

# USI CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements for the Six  
Months Ended June 30, 2020 and 2019 and  
Independent Auditors' Review Report

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## **Independent Auditors' Review Report**

USI Corporation

### **Foreword**

We have reviewed the accompanying consolidated balance sheets of USI Corporation and its subsidiaries (collectively, the "Group") as of June 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019, the consolidated statements of changes in equity and cash flows for the six 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 June 30, 2020 and 2019, the combined total assets of these non-significant subsidiaries and investments accounted for using the equity method were NT\$27,453,121 thousand and NT\$23,561,291 thousand, respectively, representing 38.21% and 32.66%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$3,225,022 thousand and NT\$3,293,721 thousand, respectively, representing 10.87% and 9.67%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019, the amounts of combined comprehensive income of these subsidiaries and share of profit (loss) of joint ventures accounted for using the equity method were NT\$222,669 thousand, NT\$(110,213) thousand, NT\$(3,671) thousand, and NT\$36,270 thousand, respectively, representing 31.26%, (22.45%), (0.49%), and 2.33%, 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 June 30, 2020 and 2019 and its consolidated financial performance for the three months ended June 30, 2020 and 2019 and its consolidated financial performance and its cash flows for the six months ended June 30, 2020 and 2019 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(Fiancial 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.*

August 13, 2020

USI CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
June 30, 2020, and December 31 and June 30, 2019

(In Thousands of New Taiwan Dollars)

Code	Assets	June 30, 2020 (Reviewed)		December 31, 2019 (Audited)		June 30, 2019 (Reviewed)	
		Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>							
1100	Cash and cash equivalents (Note 6)	\$ 8,685,259	12	\$ 7,927,403	11	\$ 8,325,502	12
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	5,204,901	7	6,358,025	9	6,527,589	9
1120	Financial assets at fair value through other comprehensive income (FVTOCI) - current (Note 8)	168,931	-	174,789	-	177,774	-
1136	Financial assets measured at amortized cost - current (Notes 9 and 36)	486,484	1	506,129	1	362,893	1
1150	Notes receivable, net (Note 10)	406,977	1	634,435	1	835,646	1
1170	Accounts receivable, net (Note 10)	5,151,637	7	6,411,077	9	6,905,651	10
1200	Other receivables (Notes 10 and 35)	302,401	-	277,131	-	283,748	-
1220	Current tax assets (Notes 4 and 29)	14,648	-	11,919	-	9,936	-
130X	Inventories (Note 11)	4,046,354	6	4,919,506	7	5,874,907	8
1410	Prepayments	594,863	1	782,608	1	831,945	1
1470	Other current assets	252,888	-	17,150	-	284,975	-
11XX	Total current assets	<u>25,315,343</u>	<u>35</u>	<u>28,020,172</u>	<u>39</u>	<u>30,420,566</u>	<u>42</u>
<b>NON-CURRENT ASSETS</b>							
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8 and 36)	2,236,367	3	2,196,724	3	2,491,708	4
1535	Financial assets measured at amortized cost - non-current (Notes 9, 36 and 37)	330,042	1	311,942	-	311,849	-
1550	Investments accounted for using the equity method (Note 14)	18,177,731	25	14,867,168	21	13,061,796	18
1600	Property, plant and equipment (Notes 15 and 36)	23,078,249	32	23,228,911	33	23,467,759	33
1755	Right-of-use assets (Notes 16 and 36)	810,382	1	885,508	1	866,643	1
1760	Investment properties (Notes 17 and 36)	508,418	1	524,408	1	284,693	-
1805	Goodwill (Note 18)	269,026	-	269,026	-	269,026	-
1821	Other intangible assets (Note 18)	12,224	-	17,004	-	25,404	-
1840	Deferred tax assets (Notes 4 and 29)	703,727	1	643,715	1	552,605	1
1990	Other non-current assets (Note 36)	404,500	1	461,208	1	390,016	1
15XX	Total non-current assets	<u>46,530,666</u>	<u>65</u>	<u>43,405,614</u>	<u>61</u>	<u>41,721,499</u>	<u>58</u>
1XXX	TOTAL	<u>\$ 71,846,009</u>	<u>100</u>	<u>\$ 71,425,786</u>	<u>100</u>	<u>\$ 72,142,065</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
2100	Short-term borrowings (Notes 19 and 36)	\$ 4,319,048	6	\$ 4,258,980	6	\$ 4,884,309	7
2110	Short-term bills payable (Note 19)	1,070,822	2	1,352,810	2	1,654,703	2
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	3,783	-	4,136	-	3,678	-
2170	Notes payable and accounts payable (Note 21)	2,118,759	3	2,757,368	4	3,048,364	4
2216	Other payables (Note 22)	1,057,959	1	17,771	-	1,010,975	1
2219	Current tax liabilities (Notes 4 and 29)	1,668,952	2	1,920,255	3	1,568,428	2
2230	Lease liabilities - current (Note 16)	433,332	1	517,913	1	352,729	1
2280	Current portion of long-term borrowings (Notes 19, 20 and 36)	68,291	-	70,814	-	65,457	-
2320	Refund liabilities - current (Note 22)	120,000	-	1,443,156	2	1,171,367	2
2365	Other current liabilities	17,355	-	28,221	-	27,235	-
2399	Total current liabilities	<u>397,543</u>	<u>1</u>	<u>262,958</u>	<u>-</u>	<u>236,091</u>	<u>-</u>
21XX	CURRENT LIABILITIES	<u>11,275,844</u>	<u>16</u>	<u>12,634,382</u>	<u>18</u>	<u>14,023,336</u>	<u>19</u>
<b>NON-CURRENT LIABILITIES</b>							
2530	Bonds payable (Note 20)	6,992,810	10	6,991,327	10	6,989,851	10
2540	Long-term borrowings (Notes 19 and 36)	7,953,028	11	9,049,770	12	9,424,583	13
2550	Provisions - non-current (Notes 23 and 37)	136,375	-	136,375	-	136,375	-
2570	Deferred tax liabilities (Notes 4 and 29)	1,443,354	2	1,411,901	2	1,448,866	2
2580	Lease liabilities - non-current (Note 16)	421,214	-	481,964	1	450,652	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 24)	1,356,943	2	1,473,867	2	1,526,537	2
2670	Other non-current liabilities (Note 25)	82,999	-	69,253	-	71,483	-
25XX	Total non-current liabilities	<u>18,386,723</u>	<u>25</u>	<u>19,614,457</u>	<u>27</u>	<u>20,048,347</u>	<u>28</u>
2XXX	Total liabilities	<u>29,662,567</u>	<u>41</u>	<u>32,248,839</u>	<u>45</u>	<u>34,071,683</u>	<u>47</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 13, 26 and 29)</b>							
3100	Share capital	11,887,635	17	11,887,635	17	11,887,635	17
3200	Capital surplus	341,249	-	271,613	-	268,122	-
<b>Retained earnings</b>							
3310	Legal reserve	3,109,625	5	2,979,753	4	2,979,753	4
3320	Special reserve	781,059	1	430,526	1	430,526	1
3350	Unappropriated earnings	3,774,325	5	4,346,640	6	3,768,507	5
3300	Total retained earnings	<u>7,665,009</u>	<u>11</u>	<u>7,756,919</u>	<u>11</u>	<u>7,178,786</u>	<u>10</u>
3490	Other equity	(950,804)	(1)	(781,058)	(1)	(166,824)	-
3500	Treasury shares	(475,606)	(1)	(475,606)	(1)	(475,606)	(1)
31XX	Total equity attributable to owners of the Company	<u>18,467,483</u>	<u>26</u>	<u>18,659,503</u>	<u>26</u>	<u>18,692,113</u>	<u>26</u>
36XX	NON-CONTROLLING INTERESTS	<u>23,715,959</u>	<u>33</u>	<u>20,517,444</u>	<u>29</u>	<u>19,378,269</u>	<u>27</u>
3XXX	Total equity	<u>42,183,442</u>	<u>59</u>	<u>39,176,947</u>	<u>55</u>	<u>38,070,382</u>	<u>53</u>
TOTAL		<u>\$ 71,846,009</u>	<u>100</u>	<u>\$ 71,425,786</u>	<u>100</u>	<u>\$ 72,142,065</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 June 30, 2020 and 2019 and for the Six Months Ended June 30, 2020 and 2019

(Reviewed, Not Audited)

Code		(In Thousands of New Taiwan Dollars, Except Earnings per Share)							
		For the Three Months Ended		For the Three Months Ended		For the Six Months Ended		For the Six Months Ended	
		June 30, 2020		June 30, 2019		June 30, 2020		June 30, 2019	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	OPERATING REVENUE (Note 27)	\$ 10,856,394	100	\$ 14,501,230	100	\$ 22,212,802	100	\$ 27,994,606	100
5110	COST OF GOODS SOLD (Notes 11, 15, 16, 18, 25 and 28)	9,347,960	86	12,922,007	89	18,865,118	85	24,855,023	89
5900	GROSS PROFIT	1,508,434	14	1,579,223	11	3,347,684	15	3,139,583	11
	OPERATING EXPENSES (Notes 10, 15, 16, 18, 24, 25, 28 and 35)								
6100	Selling and marketing expenses	392,280	3	537,058	4	856,755	4	1,034,484	4
6200	General and administrative expenses	291,812	3	319,594	2	589,663	2	663,002	2
6300	Research and development expenses	83,644	1	105,295	1	168,766	1	216,282	1
6000	Total operating expenses	767,736	7	961,947	7	1,615,184	7	1,913,768	7
6900	PROFIT FROM OPERATIONS	740,698	7	617,276	4	1,732,500	8	1,225,815	4
	NON-OPERATING INCOME AND EXPENSES								
7100	Interest income (Note 28)	31,119	-	53,751	-	60,372	-	82,156	-
7010	Other income (Notes 15, 25, 28 and 35)	138,988	1	293,700	2	168,200	1	358,246	1
7020	Other gains and losses (Notes 24, 28 and 39)	29,785	-	59,370	1	( 22,382 )	-	167,433	1
7050	Finance costs (Notes 19, 20 and 28)	( 57,541 )	-	( 70,191 )	-	( 124,005 )	( 1 )	( 142,183 )	-
7060	Share of (loss) profit of joint ventures accounted for using the equity method (Note 14)	( 26,675 )	-	4,320	-	( 69,795 )	-	21,170	-
7000	Total non-operating income and expenses	115,676	1	340,950	3	12,390	-	486,822	2
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	856,374	8	958,226	7	1,744,890	8	1,712,637	6
7950	INCOME TAX EXPENSE (Notes 4 and 29)	190,431	2	256,433	2	433,995	2	429,448	1
8000	NET PROFIT FROM CONTINUING OPERATIONS	665,943	6	701,793	5	1,310,895	6	1,283,189	5
8100	NET PROFIT FROM DISCONTINUED OPERATIONS (Note 12)	737	-	3,288	-	1,456	-	4,397	-
8200	NET PROFIT FOR THE PERIOD	666,680	6	705,081	5	1,312,351	6	1,287,586	5
	OTHER COMPREHENSIVE INCOME (LOSS)								
	Items that will not be reclassified subsequently to profit or loss:								
8316	Profit (loss) of equity instruments at FVTOCI (Note 26)	450,546	4	( 8,673 )	-	75,340	-	114,816	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	59	-	1,547	-	283	-	674	-
8310		450,605	4	( 7,126 )	-	75,623	-	115,490	-
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translating foreign operations (Note 26)	( 473,288 )	( 4 )	( 243,310 )	( 2 )	( 731,729 )	( 3 )	177,239	1
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	68,300	1	36,321	-	91,761	-	( 22,677 )	-
8360		( 404,988 )	( 3 )	( 206,989 )	( 2 )	( 639,968 )	( 3 )	154,562	1
8300	Other comprehensive income for the period, net of income tax	45,617	1	( 214,115 )	( 2 )	( 564,345 )	( 3 )	270,052	1
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 712,297	7	\$ 490,966	3	\$ 748,006	3	\$ 1,557,638	6
	NET PROFIT ATTRIBUTABLE TO								
8610	Owners of the Company	\$ 294,844	3	\$ 442,700	3	\$ 511,800	2	\$ 696,061	3
8620	Non-controlling interests	371,836	3	262,381	2	800,551	4	591,525	2
8600		\$ 666,680	6	\$ 705,081	5	\$ 1,312,351	6	\$ 1,287,586	5
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO								
8710	Owners of the Company	\$ 552,057	5	\$ 316,529	2	\$ 332,791	1	\$ 857,614	3
8720	Non-controlling interests	160,240	2	174,437	1	415,215	2	700,024	3
8700		\$ 712,297	7	\$ 490,966	3	\$ 748,006	3	\$ 1,557,638	6
	EARNINGS PER SHARE (Note 30)								
	From continuing and discontinued operations								
9750	Basic	\$ 0.27		\$ 0.41		\$ 0.48		\$ 0.65	
9850	Diluted	\$ 0.27		\$ 0.41		\$ 0.48		\$ 0.65	
	From continuing operations								
9710	Basic	\$ 0.27		\$ 0.41		\$ 0.48		\$ 0.65	
9810	Diluted	\$ 0.27		\$ 0.41		\$ 0.48		\$ 0.65	

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

USI CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the Six Months Ended June 30, 2020 and 2019  
(Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars)

Code		Equity Attributable to Owners of the Company											Total Equity	
		Capital Surplus				Retained Earnings			Other Equity					
		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 13 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)
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
B1	Appropriation of 2018 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
B3	Legal reserve	-	-	-	-	53,994	-	( 53,994 )	-	-	-	-	-	-
B5	Special reserve	-	-	-	-	-	55,399	( 55,399 )	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	( 356,629 )	-	-	( 356,629 )	-	-	( 356,629 )
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 705,440 )	( 705,440 )
D1	Net profit for the six months ended June 30, 2019	-	-	-	-	-	-	696,061	-	-	-	696,061	591,525	1,287,586
D3	Other comprehensive income for the six months ended June 30, 2019, net of income tax	-	-	-	-	-	-	-	81,401	80,152	-	161,553	108,499	270,052
D5	Total comprehensive income for the six months ended June 30, 2019	-	-	-	-	-	-	696,061	81,401	80,152	-	857,614	700,024	1,557,638
C7	Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	2,885	-	-	-	( 900 )	-	-	-	1,985	( 1,861 )	124
M1	Changes in capital surplus from distributing cash dividends to subsidiaries	-	11,499	-	-	-	-	-	-	-	-	11,499	-	11,499
Q1	Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	34,934	-	( 34,934 )	-	-	-	-
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,122,480	1,122,480
Z1	BALANCE AT JUNE 30, 2019	\$ 11,887,635	\$ 245,482	\$ 5,477	\$ 17,163	\$ 2,979,753	\$ 430,526	\$ 3,768,507	( \$ 126,906 )	( \$ 39,918 )	( \$ 475,606 )	\$ 18,692,113	\$ 19,378,269	\$ 38,070,382
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
B1	Appropriation of 2019 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
B3	Legal reserve	-	-	-	-	129,872	-	( 129,872 )	-	-	-	-	-	-
B5	Special reserve	-	-	-	-	-	350,533	( 350,533 )	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	( 594,382 )	-	-	( 594,382 )	-	-	( 594,382 )
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 519,048 )	( 519,048 )
D1	Net profit for the six months ended June 30, 2020	-	-	-	-	-	-	511,800	-	-	-	511,800	800,551	1,312,351
D3	Other comprehensive income for the six months ended June 30, 2020, net of income tax	-	-	-	-	-	-	-	( 275,353 )	96,344	-	( 179,009 )	( 385,336 )	( 564,345 )
D5	Total comprehensive income for the six months ended June 30, 2020	-	-	-	-	-	-	511,800	( 275,353 )	96,344	-	332,791	415,215	748,006
C7	Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	50,471	-	-	-	( 65 )	-	-	-	50,406	( 50,680 )	( 274 )
M1	Changes in capital surplus from distributing cash dividends to subsidiaries	-	19,165	-	-	-	-	-	-	-	-	19,165	-	19,165
Q1	Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	( 9,263 )	-	9,263	-	-	-	-
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	3,353,028	3,353,028
Z1	BALANCE AT JUNE 30, 2020	\$ 11,887,635	\$ 264,647	\$ 57,762	\$ 18,840	\$ 3,109,625	\$ 781,059	\$ 3,774,325	( \$ 878,224 )	( \$ 72,580 )	( \$ 475,606 )	\$ 18,467,483	\$ 23,715,959	\$ 42,183,442

