Ltd.	c	Sales revenue	17,725	No significant difference	0.02%
12	SWANSON PLASTICS (SINGAPORE) PTE LTD.	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	58,577	No significant difference	0.08%
12	SWANSON PLASTICS (SINGAPORE) PTE LTD.	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts payable	11,147	No significant difference	0.02%
13	API-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tainjin) Co., Ltd.	c	Accounts receivable	185,794	No significant difference	1.64%

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: All the transactions were fully eliminated upon preparation of 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.

USI CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS,
AND UNREALIZED GAINS OR LOSSES

FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 10

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

Investee Company	Financial Statement Account	Amount	Percentage (%)	Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gains or Losses	Note
					Payment Terms	Compared to General Transactions	Amount	Percentage (%)		
USI Far East (HK) Co., Ltd.	Sales revenue	\$ 21,213	0.92	No significant difference	Within 60 days after selling on credit	No significant difference	\$ 18,904	2.78	\$ -	—
Dynamic Ever Investments Limited	Management service revenue	4,983		—	—	—	-	-	-	—
	Other income	64		—	—	—	-	-	-	—
	Other receivables from related parties	5,274		—	—	—	-	-	-	—

Note: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation (APC))

INFORMATION ON INVESTMENTS IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS,
AND UNREALIZED GAINS OR LOSSES
FOR THE THREE MONTHS ENDED MARCH 31, 2020

TABLE 10-1

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

Investee Company	Financial Statement Account	Amount	Percentage (%)	Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gains or Losses	Note
					Payment Terms	Compared to General Transactions	Amount	Percentage (%)		
USI Trading (Shanghai) Co., Ltd	Sales revenue	\$ 26,003	1.98	No significant difference	Within 90 days after selling on credit	No significant difference	\$ 25,900	4.25	\$ -	—
	Commission expenses	69	-	—	—	—	-	-	-	—
	Non-operating income and expense - rental income	332	-	—	—	—	-	-	-	—
	Management service fee	29	-	—	—	—	-	-	-	—
	Other receivables to related parties	8,194	-	—	—	—	-	-	-	—
	Other payables to related parties	705	-	—	—	—	-	-	-	—

Note: All the transactions were fully eliminated upon preparation of the consolidated financial statements.

USI CORPORATION
INFORMATION ON MAJOR SHAREHOLDERS
MARCH 31, 2020

TABLE 11

Name of major shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shing Lee Enterprise Limited	173,776,546	14.61
Wholgainer Company Limited's trust account under custody of Fubon Securities Co., Ltd.	110,000,000	9.25
Asia Polymer Corporation	101,355,673	8.52

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

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