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

USI CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Six Months Ended June 30, 2020 and 2019

(Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>For the Six Months Ended June 30, 2020</u>	<u>For the Six Months Ended June 30, 2019</u>
	CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	Income before income tax from continuing operations	\$ 1,744,890	\$ 1,712,637
A00020	Income before income tax from discontinued operations	<u>1,456</u>	<u>4,397</u>
A10000	Income before income tax	1,746,346	1,717,034
A20010	Adjustments for:		
A20100	Depreciation expenses	1,138,031	1,051,614
A20200	Amortization expenses	34,489	33,011
A20300	Expected credit loss reversed on accounts receivable	( 1,351)	( 6,684)
A20400	Net loss (gain) on fair value change of financial assets and liabilities as at FVTPL	295,867	( 68,356)
A20900	Finance costs	125,233	156,425
A21200	Interest income	( 60,372)	( 82,156)
A21300	Dividend Income	( 69,324)	( 51,136)
A22300	Share of loss (profit) of joint ventures accounted for using the equity method	69,795	( 21,170)
A22500	Loss (gain) on disposal of property, plant and equipment	17,867	( 35,079)
A23800	Inventory write-downs (reversed) recognized	20,072	( 14,301)
A23700	Impairment loss recognized on non-financial assets	6,398	14,424
A29900	Gain on government grants	-	( 155,710)
A29900	(Reversed) recognition of refund liabilities	( 7,120)	( 6,581)

(Continued)

<u>Code</u>		<u>For the Six Months Ended June 30, 2020</u>	<u>For the Six Months Ended June 30, 2019</u>
A30000	Changes in operating assets and liabilities		
A31115	Decrease (increase) in financial assets mandatorily classified as at FVTPL	856,904	( 1,382,385)
A31130	Decrease in notes receivable	227,458	180,232
A31150	Decrease in accounts receivable	1,261,233	633,555
A31180	Decrease in other receivables	69,769	88,041
A31200	Decrease in inventories	866,810	866,243
A31230	Decrease (Increase) in prepayments	187,284	( 98,453)
A31240	Increase in other current assets	(\$ 235,738)	(\$ 273,066)
A32130	Decrease in notes payable	-	( 108)
A32150	Decrease in accounts payable	( 638,609)	( 344,215)
A32180	Decrease in other payables	( 251,879)	( 250,877)
A32200	(Decrease) increase in provisions	( 3,746)	3,782
A32240	Decrease in net defined benefit liabilities	( 116,924)	( 131,691)
A32230	Increase (Decrease) in other current liabilities	<u>134,585</u>	<u>( 47,298)</u>
A33000	Cash generated from operations	5,673,078	1,775,095
A33100	Interest received	59,950	79,345
A33300	Interest paid	( 139,325)	( 147,804)
A33500	Income tax paid	<u>( 457,820)</u>	<u>( 271,987)</u>
AAAA	Net cash generated from operating activities	<u>5,135,883</u>	<u>1,434,649</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
B00010	Payments for financial assets at FVTOCI	( 77,149)	( 63)
B00020	Proceeds from sale of financial assets at FVTOCI	15,577	80,649
B00030	Reduction of capital by returning cash of financial assets at FVTOCI	-	46,122

(Continued)

<u>Code</u>		<u>For the Six Months Ended June 30, 2020</u>	<u>For the Six Months Ended June 30, 2019</u>
B00050	Proceeds from sale of financial assets measured at amortized cost	1,545	76,151
B01800	Acquisition of investments accounted for using the equity method	( 3,811,781)	( 2,612,256)
B02700	Payments for property, plant and equipment	( 1,043,726)	( 733,862)
B02800	Proceeds from disposal of property, plant and equipment	13,712	52,918
B03700	Decrease in refundable deposits	20,384	3,912
B04500	Payments for other intangible assets	( 113)	( 4,614)
B06700	Decrease (Increase) in other non-current assets	7,136	( 98,194)
B09900	Compensations for land ownership certificate	-	<u>154,764</u>
BBBB	Net cash used in investing activities	<u>( 4,874,415)</u>	<u>( 3,034,473)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
C00100	Increase (Decrease) in short-term borrowings	60,068	( 1,842,545)
C00500	(Decrease) Increase in short-term bills payable	( 282,000)	140,000
C01200	Proceeds from issuance of bond	-	1,995,630
C01300	Repayments of bonds	( 1,000,000)	-
C01600	Proceeds from mid- to long-term borrowings	9,140,000	21,559,000
C01700	Repayments of mid- to long-term borrowings	( 10,559,942)	( 21,105,441)
C03100	Increase in guarantee deposits received	15,072	50
C04020	Repayments of the principal portion of lease liabilities	(\$ 34,075)	(\$ 30,200)
C04400	Decrease in other current liabilities	( 1,326)	( 49)
C04500	Decrease in dividends payable	( 73,242)	( 71,270)

(Continued)

<u>C o d e</u>		<u>For the Six Months Ended June 30, 2020</u>	<u>For the Six Months Ended June 30, 2019</u>
C05800	Change in non-controlling interests	<u>3,353,028</u>	<u>1,122,480</u>
CCCC	Net cash generated from financing activities	<u>617,583</u>	<u>1,767,655</u>
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	( <u>121,195</u> )	<u>34,367</u>
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	757,856	202,198
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>\$ 8,685,259</u>	<u>\$ 8,325,502</u>

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

USI CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 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 August 13, 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, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3) Effective immediately upon promulgation by the IASB
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	To be determined by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2023
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts-Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

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

Note 2: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied

retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's consolidated financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Statement of compliance

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 Group has considered the economic implications of COVID-19 on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic. In addition, the same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2019.

6. CASH AND CASH EQUIVALENTS

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Cash on hand and petty cash	\$ 111,754	\$ 74,250	\$ 96,891
Checking accounts and demand deposits	2,562,668	2,174,906	2,070,805
Cash equivalents			
Time deposits	5,980,768	5,463,246	5,618,687

(Continued)

	June 30, 2020	December 31, 2019	June 30, 2019
Reserve repurchase agreements collateralized by bonds	30,069	215,001	539,119
	<u>\$ 8,685,259</u>	<u>\$ 7,927,403</u>	<u>\$ 8,325,502</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:

	June 30, 2020	December 31, 2019	June 30, 2019
Bank deposits	0.15%~5.80%	0.10%~3.75%	0.60%~7.30%
Reserve repurchase agreements collateralized by bonds	0.15%~1.10%	0.58%~1.90%	0.50%~2.55%

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

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Financial assets</u>			
<u>mandatorily at FVTPL</u>			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 8,366	\$ 14,066	\$ 14,680
Non-derivative financial assets			
Domestic listed shares and over-the-counter shares	237,467	364,057	168,783
Mutual funds	4,746,239	4,907,560	5,344,351
Beneficiary securities	212,313	1,071,797	998,980
Overseas listed shares	516	545	795
	<u>5,196,535</u>	<u>6,343,959</u>	<u>6,512,909</u>
	<u>\$ 5,204,901</u>	<u>\$ 6,358,025</u>	<u>\$ 6,527,589</u>

(Continued)

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 3,783</u>	<u>\$ 4,136</u>	<u>\$ 3,678</u>

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

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
<u>June 30, 2020</u>			
Sell	RMB/NTD	109.07.03-109.09.24	RMB 141,300 /NTD 591,071
Sell	USD/MYR	109.09.30-110.04.30	USD 1,092 /MYR 4,626
Sell	USD/NTD	109.07.06-109.10.16	USD 33,570 /NTD 996,670
Sell	EUR/MYR	109.08.28-110.04.30	EUR 274 /MYR 1,299
Buy	NTD/USD	109.08.04-109.08.25	NTD 127,375 /USD 4,280
Buy	JPY/USD	109.07.21	JPY 30,000 /USD 281
<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>June 30, 2019</u>			
Sell	RMB/NTD	108.07.02-108.09.27	RMB 238,100 /NTD 1,077,145
Sell	USD/MYR	108.08.30-108.12.16	USD 1,156 /MYR 4,793
Sell	USD/NTD	108.07.02-108.10.16	USD 40,150 /NTD 1,253,046
Sell	EUR/MYR	108.07.31-108.10.30	EUR 185 /MYR 866
Buy	NTD/USD	108.07.15-108.09.16	NTD 237,265 /USD 7,600
Buy	JPY/USD	108.07.19-108.09.26	JPY 40,000 /USD 372

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>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<u>Current</u>			
Investments in equity instruments at FVTOCI			
Domestic investments			
Domestic listed shares and over-the-counter shares	<u>\$ 168,931</u>	<u>\$ 174,789</u>	<u>\$ 177,774</u>
<u>Non-current</u>			
Investments in equity instruments at FVTOCI			
Domestic investments			
Listed shares and over-the-counter shares	\$ 1,440,794	\$ 1,439,624	\$ 1,670,977
Emerging market shares	10,495	16,178	27,500
Unlisted shares	<u>680,028</u>	<u>632,134</u>	<u>680,447</u>
	<u>2,131,317</u>	<u>2,087,936</u>	<u>2,378,924</u>
Overseas investments			
Listed shares and over-the-counter shares	7,089	8,649	6,940
Unlisted shares	<u>97,961</u>	<u>100,139</u>	<u>105,844</u>
	<u>105,050</u>	<u>108,788</u>	<u>112,784</u>
	<u>\$ 2,236,367</u>	<u>\$ 2,196,724</u>	<u>\$ 2,491,708</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 1,734 thousand shares of Global BioPharma, Inc. during the six months ended June 30, 2020. The related other equity interests - the \$10,434 thousand unrealized loss on FVTOCI financial assets was transferred to \$9,263 thousand of retained earnings and \$1,171 thousand of non-controlling interests.

The Group sold 100 thousand shares of CTCI Corporation and 684 thousand preference shares of Silicon Technology Investment (Cayman) Corp. during the six months ended June 30, 2019, and transferred a total gain of \$55,750 thousand from other equity to retained earnings in the amount of \$34,934 thousand and to non-controlling interests in the amount of \$20,816 thousand.

The investees announced a reduction of capital by returning cash during the six months ended June 30, 2019, and the Group received \$46,122 thousand according to its ownership percentage.

The Group recognized dividend income of \$67,793 thousand and \$49,778 thousand, respectively, for the six months ended June 30, 2020 and 2019.

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>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<u>Current</u>			
Pledged time deposits	\$ 347,531	\$ 347,981	\$ 362,893
Time deposits with initial maturity of more than three months	<u>138,953</u>	<u>158,148</u>	<u>-</u>
	<u>\$ 486,484</u>	<u>\$ 506,129</u>	<u>\$ 362,893</u>
<u>Non-current</u>			
Pledged time deposits	<u>\$ 330,042</u>	<u>\$ 311,942</u>	<u>\$ 311,849</u>
Range of interest rates			
Pledged time deposits	0.04%~3.75%	0.09%~3.75%	0.09%~4.1%

(Continued)

	June 30, 2020	December 31, 2019	June 30, 2019
Time deposits with initial maturity of more than three months	2.70%~3.00%	3.00%~3.20%	-

The trading partners of the Group are financial institutions with good credit ratings, and the short-term financial products invested in are with bank guaranteed principal and interests. The credit risk has been assessed by investigating the final capital destination and its impacts on principal and interests. 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

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Notes receivable (a)</u>			
At amortized cost			
Gross carrying amount	\$ 406,977	\$ 634,435	\$ 835,651
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>(5)</u>
	<u>\$ 406,977</u>	<u>\$ 634,435</u>	<u>\$ 835,646</u>
<u>Accounts receivable (a)</u>			
At amortized cost			
Gross carrying amount	\$ 5,243,492	\$ 6,504,725	\$ 7,011,011
Less: Allowance for impairment loss	<u>(91,855)</u>	<u>(93,648)</u>	<u>(105,360)</u>
	<u>\$ 5,151,637</u>	<u>\$ 6,411,077</u>	<u>\$ 6,905,651</u>

(Continued)

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<u>Other receivables (b)</u>			
Tax refund receivable	\$ 117,935	\$ 209,112	\$ 179,748
Lent material fees receivable	95,262	-	-
Government grants receivable (Note 15)	-	-	38,230
Others	<u>89,204</u>	<u>68,019</u>	<u>65,770</u>
	<u>\$ 302,401</u>	<u>\$ 277,131</u>	<u>\$ 283,748</u>

(a) Notes and accounts receivable

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

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting a new customer, the Group surveys the customers' credit history and measures the potential customer's credit quality to grant a credit term. A customer's credit term and rating are reviewed annually. In addition, the Group reviews the recoverable amount of each individual trade debt 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:

June 30, 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	\$ 2,292,657	\$ 10,940	\$ 3,202	\$ 2,306,799
Loss allowance (Lifetime ECLs)	( <u>4,651</u> )	<u>-</u>	( <u>1,979</u> )	( <u>6,630</u> )
Amortized cost	<u>\$ 2,288,006</u>	<u>\$ 10,940</u>	<u>\$ 1,223</u>	<u>\$ 2,300,169</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	\$ 452,974	\$ 634,081	\$ 568,419	\$ 1,688,196	\$ 3,343,670
Loss allowance (Lifetime ECLs)	( <u>3,828</u> )	( <u>5,575</u> )	( <u>7,873</u> )	( <u>67,949</u> )	( <u>85,225</u> )
Amortized cost	<u>\$ 449,146</u>	<u>\$ 628,506</u>	<u>\$ 560,546</u>	<u>\$ 1,620,247</u>	<u>\$ 3,258,445</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)	( <u>4,753</u> )	( <u>5,327</u> )	( <u>6,117</u> )	( <u>70,614</u> )	( <u>86,811</u> )
Amortized cost	<u>\$ 418,902</u>	<u>\$ 836,339</u>	<u>\$ 722,104</u>	<u>\$ 2,036,472</u>	<u>\$ 4,013,817</u>

### June 30, 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	\$ 3,008,117	\$ 7,680	\$ 16,173	\$ 3,031,970
Loss allowance (Lifetime ECLs)	( <u>4,651</u> )	( <u>586</u> )	( <u>13,536</u> )	( <u>18,773</u> )
Amortized cost	<u>\$ 3,003,466</u>	<u>\$ 7,094</u>	<u>\$ 2,637</u>	<u>\$ 3,013,197</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	\$ 468,030	\$ 820,292	\$ 884,171	\$ 2,642,199	\$ 4,814,692
Loss allowance (Lifetime ECLs)	( <u>4,007</u> )	( <u>5,307</u> )	( <u>9,481</u> )	( <u>67,797</u> )	( <u>86,592</u> )
Amortized cost	<u>\$ 464,023</u>	<u>\$ 814,985</u>	<u>\$ 874,690</u>	<u>\$ 2,574,402</u>	<u>\$ 4,728,100</u>

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Not past due	\$ 3,235,761	\$ 3,874,348	\$ 4,673,400
Up to 60 days	90,100	147,019	67,405
Over 60 days	<u>17,809</u>	<u>79,261</u>	<u>73,887</u>
	<u>\$ 3,343,670</u>	<u>\$ 4,100,628</u>	<u>\$ 4,814,692</u>

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

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

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Balance at January	\$ 93,648	\$ 111,779
Less: Impairment losses reversed	( 1,351)	( 6,684)
Less: Amounts written off during the period as uncollectible	-	( 63)
Foreign exchange translation gains and losses	( 442)	333
Balance on June 30	<u>\$ 91,855</u>	<u>\$ 105,365</u>

(b) Other receivables

Other receivables mainly consisted of tax refund receivable, lent material fees receivable, refunds from capital reduction of financial products, government grants 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 June 30, 2020, December 31, 2019 and June 30, 2019.

11. INVENTORIES

	June 30, 2020	December 31, 2019	June 30, 2019
Finished goods	\$ 1,981,142	\$ 2,728,069	\$ 3,405,863
Work in progress	354,348	350,133	526,455
Raw materials	1,323,009	1,315,085	1,584,043
Supplies	351,297	317,289	320,277
Inventory in transit	36,558	208,930	38,269
	<u>\$ 4,046,354</u>	<u>\$ 4,919,506</u>	<u>\$ 5,874,907</u>

The costs of inventories recognized as cost of goods sold for the three months ended June 30, 2020 and 2019, were \$9,347,960 thousand and \$12,922,007 thousand, respectively, and for the six months ended June 30, 2020 and 2019 were \$18,865,118 thousand and \$24,855,023 thousand, respectively.

The inventory write-downs included in the cost of goods sold were \$12,649 thousand and \$10,307 thousand for the three months ended June 30, 2020 and 2019, respectively; the inventory write-down for the six months ended June 30, 2020 was \$20,072 thousand, and the reversal of write-downs for the six months ended June 30, 2019 was \$14,301 thousand. 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 June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Administrative expenses	(\$ 5,020)	(\$ 5,822)	(\$ 10,170)	(\$ 12,384)
Loss from operations	( 5,020)	( 5,822)	( 10,170)	( 12,384)
Non-operating income	<u>5,757</u>	<u>9,110</u>	<u>11,626</u>	<u>16,781</u>
Net profit from discontinued operations	<u>\$ 737</u>	<u>\$ 3,288</u>	<u>\$ 1,456</u>	<u>\$ 4,397</u>

For the six months ended June 30, 2020 and 2019, the cash flows which can be attributed to the discontinued operations were as follows:

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Net cash generated from operating activities	\$ 7,771	\$ 3,033
Effect of exchange rate changes	( 2,305)	<u>723</u>
Net cash inflow	<u>\$ 5,466</u>	<u>\$ 3,756</u>

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			June 30, 2020	December 31, 2019	June 30, 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>	11.
	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>94.4%</u>	<u>93.2%</u>	<u>93.2%</u>	1.
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>	2.
The Company	Taiwan United Venture Capital Corp. ("TUVC")	Venture capital	70.0%	70.0%	70.0%	
Asia Polymer Corporation ("APC")			<u>8.3%</u>	<u>8.3%</u>	<u>8.3%</u>	
			<u>78.3%</u>	<u>78.3%</u>	<u>78.3%</u>	
The Company	Swanson Plastics Corp. ("SPC")	Production and marketing of stretch film, embossed film and industrial use multi-layer wrap	40.6%	40.6%	40.6%	
Asia Polymer Corporation			8.0%	8.0%	8.0%	
USIFE Investment Co., Ltd.			<u>4.5%</u>	<u>0.4%</u>	<u>0.1%</u>	
			<u>53.1%</u>	<u>49.0%</u>	<u>48.7%</u>	3.
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%	9.3%	
Asia Polymer Corporation			3.3%	3.3%	3.3%	
Taita Chemical Company, Ltd.			2.4%	2.4%	2.4%	
APC Investment Corporation			<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	
			<u>44.6%</u>	<u>44.6%</u>	<u>44.6%</u>	12.
The Company	USI Optronics Corporation ("USIO")	Manufacture and marketing of sapphire crystal	50.9%	50.9%	50.9%	
Acme Electronics Corp.			34.0%	34.0%	34.0%	
Asia Polymer Corporation			9.2%	9.2%	9.2%	
USIFE Investment Co., Ltd.			<u>0.2%</u>	<u>0.2%</u>	<u>0.2%</u>	
			<u>94.3%</u>	<u>94.3%</u>	<u>94.3%</u>	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			June 30, 2020	December 31, 2019	June 30, 2019	
Acme Electronics Corp.	ACME Electronics (Cayman) Corp.	Reinvestment business	51.3%	51.3%	51.3%	
APC (BVI) Holding Co., Ltd.			16.6%	16.6%	16.6%	
Swanlake Traders Ltd.			11.2%	11.2%	11.2%	
TAITA (BVI) Holding Co., Ltd.			5.4%	5.4%	5.4%	
			<u>84.5%</u>	<u>84.5%</u>	<u>84.5%</u>	
Acme Electronics Corp.	Golden Amber Enterprises Limited	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	ACME Electronics (BVI) Corp.	Reinvestment business	-	<u>100.0%</u>	<u>100.0%</u>	4.
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%	
China General Terminal & Distribution Co.			0.9%	0.9%	0.9%	
USIFE Investment Co., Ltd.			0.3%	0.3%	0.3%	
Taiwan VCM Corporation			-	-	-	
			<u>37.3%</u>	<u>37.3%</u>	<u>37.3%</u>	11. and 12.
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd. ("APC (BVI)")	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	11.
Asia Polymer Corporation	USI International Corp.	Reinvestment business	70.0%	70.0%	70.0%	
APC (BVI) Holding Co., Ltd.			<u>30.0%</u>	<u>30.0%</u>	<u>30.0%</u>	
			<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
Asia Polymer Corporation	APC Investment Corporation	Investment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
APC (BVI) Holding Co., Ltd.	USI Trading( Shanghai )Co., Ltd.	Management of chemical products, equipment and plastic products and whole sale of electronic materials, commission agency services and related supporting import and export services	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
Union Polymer Int'l Investment Corp.	Taita Chemical Company, Ltd. ("TTC")	Production and marketing of polystyrene, acrylonitrile, butadiene, ABS resin, SAN resin, glass wool insulation products and plastic materials	36.8%	36.8%	36.8%	
China General Terminal & Distribution Co.			0.6%	0.6%	0.6%	
USIFE Investment Co., Ltd.			<u>0.4%</u>	<u>0.4%</u>	<u>0.4%</u>	
			<u>37.8%</u>	<u>37.8%</u>	<u>37.8%</u>	12.
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>	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			June 30, 2020	December 31, 2019	June 30, 2019	
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>	5.
Union Polymer Int'l Investment Corp.	China General Plastics Corporation ("CGPC")	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	25.0%	25.0%	25.0%	
Asia Polymer Corporation			8.1%	8.1%	8.1%	
Taita Chemical Company, Ltd.			2.0%	2.0%	2.0%	
China General Terminal & Distribution Co.			0.5%	0.5%	0.5%	
USIFE Investment Co., Ltd.			<u>0.1%</u>	<u>0.1%</u>	<u>0.1%</u>	
			<u>35.7%</u>	<u>35.7%</u>	<u>35.7%</u>	12.
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>-</u>	<u>-</u>	<u>100.0%</u>	6.
	CGPC Polymer Corporation ("CGPCP")	Manufacture and marketing of PVC powder	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
CGPC (BVI) Holding Co., Ltd.	CGPC (Chung Shan) Co., Ltd. ("CGPC (CS)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	7.
	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>	7.
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>	
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>	8.
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>	

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			June 30, 2020	December 31, 2019	June 30, 2019	
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	Investment business	60.2%	63.1%	63.1%	
Asia Polymer Corporation	("ECGL")		<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>71.0%</u>	<u>80.0%</u>	<u>78.9%</u>	9, 10, and 12.
Ever Victory Global Limited	Dynamic Ever Investments Limited ("DEIL")	Investment business	<u>85.3%</u>	<u>89.9%</u>	<u>94.0%</u>	9, and 10.

1. In June 2020, the Company acquired 1.2% of shares from the external shareholders of INOMA, acquired price being \$349 thousand. After the equity purchase, the proportion of INOMA's equity held by the Group increased from 93.2% to 94.4%. As these transactions did not change the Group's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to a decrease in retained earnings of \$65 thousand.
2. TMC has had no actual production or sales activities in recent years. Therefore, on April 12, 2019, the board of directors of TMC had approved the proposal for dissolution and liquidation of the company starting from the dissolution date of May 25, 2019. The Group has obtained \$12,214 thousand of the remaining property distribution from

liquidation in May 2020, and TMC has completed the dissolution and liquidation procedures on July 22, 2020.

3. Based on its medium- and long-term investment strategy, USIIC acquired 4.1% of the shares of SPC's external shareholders in May 2020 for a price of \$77,149 thousand.
4. In June 2020, ACME obtained the remaining assets of \$267 thousand returned by its subsidiary ACME Electronics (BVI)Corp., which completed its process of liquidation in June 2020.
5. 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.
6. 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.
7. 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 June 30, 2020.
8. In September 2019, the management of Forum Pacific Trading Ltd. approved its dissolution and liquidation, and returned the remaining assets of \$6,828 thousand in April 2020. Forum Pacific Trading Ltd. had not completed the process of liquidation as of June 30, 2020.
9. As of June 30, 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 71.0%. For more detailed explanation, please refer to 10. and Note 38.

10. 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 71.0%, and EVGL's ownership percentage in DEIL decreased from 89.9% to 85.3%. 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 \$59,222 thousand.

11. In order to sell the products by Gulei, the Company and APC resolved on August 13, 2020 and August 12, 2020, respectively, to establish a joint venture sales company in Fujian Province, China, with a planned capital of RMB 300,000 thousand (approximately US\$46,000 thousand). The

funds are expected to be US\$32,200 thousand and US\$13,800 thousand, respectively invested by Swanlake and APC (BVI).

12. This is a subsidiary with material non-controlling interests.

For the six months ended June 30, 2020, expect for the financial statements of significant subsidiaries such as CGPC, TTC, UPIIC, ECGL, EVGL, DEIL and partial non-significant subsidiaries such as ACME, ACME (Cayman), TVCM, CGPCP, APC, TAITA (ZS) and TAITA (TJ), the subsidiaries' financial statements were not reviewed by the auditors.

For the six months ended June 30, 2019, expect for the financial statements of significant subsidiaries such as CGPC, TTC and UPIIC and partial non-significant subsidiaries such as ACME, ACME (Cayman), TVCM, CGPCP, APC, TAITA (ZS) and TAITA (TJ), the subsidiaries' financial statements were not reviewed by the auditors.

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	December 31,		
	June 30, 2020	2019	June 30, 2019
CGPC	64.3%	64.3%	64.3%
TTC	62.2%	62.2%	62.2%
ACME	55.4%	55.4%	55.4%
APC	62.7%	62.7%	62.7%
EVGL	29.0%	20.0%	21.1%

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

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019	June 30, 2020	December 31, 2019	June 30, 2019
	CGPC	<u>(\$ 36,311)</u>	<u>\$ 32,562</u>	<u>\$ 168,221</u>	<u>\$ 153,695</u>	<u>\$ 5,297,448</u>	<u>\$ 5,275,245</u>
TTC	<u>\$ 206,495</u>	<u>\$ 69,891</u>	<u>\$ 298,161</u>	<u>\$ 193,521</u>	<u>\$ 2,864,686</u>	<u>\$ 2,683,447</u>	<u>\$ 2,646,512</u>
ACME	<u>\$ 19,470</u>	<u>(\$ 986)</u>	<u>\$ 16,742</u>	<u>(\$ 20,760)</u>	<u>\$ 690,910</u>	<u>\$ 694,961</u>	<u>\$ 763,168</u>
APC	<u>\$ 149,664</u>	<u>\$ 138,220</u>	<u>\$ 248,703</u>	<u>\$ 230,701</u>	<u>\$ 6,255,262</u>	<u>\$ 6,488,546</u>	<u>\$ 6,274,551</u>
EVGL	<u>(\$ 6,188)</u>	<u>\$ 5,217</u>	<u>(\$ 16,505)</u>	<u>\$ 8,040</u>	<u>\$ 4,817,082</u>	<u>\$ 2,885,402</u>	<u>\$ 2,775,820</u>

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

CGPC and CGPC's subsidiaries

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Current assets	\$ 4,844,812	\$ 4,876,866	\$ 5,997,960
Non-current assets	7,638,170	7,454,367	7,135,564
Current liabilities	( 1,864,014)	( 1,695,099)	( 2,695,756)
Non-current liabilities	( 1,890,074)	( 1,923,568)	( 2,164,717)
Equity	<u>\$ 8,728,894</u>	<u>\$ 8,712,566</u>	<u>\$ 8,273,051</u>
Equity attributable to:			
Owners of CGPC	\$ 2,961,422	\$ 2,975,567	\$ 2,847,417
Non-controlling interests of CGPC	5,297,448	5,275,245	5,014,725
Non-controlling interests of CGPC's subsidiaries	<u>470,024</u>	<u>461,754</u>	<u>410,909</u>
	<u>\$ 8,728,894</u>	<u>\$ 8,712,566</u>	<u>\$ 8,273,051</u>

	<u>For the Three Month Ended June 30, 2020</u>	<u>For the Three Month Ended June 30, 2019</u>	<u>For the Six Month Ended June 30, 2020</u>	<u>For the Six Month Ended June 30, 2019</u>
Revenue	<u>\$ 2,287,056</u>	<u>\$ 4,354,571</u>	<u>\$ 5,878,270</u>	<u>\$ 7,582,278</u>
Net (loss) profit from continuing operations	(\$ 65,436)	\$ 44,440	\$ 282,549	\$ 234,299
Net profit from discontinued operations	<u>737</u>	<u>3,288</u>	<u>1,456</u>	<u>4,397</u>
(Loss) profit for the period	( 64,699)	47,728	284,005	238,696
Other comprehensive income for the period	<u>18,691</u>	<u>13,641</u>	<u>15,775</u>	<u>18,615</u>
Total comprehensive (loss) income for the period	<u>(\$ 46,008)</u>	<u>\$ 61,369</u>	<u>\$ 299,780</u>	<u>\$ 257,311</u>
(Loss) Profit attributable to:				
Owners of CGPC	(\$ 18,915)	\$ 16,963	\$ 87,630	\$ 80,064

(Continued)

	For the Three Month Ended June 30, 2020	For the Three Month Ended June 30, 2019	For the Six Month Ended June 30, 2020	For the Six Month Ended June 30, 2019
Non-controlling interests of CGPC	( 36,311 )	32,562	168,221	153,695
Non-controlling interests of CGPC's subsidiaries	( <u>9,473</u> ) ( <u>\$ 64,699</u> )	( <u>1,797</u> ) <u>\$ 47,728</u>	<u>28,154</u> <u>\$ 284,005</u>	<u>4,937</u> <u>\$ 238,696</u>
Total comprehensive income attributable to:				
Owners of CGPC	\$ 16,362	\$ 19,700	\$ 77,223	\$ 89,023
Non-controlling interests of CGPC	( 52,969 )	43,476	194,360	163,345
Non-controlling interests of CGPC's subsidiaries	( <u>9,401</u> ) ( <u>\$ 46,008</u> )	( <u>1,807</u> ) <u>\$ 61,369</u>	<u>28,197</u> <u>\$ 299,780</u>	<u>4,943</u> <u>\$ 257,311</u>
			For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Net cash inflow (outflow) from:				
Operating activities			\$ 151,544	\$ 445,789
Investing activities			( 462,490 )	( 321,536 )
Financing activities			263,718	( 135,441 )
Effects of exchange rate changes			( <u>5,904</u> )	<u>2,319</u>
Net cash outflow			( <u>\$ 53,132</u> )	( <u>\$ 8,869</u> )

#### TTC and TTC's subsidiaries

	June 30, 2020	December 31, 2019	June 30, 2019
Current assets	\$ 4,980,698	\$ 4,801,480	\$ 5,027,123
Non-current assets	3,101,804	3,203,261	3,286,537
Current liabilities	( 2,527,366 )	( 2,278,694 )	( 2,628,976 )
Non-current liabilities	( <u>953,871</u> )	( <u>1,426,284</u> )	( <u>1,449,695</u> )
Equity	<u>\$ 4,601,265</u>	<u>\$ 4,299,763</u>	<u>\$ 4,234,989</u>

(Continued)

	June 30, 2020	December 31, 2019	June 30, 2019
Equity attributable to:			
Owners of TTC	\$ 1,736,579	\$ 1,616,316	\$ 1,588,477
Non-controlling interests of TTC	<u>2,864,686</u>	<u>2,683,447</u>	<u>2,646,512</u>
	<u>\$ 4,601,265</u>	<u>\$ 4,299,763</u>	<u>\$ 4,234,989</u>

	For the Three Month Ended June 30, 2020	For the Three Month Ended June 30, 2019	For the Six Month Ended June 30, 2020	For the Six Month Ended June 30, 2019
Revenue	<u>\$ 3,566,900</u>	<u>\$ 4,481,740</u>	<u>\$ 6,524,985</u>	<u>\$ 9,081,896</u>
Profit for the period	\$ 326,077	\$ 110,366	\$ 470,827	\$ 305,590
Other comprehensive income (loss) for the period	<u>19,416</u>	<u>( 38,468 )</u>	<u>( 69,064 )</u>	<u>6,017</u>
Total comprehensive income for the period	<u>\$ 345,493</u>	<u>\$ 71,898</u>	<u>\$ 401,763</u>	<u>\$ 311,607</u>
Profit attributable to:				
Owners of TTC	\$ 119,582	\$ 40,475	\$ 172,666	\$ 112,069
Non-controlling interests of TTC	<u>206,495</u>	<u>69,891</u>	<u>298,161</u>	<u>193,521</u>
	<u>\$ 326,077</u>	<u>\$ 110,366</u>	<u>\$ 470,827</u>	<u>\$ 305,590</u>
Total comprehensive income attributable to:				
Owners of TTC	\$ 140,609	\$ 26,705	\$ 153,774	\$ 115,379
Non-controlling interests of TTC	<u>204,884</u>	<u>45,193</u>	<u>247,989</u>	<u>196,228</u>
	<u>\$ 345,493</u>	<u>\$ 71,898</u>	<u>\$ 401,763</u>	<u>\$ 311,607</u>

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Net cash inflow from:		
Operating activities	\$ 847,508	\$ 1,401,663
Investing activities	( 102,925 )	37,182
Financing activities	( 259,383 )	( 714,529 )
Effects of exchange rate changes	<u>( 32,960 )</u>	<u>( 1,519 )</u>
Net cash inflow	<u>\$ 452,240</u>	<u>\$ 722,797</u>

ACME and ACME's subsidiaries

	June 30, 2020	December 31, 2019	June 30, 2019
Current assets	\$ 1,853,191	\$ 1,780,507	\$ 1,800,350
Non-current assets	1,659,454	1,753,574	1,795,112
Current liabilities	( 1,124,802)	( 1,085,862)	( 1,050,937)
Non-current liabilities	( 590,486)	( 612,610)	( 548,637)
Equity	<u>\$ 1,797,357</u>	<u>\$ 1,835,609</u>	<u>\$ 1,995,888</u>
Equity attributable to:			
Owners of ACME	\$ 552,389	\$ 557,511	\$ 612,009
Non-controlling interests of ACME	690,910	694,961	763,168
Non-controlling interests of ACME's subsidiaries	<u>554,058</u>	<u>583,137</u>	<u>620,711</u>
	<u>\$ 1,797,357</u>	<u>\$ 1,835,609</u>	<u>\$ 1,995,888</u>

	For the Three Month Ended June 30, 2020	For the Three Month Ended June 30, 2019	For the Six Month Ended June 30, 2020	For the Six Month Ended June 30, 2019
Revenue	<u>\$ 549,224</u>	<u>\$ 515,854</u>	<u>\$ 1,062,259</u>	<u>\$ 1,035,942</u>
Profit (Loss) for the period	\$ 36,100	(\$ 853)	\$ 27,372	(\$ 48,801)
Other comprehensive (loss) income for the period	( 29,420)	( 24,055)	( 65,471)	20,279
Total comprehensive income (loss) for the period	<u>\$ 6,680</u>	<u>(\$ 24,908)</u>	<u>(\$ 38,099)</u>	<u>(\$ 28,522)</u>
Profit (Loss) attributable to:				
Owners of ACME	\$ 15,544	(\$ 789)	\$ 13,366	(\$ 16,664)
Non-controlling interests of ACME	19,470	( 986)	16,742	( 20,760)
Non-controlling interests of ACME's subsidiaries	<u>1,086</u>	<u>922</u>	<u>( 2,736)</u>	<u>( 11,377)</u>
	<u>\$ 36,100</u>	<u>(\$ 853)</u>	<u>\$ 27,372</u>	<u>(\$ 48,801)</u>

(Continued)

	For the Three Month Ended June 30, 2020	For the Three Month Ended June 30, 2019	For the Six Month Ended June 30, 2020	For the Six Month Ended June 30, 2019
Total comprehensive income (loss) attributable to:				
Owners of ACME	\$ 6,709	(\$ 7,824)	(\$ 3,919)	(\$ 10,988)
Non-controlling interests of ACME	8,211	( 9,782)	( 5,101)	( 13,705)
Non-controlling interests of ACME's subsidiaries	( 8,240)	( 7,302)	( 29,079)	( 3,829)
	<u>\$ 6,680</u>	<u>(\$ 24,908)</u>	<u>(\$ 38,099)</u>	<u>(\$ 28,522)</u>

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Net cash inflow (outflow) from:		
Operating activities	\$ 65,396	\$ 145,352
Investing activities	12,364	( 123,840)
Financing activities	49,420	51,606
Effects of exchange rate changes	( 49,206)	9,337
Net cash inflow	<u>\$ 77,974</u>	<u>\$ 82,455</u>

#### APC and APC's subsidiaries

	June 30, 2020	December 31, 2019	June 30, 2019
Current assets	\$ 2,978,369	\$ 4,940,438	\$ 5,107,615
Non-current assets	12,253,249	11,982,653	11,489,099
Current liabilities	( 1,923,374)	( 2,469,828)	( 2,839,765)
Non-current liabilities	( 3,312,075)	( 4,223,443)	( 3,938,454)
Equity	<u>\$ 9,996,169</u>	<u>\$ 10,229,820</u>	<u>\$ 9,818,495</u>
Equity attributable to:			
Owners of APC	\$ 3,740,907	\$ 3,741,274	\$ 3,543,944
Non-controlling interests of APC	<u>6,255,262</u>	<u>6,488,546</u>	<u>6,274,551</u>
	<u>\$ 9,996,169</u>	<u>\$ 10,229,820</u>	<u>\$ 9,818,495</u>

	For the Three Month Ended <u>June 30, 2020</u>	For the Three Month Ended <u>June 30, 2019</u>	For the Six Month Ended <u>June 30, 2020</u>	For the Six Month Ended <u>June 30, 2019</u>
Revenue	<u>\$ 1,358,049</u>	<u>\$ 1,685,601</u>	<u>\$ 2,672,062</u>	<u>\$ 3,395,312</u>
Profit for the period	\$ 221,225	\$ 204,309	\$ 367,620	\$ 341,010
Other comprehensive income (loss) for the period	<u>323,378</u>	<u>( 93,823 )</u>	<u>( 281,214 )</u>	<u>41,798</u>
Total comprehensive income for the period	<u>\$ 544,603</u>	<u>\$ 110,486</u>	<u>\$ 86,406</u>	<u>\$ 382,808</u>
Profit attributable to:				
Owners of APC	\$ 71,561	\$ 66,089	\$ 118,917	\$ 110,309
Non-controlling interests of APC	<u>149,664</u>	<u>138,220</u>	<u>248,703</u>	<u>230,701</u>
	<u>\$ 221,225</u>	<u>\$ 204,309</u>	<u>\$ 367,620</u>	<u>\$ 341,010</u>
Total comprehensive income (loss) attributable to:				
Owners of APC	\$ 294,966	\$ 18,988	\$ 99,068	\$ 132,851
Non-controlling interests of APC	<u>249,637</u>	<u>91,498</u>	<u>( 12,662 )</u>	<u>249,957</u>
	<u>\$ 544,603</u>	<u>\$ 110,486</u>	<u>\$ 86,406</u>	<u>\$ 382,808</u>
			For the Six Months Ended <u>June 30, 2020</u>	For the Six Months Ended <u>June 30, 2019</u>
Net cash inflow (outflow) from:				
Operating activities			\$ 2,092,720	(\$ 393,051)
Investing activities			( 1,077,661 )	( 612,399 )
Financing activities			( 1,602,677 )	647,523
Effects of exchange rate changes			<u>( 5,053 )</u>	<u>2,384</u>
Net cash (outflow) inflow			<u>( \$ 529,671 )</u>	<u>( \$ 355,543 )</u>

#### EVGL and EVGL's subsidiaries

	<u>June 30, 2020</u>	December 31, <u>2019</u>	<u>June 30, 2019</u>
Current assets	\$ 1,328,937	\$ 1,194,368	\$ 971,284
Non-current assets	18,177,731	14,867,168	13,061,796
Current liabilities	<u>( 11,119 )</u>	<u>( 14,346 )</u>	<u>( 10,244 )</u>
Equity	<u>\$ 19,495,549</u>	<u>\$ 16,047,190</u>	<u>\$ 14,022,836</u>

(Continued)

	June 30, 2020	December 31, 2019	June 30, 2019
Equity attributable to:			
Owners of EVGL	\$ 11,818,248	\$ 11,547,692	\$ 10,399,540
Non-controlling interests of EVGL	4,817,082	2,885,402	2,775,820
Non-controlling interests of EVGL's subsidiaries	<u>2,860,219</u>	<u>1,614,096</u>	<u>847,476</u>
	<u>\$ 19,495,549</u>	<u>\$ 16,047,190</u>	<u>\$ 14,022,836</u>

	For the Three Month Ended June 30, 2020	For the Three Month Ended June 30, 2019	For the Six Month Ended June 30, 2020	For the Six Month Ended June 30, 2019
(Loss) profit for the year	(\$ 25,008)	\$ 27,170	(\$ 82,288)	\$ 39,704
Other comprehensive (loss) income for the year	( <u>375,442</u> )	( <u>174,800</u> )	( <u>475,638</u> )	<u>62,824</u>
Total comprehensive (loss) income for the year	( <u>\$ 400,450</u> )	( <u>\$ 147,630</u> )	( <u>\$ 557,926</u> )	<u>\$ 102,528</u>
(Loss) profit attributable to:				
Owners of EVGL	(\$ 15,181)	\$ 19,947	(\$ 56,470)	\$ 29,658
Non-controlling interests of EVGL	( 6,188)	5,217	( 16,505)	8,040
Non-controlling interests of EVGL's subsidiaries	( <u>3,639</u> )	<u>2,006</u>	( <u>9,313</u> )	<u>2,006</u>
	( <u>\$ 25,008</u> )	<u>\$ 27,170</u>	( <u>\$ 82,288</u> )	<u>\$ 39,704</u>
Total comprehensive (loss) income attributable to:				
Owners of EVGL	(\$ 245,597)	(\$ 110,333)	(\$ 359,473)	\$ 83,474
Non-controlling interests of EVGL	( 100,419)	( 30,481)	( 128,408)	25,870
Non-controlling interests of EVGL's subsidiaries	( <u>54,434</u> )	( <u>6,816</u> )	( <u>70,045</u> )	( <u>6,816</u> )
	( <u>\$ 400,450</u> )	( <u>\$ 147,630</u> )	( <u>\$ 557,926</u> )	<u>\$ 102,528</u>

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Net cash inflow		
(outflow) from:		
Operating activities	(\$ 12,319)	\$ 16,993
Investing activities	( 3,811,781)	( 2,612,256)
Financing activities	4,006,285	2,871,587
Effects of exchange rate changes	( <u>44,215</u> )	( <u>26,660</u> )
Net cash inflow	<u>\$ 137,970</u>	<u>\$ 249,664</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

	June 30, 2020	December 31, 2019	June 30, 2019
Investments in joint ventures			
Associates that are individually material			
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	<u>\$ 18,177,731</u>	<u>\$ 14,867,168</u>	<u>\$ 13,061,796</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 June 30, 2020, December 31, 2019 and June 30, 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.

	June 30, 2020	December 31, 2019	June 30, 2019
Cash	<u>\$ 5,720,657</u>	<u>\$ 2,078,359</u>	<u>\$ 10,347,288</u>

	June 30, 2020	December 31, 2019	June 30, 2019
Current assets	\$ 5,938,657	\$ 2,102,915	\$ 10,578,213
Non-current assets	60,397,329	40,551,677	22,041,504
Current liabilities	( 14,927,778)	( 8,164,871)	( 6,467,161)
Non-current liabilities	( 15,052,747)	( 4,755,385)	( 28,964)
Equity	36,355,461	29,734,336	26,123,592
Proportion of the Group's ownership	<u>50%</u>	<u>50%</u>	<u>50%</u>
Equity attributable to the Group	<u>\$ 18,177,731</u>	<u>\$ 14,867,168</u>	<u>\$ 13,061,796</u>
Carrying amount	<u>\$ 18,177,731</u>	<u>\$ 14,867,168</u>	<u>\$ 13,061,796</u>

	For the Three Month Ended June 30, 2020	For the Three Month Ended June 30, 2019	For the Six Month Ended June 30, 2020	For the Six Month Ended June 30, 2019
Shares attributable to the Group Net (loss) profit of the period	( <u>\$ 26,675</u> )	<u>\$ 4,320</u>	( <u>\$ 69,795</u> )	<u>\$ 21,170</u>

Gulei had no significant operating income for the six months ended June 30, 2020 and 2019.

For the six months ended June 30, 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

	June 30, 2020	December 31, 2019	June 30, 2019
Freehold land	\$ 4,682,237	\$ 4,682,238	\$ 4,706,320
Land improvements	7,475	8,232	9,046
Building improvements	4,107,003	4,282,923	4,055,942
Machinery and equipment	11,898,121	12,418,786	10,976,395
Transportation equipment	47,301	46,865	52,439
Other equipment	277,909	300,065	307,849
Construction in progress and equipment under installation	<u>2,058,203</u>	<u>1,489,802</u>	<u>3,359,768</u>
	<u>\$ 23,078,249</u>	<u>\$ 23,228,911</u>	<u>\$ 23,467,759</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.

In cooperation with the Taiwan International Ports Corporation (Ports Co.), Ministry of Transportation and Communications, to relocate the petrochemical oil storage tank facilities of the old port area operators, CGTD leased the port facilities and storage areas of the Kaohsiung Port Intercontinental Container Center Second Phase Petrochemical Oil Storage and Transportation Center from Ports Co., the lease period being from August 1, 2017 to July 31, 2042, rent paid quarterly. In addition, the boards of directors of the Company, CGTD, APC and TVCM, a subsidiary of CGPC, resolved in 2019 to build the second phase of the Intercontinental Petrochemical Oil Products Center, and signed a turnkey project agreement with CTCI on October 7, 2019, with a total investment price of \$3,380,107 thousand. As of June 30, 2020, the Group had paid \$838,582 thousand for the project, which was accounted for under construction in progress.

For the six months ended June 30, 2020, ACME (GZ) assessed that some of its machinery and equipment had been idle and did not meet the production requirements, recognizing an impairment loss of \$5,823 thousand; for the six months ended June 30, 2020, USIO

assessed that the book value of some of its machinery and equipment could not be recovered, recognizing an impairment loss of \$14,131 thousand. The aforementioned profit and loss have been included in the operating expenses in the consolidated comprehensive income statement.

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.

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.

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 (d) finance cost.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Carrying amounts			
Leasehold land	\$ 175,646	\$ 184,708	\$ 178,100
Land use rights	423,317	444,306	470,027
Buildings	155,573	195,662	211,364
Machinery and equipment	55,210	60,697	6,574
Transportation equipment	636	135	578
	<u>\$ 810,382</u>	<u>\$ 885,508</u>	<u>\$ 866,643</u>

	<u>For the Three Months Ended June 30, 2020</u>	<u>For the Three Months Ended June 30, 2019</u>	<u>For the Six Months Ended June 30, 2020</u>	<u>For the Six Months Ended June 30, 2019</u>
Addition for right-of-use assets			<u>\$ 847</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets				
Leasehold land	\$ 3,837	\$ 4,041	\$ 7,665	\$ 8,555
Land use rights	4,572	3,896	9,569	7,810
Buildings	6,921	7,860	13,907	15,227
Machinery and equipment	1,966	614	3,978	1,228
Transportation equipment	125	221	346	442
	<u>\$ 17,421</u>	<u>\$ 16,632</u>	<u>\$ 35,465</u>	<u>\$ 33,262</u>

Except for the recognition of depreciation expense, the Group's right-of-use assets did not experience significant impairments for the six months ended June 30, 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>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Carrying amounts			
Current	<u>\$ 68,291</u>	<u>\$ 70,814</u>	<u>\$ 65,457</u>
Non-current	<u>\$ 421,214</u>	<u>\$ 481,964</u>	<u>\$ 450,652</u>

Range of discount rate for lease liabilities was as follows:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 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).

	For the Three Months Ended <u>June 30, 2020</u>	For the Three Months Ended <u>June 30, 2019</u>	For the Six Months Ended <u>June 30, 2020</u>	For the Six Months Ended <u>June 30, 2019</u>
Expenses relating to short-term leases	\$ <u>10,066</u>	\$ <u>5,568</u>	\$ <u>19,908</u>	\$ <u>13,754</u>
Expenses relating to low-value asset leases	\$ <u>405</u>	\$ <u>175</u>	\$ <u>780</u>	\$ <u>433</u>
Expenses relating to variable lease payments not including in the measurement of lease liabilities	\$ <u>11,293</u>	\$ <u>13,494</u>	\$ <u>22,050</u>	\$ <u>27,547</u>
Total cash outflow for leases			( <u>\$ 80,563</u> )	( <u>\$ 75,940</u> )

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

17. INVESTMENT PROPERTIES

	<u>June 30, 2020</u>	December 31, <u>2019</u>	<u>June 30, 2019</u>
Completed investment properties			
Land	\$ 115,053	\$ 115,053	\$ 90,971
Buildings	305,329	313,847	90,742
Right-of-use assets	<u>88,036</u>	<u>95,508</u>	<u>102,980</u>
	<u>\$ 508,418</u>	<u>\$ 524,408</u>	<u>\$ 284,693</u>

	Land	Buildings	Right-of-use assets	Total
<u>Cost</u>				
Balance at January 1, 2020	\$ 119,022	\$ 428,521	\$ 110,452	\$ 657,995
Transfer to property, plant and equipment	-	( 1,752)	-	( 1,752)
Effect of foreign currency exchange differences	-	( 1,074)	-	( 1,074)
Balance at June 30, 2020	<u>\$ 119,022</u>	<u>\$ 425,695</u>	<u>\$ 110,452</u>	<u>\$ 655,169</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2020	\$ 3,969	\$ 114,674	\$ 14,944	\$ 133,587
Depreciation expenses	-	6,823	7,472	14,295
Transfer to property, plant and equipment	-	( 717)	-	( 717)
Effect of foreign currency exchange differences	-	( 414)	-	( 414)
Balance at June 30, 2020	<u>\$ 3,969</u>	<u>\$ 120,366</u>	<u>\$ 22,416</u>	<u>\$ 146,751</u>
Carrying amounts at June 30, 2020	<u>\$ 115,053</u>	<u>\$ 305,329</u>	<u>\$ 88,036</u>	<u>\$ 508,418</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 exchange differences	-	1,058	-	1,058
Balance at June 30, 2019	<u>\$ 94,940</u>	<u>\$ 174,550</u>	<u>\$ 110,452</u>	<u>\$ 379,942</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2019	\$ 3,969	\$ 82,039	\$ -	\$ 86,008
Depreciation expenses	-	1,387	7,472	8,859
Effect of foreign currency exchange differences	-	382	-	382
Balance at June 30, 2019	<u>\$ 3,969</u>	<u>\$ 83,808</u>	<u>\$ 7,472</u>	<u>\$ 95,249</u>
Carrying amounts at June 30, 2019	<u>\$ 90,971</u>	<u>\$ 90,742</u>	<u>\$ 102,980</u>	<u>\$ 284,693</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 six months ended June 30, 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 is 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 June 30, 2020, December 31, 2019 and June 30, 2019 were as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Fair value	<u>\$ 1,143,668</u>	<u>\$ 1,180,999</u>	<u>\$ 939,374</u>

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

## 18. GOODWILL AND OTHER INTANGIBLE ASSETS

	June 30, 2020	December 31, 2019	June 30, 2019
Goodwill (a)	<u>\$ 269,026</u>	<u>\$ 269,026</u>	<u>\$ 269,026</u>
Other intangible assets (b)			
Technology royalties and patent right	\$ 3,775	\$ 7,109	\$ 10,522
Computer software	8,449	9,895	10,854
Others	-	-	4,028
	<u>\$ 12,224</u>	<u>\$ 17,004</u>	<u>\$ 25,404</u>

### a. Goodwill

No impairment assessment was performed periodically as there was no indication of impairment on June 30, 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 six months ended June 30, 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

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 4,319,048</u>	<u>\$ 4,258,980</u>	<u>\$ 4,884,309</u>
Range of interest rates	0.61% ~ 3.08%	0.81% ~ 4.58%	0.83% ~ 4.73%

b. Short-term bills payable

	June 30, 2020	December 31, 2019	June 30, 2019
Commercial paper	\$ 1,071,000	\$ 1,353,000	\$ 1,655,000
Less: Unamortized discount on bills payable	( 178)	( 190)	( 297)
	<u>\$ 1,070,822</u>	<u>\$ 1,352,810</u>	<u>\$ 1,654,703</u>
Range of interest rates	0.35%~1.29%	0.50%~1.188%	0.50%~1.27%

c. Long-term borrowings

	June 30, 2020	December 31, 2019	June 30, 2019
Secured borrowings	\$ 1,443,200	\$ 1,743,200	\$ 2,296,200
Line of credit borrowings	6,550,000	7,650,000	7,100,000
	<u>7,993,200</u>	<u>9,393,200</u>	<u>9,396,200</u>
Commercial paper	80,000	100,000	200,000
Unamortized discount on bills payable	( 172)	( 230)	( 17)
	<u>79,828</u>	<u>99,770</u>	<u>199,983</u>
	8,073,028	9,492,970	9,596,183
Less: Current portions	( 120,000)	( 443,200)	( 171,600)
Long-term borrowings	<u>\$ 7,953,028</u>	<u>\$ 9,049,770</u>	<u>\$ 9,424,583</u>
Range of interest rates			
Secured borrowings	0.94%~1.11%	1.05%~1.33%	1.04%~1.31%
Line of credit borrowings	0.85%~1.14%	0.98%~1.18%	0.95%~1.34%
Commercial paper	1.358%	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 June 30, 2020, the Company had borrowed \$1,900,000 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 \$2,300,000 thousand, which is used cyclically during the validity period. As of June 30, 2020, UPIIC had borrowed \$1,150,000 thousand.

CGPC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to July 2023 with a total credit limit of \$1,000,000 thousand, which is used cyclically during the validity period. As of June 30, 2020, CGPC had not borrowed.

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 \$1,300,000 thousand, which is used cyclically during the validity period. As of June 30, 2020, CGPCPOL had borrowed \$500,000 thousand.

TVCM entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to May 2023 with a total credit limit of \$1,100,000 thousand, which is used cyclically during the validity period. As of June 30, 2020, TVCM had not borrowed.

TTC entered into medium- and long-term financing contracts with banks to increase working capital. The contract will be effective up to December 2022 with a total credit limit of \$1,900,000 thousand, which is used cyclically during the validity period. As of June 30, 2020, TTC had borrowed \$550,000 thousand.

APC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to April 2023 with a total credit limit of \$6,000,000 thousand, which is used cyclically during the validity period. As of June 30, 2020, APC had borrowed \$3,050,000 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 \$540,000 thousand, which is used cyclically during the validity period. As of June 30, 2020, ACME had borrowed \$420,000 thousand.

SPC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to November 2023 with a total credit limit of \$503,200 thousand, which is used cyclically during the validity period. As of June 30, 2020, TVCM 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 June 30, 2020, the subsidiaries did not violate the requirements.

20. BONDS PAYABLE

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 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 February 12, 2015, 7 years, total amount \$1,000,000 thousand, coupon rate 1.90%, bullet repayment	1,000,000	1,000,000	1,000,000

(Continued)

	June 30, 2020	December 31, 2019	June 30, 2019
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>2,000,000</u>
	7,000,000	8,000,000	8,000,000
Discounts on bonds payable	( <u>7,190</u> )	( <u>8,717</u> )	( <u>10,382</u> )
	6,992,810	7,991,283	7,989,618
Less: Current portions	<u>-</u>	( <u>999,956</u> )	( <u>999,767</u> )
	<u>\$ 6,992,810</u>	<u>\$ 6,991,327</u>	<u>\$ 6,989,851</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>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<u>Operating</u>			
Notes payable	\$ -	\$ -	\$ 375
Accounts payable	<u>2,118,759</u>	<u>2,757,368</u>	<u>3,047,989</u>
	<u>\$ 2,118,759</u>	<u>\$ 2,757,368</u>	<u>\$ 3,048,364</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>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 555,457	\$ 790,918	\$ 520,890
Payables for water and electricity	208,211	188,541	214,839
Payables for purchases of equipment	207,614	191,407	103,603
Payables for fares	132,470	174,702	173,863
Payable for VAT	44,495	19,236	10,552
Payables for interests	39,803	55,434	50,662
Payables for insurance	31,462	26,576	27,400
Payables for professional service expenses	23,030	21,814	19,849
Payables for fuel fees	13,954	20,779	24,190
Others	<u>412,456</u>	<u>430,848</u>	<u>422,580</u>
	1,668,952	1,920,255	1,568,428
Other liabilities			
Refund liabilities	<u>17,355</u>	<u>28,221</u>	<u>27,235</u>
	<u>\$ 1,686,307</u>	<u>\$ 1,948,476</u>	<u>\$ 1,595,663</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>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 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 June 30, 2020 and 2019 and for the six months ended June 30, 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 <u>June 30, 2020</u>	For the Three Months Ended <u>June 30, 2019</u>	For the Six Months Ended <u>June 30, 2020</u>	For the Six Months Ended <u>June 30, 2019</u>
Operating cost	\$ 7,473	\$ 8,952	\$ 15,125	\$ 18,083
Selling and marketing expenses	786	1,006	1,585	2,021
General and administrative expenses	1,206	1,508	2,418	3,208
Research and development expenses	344	422	695	826
Other gains and losses	<u>52</u>	<u>66</u>	<u>101</u>	<u>144</u>
	<u>\$ 9,861</u>	<u>\$ 11,954</u>	<u>\$ 19,924</u>	<u>\$ 24,282</u>

25. GOVERNMENT GRANTS

- a. Acme Electronics Corporation (Kunshan) reached an agreement with Kunshan Zhoushizhen People's Government in 2006 in which Acme Electronics Corporation (Kunshan) promised to relocate its new plant and raise its investment amount 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.

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 June 30, 2020, December, 31, 2019 and June 30, 2019, the amounts of deferred income (accounted for as other current liabilities) that had not been amortized were RMB8,268 thousand (NTD\$36,109 thousand), RMB8,893 thousand (NTD\$38,216 thousand) and RMB9,158 thousand (NTD\$41,375 thousand), respectively.

- b. Affected by the global pandemic of COVID-19, the production bases of the Group's overseas subsidiaries were temporarily suspended in 2020 Q1 and resumed 100% in April 2020. Therefore, the anticipated impact of the pandemic on the Group is not significant. ACME has applied to the government for subsidies for items such as salary and operating capital. As of June 30, 2020, \$3,642 thousand has been obtained. In addition, in accordance with the policy of the local government in China, ACME (KS) and ACME(GZ) have gained exemption from the pension, unemployment and work-related injury insurances borne by the company from February to June 2020, as well as preferential electricity fee reduction, exemption, and subsidies due to good pandemic containment.

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

26. EQUITY

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Share capital	\$ 11,887,635	\$ 11,887,635	\$ 11,887,635
Capital surplus	341,249	271,613	268,122
Retained earnings	7,665,009	7,756,919	7,178,786
Other equity items	( 950,804)	( 781,058)	( 166,824)
Treasury shares	( 475,606)	( 475,606)	( 475,606)
Non-controlling interests	<u>23,715,959</u>	<u>20,517,444</u>	<u>19,378,269</u>
	<u>\$ 42,183,442</u>	<u>\$ 39,176,947</u>	<u>\$ 38,070,382</u>

a. Share capital

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 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 (g).

The industry that the Company operates in is in the maturity stage. Consequently, in order to take R&D needs and diversification into consideration, shareholders' dividends shall be no less than 10% of the distributable earnings in the current year, of which the cash dividends not be no less than 10% of the total dividends. However, 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 June 12, 2020 and 2019, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Legal reserve	\$ 129,872	\$ 53,994		
Special reserve	350,533	55,399		
Cash dividends	<u>594,382</u>	<u>356,629</u>	\$ 0.5	\$ 0.3
	<u>\$1,074,787</u>	<u>\$ 466,022</u>		

d. Other equity items

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

	<u>For the Six Months Ended June 30, 2020</u>	<u>For the Six Months Ended June 30, 2019</u>
Balance at January 1	(\$ 602,871)	(\$ 208,307)
Recognized during the period		
Exchange differences on translating foreign operations	( 334,694)	95,982
Related income tax	59,409	( 14,581)
Disposition of subsidiaries’ equity	( <u>68</u> )	<u>-</u>
Balance at June 30	<u>(\$ 878,224)</u>	<u>(\$ 126,906)</u>

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

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Balance at January 1	<u>(\$ 178,187)</u>	<u>(\$ 85,136)</u>
Recognized during the period		
Unrealized gain Equity instruments	96,252	79,941
Related income tax	92	211
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposals	<u>9,263</u>	<u>( 34,934)</u>
Balance at June 30	<u>(\$ 72,580)</u>	<u>(\$ 39,918)</u>

e. Non-controlling interests

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Balance at January 1	<u>\$ 20,517,444</u>	<u>\$ 18,267,556</u>
Adjustment on initial application of IFRS 16	<u>-</u>	<u>( 4,490)</u>
Balance at January 1	20,517,444	18,263,066
Cash dividends of subsidiaries' shareholders	( 519,048)	( 705,440)
Share in profit for the period	800,551	591,525
Other comprehensive income (loss) in the period		
Exchange difference on translating foreign operations	( 396,882)	81,257
Income tax relating to exchange difference on translating foreign operations	32,352	( 8,096)

(Continued)

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Unrealized (loss) gain on financial assets at FVTOCI	(\$ 20,912)	\$ 34,875
Income tax relating to unrealized gain on financial assets at FVTOCI	191	463
Disposition of subsidiaries' equity	( 85)	-
Adjustments relating to changes accounted for using the equity method	( 50,680)	( 1,861)
Changes in non-controlling interests	<u>3,353,028</u>	<u>1,122,480</u>
Balance at June 30	<u>\$ 23,715,959</u>	<u>\$ 19,378,269</u>

f. Treasury shares

Purpose of Buy-Back	Number of Shares at January 1 (In Thousands of Shares)	Increase During the Period	Decrease During the Period	Number of Shares at June 30 (In Thousands of Shares)
<u>For the six months ended</u>				
<u>June 30, 2020</u>				
Shares held by subsidiaries	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>
<u>For the six months ended</u>				
<u>June 30, 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>June 30, 2020</u>			
Asia Polymer Corporation (“APC”)	101,356	\$ 1,377,381	\$ 1,195,997
Taita Chemical Company, Limited (“TTC”)	15,110	<u>81,875</u>	<u>178,297</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,374,294</u>
<u>December 31, 2019</u>			
APC	101,356	\$ 1,377,381	\$ 1,403,776
TTC	15,110	<u>81,875</u>	<u>209,272</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,613,048</u>
<u>June 30, 2019</u>			
APC	101,356	\$ 1,377,381	\$ 1,165,590
TTC	15,110	<u>81,875</u>	<u>173,764</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,339,354</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 June 30, 2020, December 31, 2019 and June 30, 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 \$(23,320) thousand, \$55,255 thousand and \$(34,819) thousand, respectively.

## 27. REVENUE

	For the Three Months Ended <u>June 30, 2020</u>	For the Three Months Ended <u>June 30, 2019</u>	For the Six Months Ended <u>June 30, 2020</u>	For the Six Months Ended <u>June 30, 2019</u>
Product sales revenue				
Plastic materials	\$ 10,194,166	\$ 13,857,710	\$ 20,907,061	\$ 26,705,830
Electronic materials	551,626	515,854	1,062,259	1,035,942
Others	<u>110,602</u>	<u>127,666</u>	<u>243,482</u>	<u>252,834</u>
	<u>\$ 10,856,394</u>	<u>\$ 14,501,230</u>	<u>\$ 22,212,802</u>	<u>\$ 27,994,606</u>

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

### Contract balances

	<u>June 30, 2020</u>	December 31, <u>2019</u>	<u>June 30, 2019</u>	<u>January 1, 2019</u>
Notes and accounts receivables (Note 10)	<u>\$ 5,558,614</u>	<u>\$ 7,045,512</u>	<u>\$ 7,741,297</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 <u>June 30, 2020</u>	For the Three Months Ended <u>June 30, 2019</u>	For the Six Months Ended <u>June 30, 2020</u>	For the Six Months Ended <u>June 30, 2019</u>
Owners of the Company	\$ 294,581	\$ 441,530	\$ 511,280	\$ 694,495
Non-controlling interests	<u>371,362</u>	<u>260,263</u>	<u>799,615</u>	<u>588,694</u>
	<u>\$ 665,943</u>	<u>\$ 701,793</u>	<u>\$ 1,310,895</u>	<u>\$ 1,283,189</u>

Net profit from continuing operations includes the following:

### a. Interest income

	For the Three Months Ended <u>June 30, 2020</u>	For the Three Months Ended <u>June 30, 2019</u>	For the Six Months Ended <u>June 30, 2020</u>	For the Six Months Ended <u>June 30, 2019</u>
Interest income				
Cash and cash equivalents	\$ 25,855	\$ 33,653	\$ 54,803	\$ 61,230
Financial assets at FVTPL	3,730	19,547	3,730	19,666
Financial assets at amortized cost	1,495	410	1,737	833
Others	<u>39</u>	<u>141</u>	<u>102</u>	<u>427</u>
	<u>\$ 31,119</u>	<u>\$ 53,751</u>	<u>\$ 60,372</u>	<u>\$ 82,156</u>

b. Other income

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Dividend income	\$ 69,324	\$ 51,136	\$ 69,324	\$ 51,136
Claims income	22,544	9	22,544	15,924
Rental income	14,462	13,392	24,665	27,790
Grant income (Note 25)	3,885	9,126	4,457	10,231
Government grants income (Note 15)	-	155,710	-	155,710
Management service income (Note 35)	7,289	7,086	14,779	13,464
Others	21,484	57,241	32,431	83,991
	<u>\$ 138,988</u>	<u>\$ 293,700</u>	<u>\$ 168,200</u>	<u>\$ 358,246</u>

c. Other gains and losses

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Gain on disposal of property, plant and equipment	\$ 3,053	\$ 31,944	\$ 8,031	\$ 36,799
Loss on disposal of property, plant and equipment	( 20,800 )	( 1,533 )	( 25,898 )	( 1,720 )
Net gain on disposal of financial instruments	36,589	4,059	379,019	7,056
Net foreign exchange (loss) gain	( 62,459 )	32,528	( 37,087 )	104,583
Net gain (loss) on financial assets at FVTPL	97,677	28,774	( 286,135 )	93,665
Net loss on financial liabilities at FVTPL	( 4,932 )	( 11,239 )	( 9,732 )	( 25,309 )
Impairment losses reversed (recognized) on non-financial assets	719	18	( 575 )	( 293 )
Depreciation of investment properties	( 6,112 )	( 4,406 )	( 14,295 )	( 8,859 )
Other gains and losses	( 13,950 )	( 20,775 )	( 35,710 )	( 38,489 )
	<u>\$ 29,785</u>	<u>\$ 59,370</u>	<u>( \$ 22,382 )</u>	<u>\$ 167,433</u>

d. Finance costs

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Interest on bank loans	\$ 36,409	\$ 52,447	\$ 80,340	\$ 110,223
Interest on bonds payable	19,893	22,433	41,107	41,172
Other interest expense	21	325	36	1,024
Interest on lease liabilities	1,847	1,979	3,750	4,006
Less: Capitalized interest (included in construction in progress)	( 629 )	( 6,993 )	( 1,228 )	( 14,242 )
	<u>\$ 57,541</u>	<u>\$ 70,191</u>	<u>\$ 124,005</u>	<u>\$ 142,183</u>

Information about capitalized interest is as follows:

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Capitalized interest	\$ 629	\$ 6,993	\$ 1,228	\$ 14,242
Capitalization rate	0.72%~1.23%	0.62%~1.25%	0.71%~1.23%	0.62%~1.48%

e. Depreciation and amortization

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Property, plant and equipment	\$ 535,409	\$ 503,588	\$ 1,082,622	\$ 1,003,444
Right-of-use assets	16,621	15,767	33,848	31,532
Investment properties	6,112	4,406	14,295	8,859
Intangible assets	2,521	5,851	5,301	12,589
Others	15,277	12,613	29,188	20,422
	<u>\$ 575,940</u>	<u>\$ 542,225</u>	<u>\$ 1,165,254</u>	<u>\$ 1,076,846</u>
Analysis of depreciation by function				
Operating costs	\$ 526,195	\$ 489,855	\$ 1,062,355	\$ 976,205
Operating expenses	25,835	29,500	54,115	58,771
Other gains and losses	6,112	4,406	14,295	8,859
	<u>\$ 558,142</u>	<u>\$ 523,761</u>	<u>\$ 1,130,765</u>	<u>\$ 1,043,835</u>

(Continued)

	For the Three Months Ended <u>June 30, 2020</u>	For the Three Months Ended <u>June 30, 2019</u>	For the Six Months Ended <u>June 30, 2020</u>	For the Six Months Ended <u>June 30, 2019</u>
Analysis of depreciation by function				
Operating costs	\$ 15,259	\$ 12,620	\$ 29,150	\$ 20,861
Selling and marketing expenses	135	2,555	271	5,120
General and administrative expenses	666	1,622	1,575	3,696
Research and development expenses	<u>1,738</u>	<u>1,667</u>	<u>3,493</u>	<u>3,334</u>
	<u>\$ 17,798</u>	<u>\$ 18,464</u>	<u>\$ 34,489</u>	<u>\$ 33,011</u>

f. Employee benefits expense

	For the Three Months Ended <u>June 30, 2020</u>	For the Three Months Ended <u>June 30, 2019</u>	For the Six Months Ended <u>June 30, 2020</u>	For the Six Months Ended <u>June 30, 2019</u>
Post-employment benefits (Note 24)				
Defined contribution plans	\$ 26,562	\$ 37,107	\$ 58,802	\$ 76,424
Defined benefit plans	<u>9,861</u>	<u>11,954</u>	<u>19,924</u>	<u>24,282</u>
	36,423	49,061	78,726	100,706
Other employee benefits	<u>990,153</u>	<u>1,037,676</u>	<u>2,068,259</u>	<u>2,076,088</u>
Total employee benefits expense	<u>\$ 1,026,576</u>	<u>\$ 1,086,737</u>	<u>\$ 2,146,985</u>	<u>\$ 2,176,794</u>
Analysis of employee benefits expense by function				
Operating costs	\$ 643,804	\$ 742,909	\$ 1,428,518	\$ 1,486,186
Operating expenses	366,608	339,526	698,238	682,075
Non-operating income and expenses	<u>16,164</u>	<u>4,302</u>	<u>20,229</u>	<u>8,533</u>
	<u>\$ 1,026,576</u>	<u>\$ 1,086,737</u>	<u>\$ 2,146,985</u>	<u>\$ 2,176,794</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rate of no less than 1% and no higher than 1%, respectively, of net profit before income tax. The

employees' compensation and remuneration of directors for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019, which were accrued by the Company's board of directors as follows:

Accrual rates

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.49%	0.34%

Amount

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Employees' compensation	<u>\$ 3,135</u>	<u>\$ 5,440</u>	<u>\$ 5,613</u>	<u>\$ 8,200</u>
Remuneration of directors	<u>\$ 1,375</u>	<u>\$ 1,375</u>	<u>\$ 2,750</u>	<u>\$ 2,750</u>

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

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:

	2019	2018
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 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Foreign exchange gains	\$ 8,180	\$ 79,370	\$ 111,559	\$ 168,102
Foreign exchange losses	( 70,639 )	( 46,842 )	( 148,646 )	( 63,519 )
Net (loss) profit	( \$ 62,459 )	( \$ 32,528 )	( \$ 37,087 )	( \$ 104,583 )

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:

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Current tax				
In respect of the current year	\$ 147,215	\$ 185,165	\$ 354,531	\$ 301,239
Surtax on undistributed earnings	30,217	33,804	30,217	33,804
Adjustments for prior years	( 14,241 )	979	( 14,241 )	( 5,258 )
	<u>163,191</u>	<u>219,948</u>	<u>370,507</u>	<u>329,785</u>
Deferred tax				
In respect of the current year	\$ 27,630	\$ 35,475	\$ 63,878	\$ 98,628
Adjustments for prior years	( 390 )	1,010	( 390 )	1,035
	<u>27,240</u>	<u>36,485</u>	<u>63,488</u>	<u>99,663</u>
Income tax expense recognized in profit or loss	<u>\$ 190,431</u>	<u>\$ 256,433</u>	<u>\$ 433,995</u>	<u>\$ 429,448</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 <u>June 30, 2020</u>	For the Three Months Ended <u>June 30, 2019</u>	For the Six Months Ended <u>June 30, 2020</u>	For the Six Months Ended <u>June 30, 2019</u>
<u>Deferred tax</u>				
In respect of the current year				
Translation of foreign operations	(\$ 68,300)	(\$ 36,321)	(\$ 91,761)	\$ 22,677
Fair value changes of financial assets at FVTOCI	( <u>59</u> )	( <u>1,547</u> )	( <u>283</u> )	( <u>674</u> )
Total income tax recognized in other comprehensive income	( <u>\$ 68,359</u> )	( <u>\$ 37,868</u> )	( <u>\$ 92,044</u> )	\$ <u>22,003</u>

c. Income tax assessments

The income tax returns of UPIIC, TVCM, APCI, TUVV, TUVV, INOMA, TMC, STC, CLT, CGTD 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, UM, USIIC, ACME, CGPC, CGPCPOL and APC 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 <u>June 30, 2020</u>	For the Three Months Ended <u>June 30, 2019</u>	For the Six Months Ended <u>June 30, 2020</u>	For the Six Months Ended <u>June 30, 2019</u>
Basic and diluted earnings per share				
From continuing operations and discontinued operations	\$ 0.27	\$ 0.41	\$ 0.48	\$ 0.65
From discontinued operations	-	-	-	-
From continuing operations	<u>\$ 0.27</u>	<u>\$ 0.41</u>	<u>\$ 0.48</u>	<u>\$ 0.65</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 <u>June 30, 2020</u>	For the Three Months Ended <u>June 30, 2019</u>	For the Six Months Ended <u>June 30, 2020</u>	For the Six Months Ended <u>June 30, 2019</u>
Profit for the period attributable to owners of the Company (earnings used in the computation of basic and diluted earnings per share)	\$ 294,844	\$ 442,700	\$ 511,800	\$ 696,061
Less: Gain for the period from discounted operations used in computation of basic earnings per share from discounted operations	( 263 )	( 1,170 )	( 520 )	( 1,566 )
Earnings used in the computation of basic and diluted earnings per share from continuing operations	<u>\$ 294,581</u>	<u>\$ 441,530</u>	<u>\$ 511,280</u>	<u>\$ 694,495</u>

Weighted Average Number of Ordinary Shares Outstanding

(In Thousands of Shares)

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Weighted average number of ordinary shares used in computation of basic earnings per share	1,072,298	1,072,298	1,072,298	1,072,298
Effect of potentially dilutive ordinary shares:				
Employees' compensation issued to employees	<u>456</u>	<u>695</u>	<u>920</u>	<u>887</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,072,754</u>	<u>1,072,993</u>	<u>1,073,218</u>	<u>1,073,185</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 resolves the number of shares to be distributed to employees at their meeting in the following year.

It was calculated that the potential dilutive effect of USIO's outstanding employee share options for the six months ended June 30, 2020 and 2019 did not have an impact on the Group's diluted earnings per share.

### 31. SHARE-BASED PAYMENT ARRANGEMENTS

- a. ACME did not issue employee share options for the six months ended June 30, 2020 and 2019. Information on employee share options which were issued was as follows:

Employee share options	For the Six Months Ended June 30, 2019	
	Number of Options	Weighted average Exercise Price (NT\$)
Balance at January 1	563	\$ 8.2
Options exercised	( <u>563</u> )	8.2
Options exercisable, end of period	<u><u>-</u></u>	-

The above-mentioned employee shares options of ACME were fully exercised from January 1 to June 30, 2019. As of June 30, 2020, ACME did not have any outstanding employee share options.

- b. USIO did not have new employee share option plan for the six months ended June 30, 2020 and 2019.

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

Employee share options	For the Six Months Ended June 30, 2020		For the Six Months Ended June 30, 2019	
	Number of Options	Weighted average Exercise Price (NT\$)	Number of Options	Weighted average Exercise Price (NT\$)
Balance at January 1	133	\$ 10.8	167	\$ 10.8
Options expired	<u>-</u>	-	( <u>34</u> )	10.8
Balance at June 30	<u><u>133</u></u>	10.8	<u><u>133</u></u>	10.8
Options exercisable, end of period	<u><u>133</u></u>	10.8	<u><u>133</u></u>	10.8

## 32. CASH FLOW INFORMATION

### a. Non-cash transactions

For the six months ended June 30, 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:

- As of June 30, 2020, December 31, 2019, and June 30, 2019, the amounts of payables for purchases of equipment were \$207,614 thousand, \$191,407 thousand, and \$103,603 thousand, respectively.
- As of June 30, 2020, December 31, 2019, and June 30, 2019, the amounts of payables for dividends declared but not issued were \$1,057,959 thousand, \$17,771 thousand and \$1,010,975 thousand, respectively.

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

	January 1, 2020	Cash Flows	Non-cash Changes				June 30, 2020
			New Leases	Allocated Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Short-term borrowings	\$ 4,258,980	\$ 60,068	\$ -	\$ -	\$ -	\$ -	\$ 4,319,048
Short-term bills payable	1,352,810	( 282,000 )	-	-	-	12	1,070,822
Bonds payable (including current portions)	7,991,283	( 1,000,000 )	-	1,527	-	-	6,992,810
Long-term borrowings (including current portions)	9,492,970	( 1,419,942 )	-	-	-	-	8,073,028
Guarantee deposits received	27,475	15,072	-	-	-	-	42,547
Lease liabilities (including current portions)	552,778	( 34,075 )	847	3,750	( 1,586 )	( 32,209 )	489,505
Other non-current liabilities	41,778	( 1,326 )	-	-	-	-	40,452
	<u>\$ 23,718,074</u>	<u>( \$ 2,662,203 )</u>	<u>\$ 847</u>	<u>\$ 5,277</u>	<u>( \$ 1,586 )</u>	<u>( \$ 32,197 )</u>	<u>\$ 21,028,212</u>

	January 1, 2019	Cash Flows	Non-cash Changes				June 30, 2019
			New Leases	Allocated Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Short-term borrowings	\$ 6,726,854	( \$ 1,842,545 )	\$ -	\$ -	\$ -	\$ -	\$ 4,884,309
Short-term bills payable	1,514,784	140,000	-	-	-	( 81 )	1,654,703
Bonds payable (including current portions)	5,992,604	1,995,630	-	1,384	-	-	7,989,618
Long-term borrowings (including current portions)	9,142,624	453,559	-	-	-	-	9,596,183
Guarantee deposits received	26,662	50	-	-	-	-	26,712
Lease liabilities (including current portions)	546,116	( 30,200 )	-	4,006	193	( 4,006 )	516,109
Other non-current liabilities	44,820	( 49 )	-	-	-	-	44,771
	<u>\$ 23,994,464</u>	<u>\$ 716,445</u>	<u>\$ -</u>	<u>\$ 5,390</u>	<u>\$ 193</u>	<u>( \$ 4,087 )</u>	<u>\$ 24,712,405</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

June 30, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	\$ 6,992,810	\$ -	\$ 7,032,700	\$ -	\$ 7,032,700

December 31, 2019

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	\$ 7,991,283	\$ -	\$ 8,027,387	\$ -	\$ 8,027,387

June 30, 2019

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	<u>\$ 7,989,618</u>	<u>\$ -</u>	<u>\$ 8,020,948</u>	<u>\$ -</u>	<u>\$ 8,020,948</u>

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

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

1. Fair value hierarchy

June 30, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 8,366	\$ -	\$ 8,366
Domestic listed shares and over-the-counter shares	237,467	-	-	237,467
Mutual funds	4,746,239	-	-	4,746,239
Beneficiary certificates	212,313	-	-	212,313
Foreign listed shares	<u>516</u>	<u>-</u>	<u>-</u>	<u>516</u>
	<u>\$ 5,196,535</u>	<u>\$ 8,366</u>	<u>\$ -</u>	<u>\$ 5,204,901</u>
<u>Financial assets at FVIOCI</u>				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,609,725	\$ -	\$ -	\$ 1,609,725
Domestic emerging market shares	-	-	10,495	10,495
Domestic unlisted shares	-	-	680,028	680,028
Foreign listed shares and over-the-counter shares	7,089	-	-	7,089

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Foreign unlisted shares	\$ -	\$ -	\$ 97,961	\$ 97,961
	<u>\$ 1,616,814</u>	<u>\$ -</u>	<u>\$ 788,484</u>	<u>\$ 2,405,298</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	\$ -	\$ 3,783	\$ -	\$ 3,783

### December 31, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<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 over-the-counter shares	8,649	-	-	8,649
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

June 30, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 14,680	\$ -	\$ 14,680
Domestic listed shares and over-the-counter shares	168,783	-	-	168,783
Mutual funds Beneficiary certificates	5,344,351	-	-	5,344,351
Foreign listed shares	998,980	-	-	998,980
	795	-	-	795
	<u>\$ 6,512,909</u>	<u>\$ 14,680</u>	<u>\$ -</u>	<u>\$ 6,527,589</u>
<u>Financial assets at FVIOCI</u>				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,848,751	\$ -	\$ -	\$ 1,848,751
Domestic emerging market shares	-	-	27,500	27,500
Domestic unlisted shares	-	-	680,447	680,447
Foreign listed shares and over-the-counter shares	6,940	-	-	6,940
Foreign unlisted shares	-	-	105,844	105,844
	<u>\$ 1,855,691</u>	<u>\$ -</u>	<u>\$ 813,791</u>	<u>\$ 2,669,482</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 3,678</u>	<u>\$ -</u>	<u>\$ 3,678</u>

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2020 and 2019.

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

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
<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)	55,610	95,383
Disposition	( 15,577)	( 80,649)
Return of capital	<u>-</u>	<u>( 46,122)</u>
Balance at March 31	<u>\$ 788,484</u>	<u>\$ 813,791</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 \$78,848 thousand and \$81,379 thousand, respectively, for the six months ended June, 2020 and 2019.

c. Categories of financial instruments

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<u>Financial assets</u>			
Financial assets at FVTPL			
Financial assets mandatorily classified as at FVTPL	\$ 5,204,901	\$ 6,358,025	\$ 6,527,589
Financial assets measured at amortized cost			
Cash and cash equivalents	8,685,259	7,927,403	8,325,502
Pledged time deposits	677,573	659,923	674,742
Investment products	138,953	158,148	-
Notes receivable	406,977	634,435	835,646
Accounts receivable	5,151,637	6,411,077	6,905,651
Other receivables (including related parties)	302,401	277,131	283,748
Refundable deposits	161,445	181,829	156,316

(Continued)

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Financial assets at FVTOCI – equity instrument investments	\$ 2,405,298	\$ 2,371,513	\$ 2,669,482
<u>Financial liabilities</u>			
Financial liabilities at FVTPL – Held for trading	3,783	4,136	3,678
Financial liabilities measured at amortized cost			
Short-term borrowings	4,319,048	4,258,980	4,884,309
Short-term bills payable	1,070,822	1,352,810	1,654,703
Notes payable and accounts payable	2,118,759	2,757,368	3,048,364
Other payables (not including salaries payable or taxes payable)	1,069,000	1,110,101	1,036,986
Current portion of long-term borrowings	120,000	1,443,156	1,171,367
Bonds payable	6,992,810	6,991,327	6,989,851
Long-term borrowings	7,953,028	9,049,770	9,424,583
Guarantee deposits received	42,547	27,475	26,712

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 six months ended June 30, 2020 will decrease/increase by \$82,300 thousand; the profit before tax for the six months ended June 30, 2019 will decrease/increase by \$109,474 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>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Fair value interest			
rate risk			
Financial assets	\$ 5,786,515	\$ 5,253,127	\$ 5,517,673
Financial liabilities	14,185,518	15,821,920	16,989,029
Cash flow interest			
rate risk			
Financial assets	3,747,078	3,441,301	3,243,931
Financial liabilities	6,759,695	7,826,901	7,651,893

### 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 six months ended June 30, 2020 and 2019 would have decreased/increased by \$7,532 thousand and \$11,020 thousand, respectively.

### (3) Other price risk

The Group was exposed to equity price risk through its investments in equity securities listed domestically and overseas 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 six months ended June 30, 2020 and 2019 would have increased/decreased by \$259,827 thousand and \$325,645 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 six months ended June 30, 2020 and 2019 would have increased/decreased by \$120,265 thousand and \$133,474

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.

June 30, 2020

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 4,845,670	\$ -	\$ -
Lease liabilities	0.83-9.25	78,247	266,014	337,288
Floating interest rate liabilities	0.81-1.36	856,667	5,903,200	-
Fixed interest rate liabilities	0.35-3.08	<u>4,653,381</u>	<u>9,050,000</u>	<u>-</u>
		<u>\$10,433,965</u>	<u>\$15,219,214</u>	<u>\$ 337,288</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 78,247</u>	<u>\$ 266,014</u>	<u>\$ 106,655</u>	<u>\$ 53,041</u>	<u>\$ 52,399</u>	<u>\$ 125,193</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				
		\$ 4,695,394	\$ -	\$ -
Lease liabilities	0.83-9.25	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>

June 30, 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				
		\$ 5,627,767	\$ -	\$ -
Lease liabilities	1.04-2.00	71,262	273,343	205,288
Floating interest				
rate liabilities				
	0.98-4.73	430,310	7,221,600	-
Fixed interest				
rate liabilities				
	0.83-3.16	<u>7,280,599</u>	<u>9,203,000</u>	<u>-</u>
		<u>\$13,409,938</u>	<u>\$16,697,943</u>	<u>\$ 205,288</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	20+ Years
Lease						
liabilities	<u>\$ 71,262</u>	<u>\$ 273,343</u>	<u>\$ 106,945</u>	<u>\$ 51,093</u>	<u>\$ 47,250</u>	<u>\$ -</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.

June 30, 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	\$ 682,866	\$ 1,018,297	\$ 60,940
Outflows	( 679,866)	( 1,020,824)	( 62,479)
	<u>\$ 3,000</u>	<u>(\$ 2,527)</u>	<u>(\$ 1,539)</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>

June 30, 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	\$ 1,126,351	\$ 1,475,818	\$ 16,479
Outflows	( 1,120,696)	( 1,476,275)	( 17,083)
	<u>\$ 5,655</u>	<u>(\$ 457)</u>	<u>(\$ 604)</u>

(3) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of June 30, 2020, December 31, 2019 and June 30, 2019, the unused amounts of bank loan facilities were as follows:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Bank loan facilities			
Amount unused	<u>\$ 29,390,130</u>	<u>\$ 23,210,225</u>	<u>\$ 26,078,530</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 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 June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Other related party USI Education Foundation	\$ <u>1,000</u>	\$ <u>500</u>	\$ <u>8,250</u>	\$ <u>8,500</u>

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

Related Party Category/Name	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Joint venture	\$ <u>7,289</u>	\$ <u>7,086</u>	\$ <u>14,779</u>	\$ <u>13,464</u>

- d. Other Receivables

Related Party Category/Name	June 30, 2020	December 31, 2019	June 30, 2019
Joint venture	\$ <u>13,171</u>	\$ <u>16,494</u>	\$ <u>12,180</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 June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Short-term employee benefits	\$ 10,701	\$ 11,860	\$ 19,758	\$ 19,541
Post-employment benefits	<u>81</u>	<u>81</u>	<u>162</u>	<u>162</u>
	\$ <u>10,782</u>	\$ <u>11,941</u>	\$ <u>19,920</u>	\$ <u>19,703</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>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Pledged time deposits (classified as financial assets measured at amortized cost)	\$ 677,573	\$ 659,923	\$ 674,742
Equity shares	-	-	1,038,100
Property, plant and equipment	3,750,596	3,802,055	4,044,059
Investment properties, net	108,178	108,178	108,178
Land use rights (classified as right-of-use assets)	28,105	31,666	88,199
Refundable deposits (classified as other non-current assets)	60,200	93,105	53,767
	<u>\$ 4,624,652</u>	<u>\$ 4,694,927</u>	<u>\$ 6,007,045</u>

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENT

- a. As of June 30, 2020, December 31, 2019 and June 30, 2019, the Company's unused letter of credit amounted to \$1,540,610 thousand, \$2,715,961 thousand and \$3,237,154 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 \$227,396 thousand (including interest) to Kaohsiung City Government as collateral for the losses caused by the gas explosion. Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and

CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD has deposited \$99,207 thousand in cash to the court, exempted from the provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. As of July 31, 2020, the provisionally attached properties were worth \$8,309 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 July 31, 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 \$1,360,916 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 \$406,679 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 insurance companies, where based on CGTD's proportion of fault-based liabilities in the first-instance judgment, an amount of \$136,375 thousand, which is the amount of settlement and civil-case compensation for the victims and the seriously injured (including settled cases) after deducting the maximum insurance claims, was estimated and recognized as liability. However, the actual amount of the aforementioned 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 Asia Polymer Corporation (APC) entered into a joint venture contract for an investment of Fujian Gulei Petrochemical Co., Ltd. on April 17, 2014. The related entities of

the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, HsinTay Petroleum Company Limited, Chenenergy 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 seven products such as ethylene on the Gulei Peninsula in Zhangzhou, Fujian Province, as approved by the competent authorities of the Republic of China and according to the business operation permitted by the Joint Venture’s board of directors; and (2) 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 would invest US\$109,215 thousand in Dynamic Ever Investment Limited. As of June 30, 2020, DOR PO had invested US\$99,108 thousand and held 14.7% 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.

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 71.0% after the capital increase. Dynamic Ever Investments Limited invested RMB 900,000 thousand in the fifth phase of Gulei's share on April 28, 2020.

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

(Continued)

<u>Commissioned Company</u>	<u>Operation Contract Period</u>
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
TSRC Corporation	2020.01.01-2021.12.31
NANTEX Industry Co., Ltd.	2020.01.01-2021.12.31
En Chuan Chemical Industries Co., Ltd.	2020.01.01-2021.12.31
Xin Long Guang Plastics Co., Ltd.	2020.01.01-2021.12.31

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

	June 30, 2020			
	Foreign Currency	Exchange Rate (In Single Dollars)	Functional Currency	NTD
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 121,082	29.63 (USD : NTD)	\$ 3,587,654	\$ 3,587,654
USD	4,249	7.08 (USD : RMB)	30,015	125,621
USD	2,737	4.48 (USD : MYR)	12,250	81,087
RMB	218,744	4.19 (RMB : NTD)	915,508	915,508
RMB	3,408	0.14 (RMB : USD)	482	14,267
AUD	559	20.34 (AUD : NTD)	11,362	11,362
<u>Non-monetary items</u>				
Joint ventures accounted for using the equity method				
RMB	4,343,208	0.14 (RMB : USD)	613,491	18,177,731

(Continued)

June 30, 2020					
	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currency	NTD
Derivative					
USD sell	21,440	29.63	( USD : NTD )	5,927	5,927
USD buy	480	29.63	( USD : NTD )	182	182
USD sell	649	4.48	( USD : MYR )	36	236
RMB sell	87,300	4.19	( RMB : NTD )	1,859	1,859
EUR sell	110	5.03	( EUR : MYR )	13	88
JPY buy	30,000	0.01	( JPY : USD )	281	74
Foreign currency <u>liabilities</u>					
<u>Monetary items</u>					
USD	20,936	29.63	( USD : NTD )	620,348	620,348
USD	14,002	7.08	( USD : RMB )	99,128	414,884
USD	534	4.48	( USD : MYR )	2,388	15,811
RMB	49,935	4.19	( RMB : NTD )	208,994	208,994
<u>Non-monetary items</u>					
Derivative instruments					
USD sell	12,130	29.63	( USD : NTD )	1,787	1,787
USD buy	3,800	29.63	( USD : NTD )	1,190	1,190
USD sell	443	4.48	( USD : MYR )	7	49
RMB sell	54,000	4.19	( RMB : NTD )	714	714
EUR sell	164	5.03	( EUR : MYR )	6	43
December 31, 2019					
	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currency	NTD
Foreign currency <u>assets</u>					
<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

(Continued)

December 31, 2019					
	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currency	NTD
<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					
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
Foreign currency liabilities					
<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

June 30, 2019					
	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currency	NTD
Foreign currency assets					
<u>Monetary items</u>					
USD	\$ 160,279	31.06 (USD : NTD)		\$ 4,978,240	\$ 4,978,240
USD	3,579	6.87 (USD : RMB)		24,606	111,169
USD	3,544	4.30 (USD : MYR)		15,251	110,083
RMB	330,715	4.52 (RMB : NTD)		1,494,172	1,494,172
RMB	3,931	0.15 (RMB : USD)		572	17,753
HKD	5,730	3.98 (HKD : NTD)		22,789	22,789
AUD	566	21.80 (AUD : NTD)		12,341	12,341
EUR	374	35.38 (EUR : NTD)		13,239	13,239

(Continued)

	June 30, 2019				
	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currency	NTD
<u>Non-monetary items</u>					
Joint ventures accounted for using the equity method					
RMB	\$ 2,891,047	0.15	(RMB : USD)	\$ 420,534	\$13,061,796
Derivative instruments					
USD sell	21,130	31.06	(USD : NTD)	7,916	7,916
USD buy	7,600	31.06	(USD : NTD)	1,764	1,764
USD sell	1,156	4.30	(USD : MYR)	1,156	485
RMB sell	195,000	4.52	(RMB : NTD)	4,452	4,452
EUR sell	185	4.90	(EUR : MYR)	185	63
Foreign currency liabilities					
<u>Monetary items</u>					
USD	36,580	31.06	(USD : NTD)	1,136,165	1,136,165
USD	13,335	6.87	(USD : RMB)	91,674	414,183
RMB	38,197	4.52	(RMB : NTD)	172,574	172,574
<u>Non-monetary items</u>					
Derivative instruments					
USD sell	19,020	31.06	(USD : NTD)	3,369	3,369
RMB sell	43,100	4.52	(RMB : NTD)	283	283
JPY buy	40,000	0.01	(JPY : USD)	372	26

For the three months ended June 30, 2020 and 2019, realized and unrealized net foreign exchange (losses) and gains were \$(62,459) thousand and \$32,528 thousand, respectively, and for the six months ended June 30, 2020 and 2019 were \$(37,087) thousand and \$104,583 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

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. (Tables 5 and 6)
  - 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 Six Months Ended June 30, 2020						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	\$ 4,570,722	\$ 5,878,270	\$ 6,524,985	\$ 1,062,259	\$ 2,672,062	\$ 2,211,373	\$ 22,919,671
Interest income	3,999	3,076	13,904	6,748	5,742	26,903	60,372
Finance costs	( 56,762 )	( 4,657 )	( 14,814 )	( 9,195 )	( 24,539 )	( 16,988 )	( 126,955 )
Depreciation and amortization	( 311,048 )	( 342,084 )	( 103,927 )	( 97,395 )	( 156,772 )	( 190,444 )	( 1,201,670 )
Impairment loss	-	-	-	( 5,823 )	( 575 )	-	( 6,398 )
Reportable segment profit before tax	552,917	347,025	615,680	47,131	438,502	536,860	2,538,115
Reportable segment tax expense	( 41,117 )	( 64,476 )	( 144,853 )	( 19,759 )	( 70,882 )	( 92,908 )	( 433,995 )
Reportable segment net profit	511,800	282,549	470,827	27,372	367,620	443,952	2,104,120

  

	For the Six Months Ended June 30, 2019						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	\$ 5,457,769	\$ 7,582,278	\$ 9,081,896	\$ 1,035,942	\$ 3,395,312	\$ 2,340,691	\$ 28,893,888
Interest income	10,736	10,035	12,762	5,801	8,302	34,520	82,156
Finance costs	( 61,822 )	( 6,053 )	( 28,592 )	( 10,662 )	( 26,794 )	( 24,444 )	( 158,367 )
Depreciation and amortization	( 231,638 )	( 315,713 )	( 105,270 )	( 105,476 )	( 150,667 )	( 203,822 )	( 1,112,586 )
Impairment loss	-	-	-	-	( 293 )	( 14,131 )	( 14,424 )
Reportable segment profit (loss) before tax	809,068	289,110	415,257	( 39,046 )	412,875	439,931	2,327,195
Reportable segment tax expense	( 113,007 )	( 54,811 )	( 109,667 )	( 9,755 )	( 71,865 )	( 70,343 )	( 429,448 )
Reportable segment net profit (loss)	696,061	234,299	305,590	( 48,801 )	341,010	369,588	1,897,747

##### b. Reportable segment income and other major adjustments of items

###### 1. Segment income and operating results

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Reportable segment net profit before tax	\$ 2,001,255	\$ 1,887,264
Reportable segment tax expense	( <u>341,087</u> )	( <u>359,105</u> )
Reportable segment profit after tax	1,660,168	1,528,159
Other non-reportable segment profit	443,952	369,588
Less: Profit between segments	( <u>793,225</u> )	( <u>614,558</u> )
Profit from continuing operations	1,310,895	1,283,189
Profit from discontinued operations	<u>1,456</u>	<u>4,397</u>
Net profit after tax	<u>\$ 1,312,351</u>	<u>\$ 1,287,586</u>

## 2. Other significant items reconciliation

	For the Six Months Ended June 30, 2020							
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	Total
Interest income	\$ 3,999	\$ 3,076	\$ 13,904	\$ 6,748	\$ 5,742	\$ 26,903	\$ -	\$ 60,372
Finance costs	( 56,762)	( 4,657)	( 14,814)	( 9,195)	( 24,539)	( 16,988)	1,722	( 125,233)
Depreciation and amortization	( 311,048)	( 342,084)	( 103,927)	( 97,395)	( 156,772)	( 190,444)	29,150	( 1,172,520)
Impairment loss	-	-	-	( 5,823)	( 575)	-	-	( 6,398)

	For the Six Months Ended June 30, 2019							
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	Total
Interest income	\$ 10,736	\$ 10,035	\$ 12,762	\$ 5,801	\$ 8,302	\$ 34,520	\$ -	\$ 82,156
Finance costs	( 61,822)	( 6,053)	( 28,592)	( 10,662)	( 26,794)	( 24,444)	1,942	( 156,425)
Depreciation and amortization	( 231,638)	( 315,713)	( 105,270)	( 105,476)	( 150,667)	( 203,822)	27,961	( 1,084,625)
Impairment loss	-	-	-	-	( 293)	( 14,131)	-	( 14,424)

Since the Group had not offered information about assets of individual operating segments to the operational decision maker, 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 SIX MONTHS ENDED JUNE 30, 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
													I t e m	V a l u e			
0	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Other receivables - related parties	Yes	\$ 241,800 (USD8,000 thousand)	\$ 207,410 (USD8,000 thousand)	\$ 207,410 (USD7,000 thousand)	2.13488~ 3.68375	2	\$ -	Business turnover	\$ -	-	-	\$ 497,320	\$ 497,320	

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 June 30, 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 June 30, 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 SIX MONTHS ENDED JUNE 30, 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		Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amounts
													I t e m	V a l u e			
0	Forever Young Company Limited	Swanson International Ltd.	Other receivables - related parties	Yes	\$ 93,926	\$ 92,001	\$ 92,001	-	2	\$ -	Business turnover	\$ -	-	-	\$ 137,005	\$ 205,508	
1	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	188,478	179,968	179,968	4.15~4.25	2	-	Business turnover	-	-	-	506,275	506,275	
2	Swanson Plastics (Singapore) Pte., Ltd.	PT. Swanson Plastics Indonesia	Other receivables - related parties	Yes	30,020	29,630	29,630	2.50	2	-	Business turnover	-	-	-	382,542	382,542	

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 June 30, 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 SIX MONTHS ENDED JUNE 30, 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
													I t e m	V a l u e			
1	Taita Chemical (Zhongsan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	\$ 230,192 ( RMB 55,000 thousand )	\$ 62,780 ( RMB 15,000 thousand )	\$ 62,780 ( RMB 15,000 thousand )	5.0025	2	\$ -	Business turnover	\$ -	-	-	\$ 2,425,707	\$ 2,425,707	

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 June 30, 2020, TTC did not 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 of June 30, 2020, the audited net worth of Taita Chemical (Zhongsan) Co., Ltd. was RMB579,575 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 June 30, 2020.

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

USI CORPORATION AND SUBSIDIARIES  
ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 2020

TABLE 2

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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	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	\$ 11,080,490	\$ 3,600,000	\$ 3,600,000	\$ 1,641,000	\$ -	19.49	\$ 11,080,490	Yes	No	No	
0	USI Corporation	Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	11,080,490	316,300 (USD 10,000 thousand) (NTD 20,000 thousand )	316,300 (USD 10,000 thousand) (NTD 20,000 thousand )	-	-	1.71	11,080,490	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 June 30, 2020.

Note 2: The amount was calculated using the spot exchange rate as of June 30, 2020.

USI CORPORATION AND SUBSIDIARIES  
(Acme Electronics Corporation)  
ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 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)	\$ 1,864,949	\$ 363,000 (USD 12,000 thousand )	\$ 266,670 (USD 9,000 thousand )	\$ 118,520 (USD 4,000 thousand )	\$ -	21.45	\$ 2,486,598	No	No	Yes	
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	1,864,949	152,250 (USD 5,000 thousand )	148,150 (USD 5,000 thousand )	-	-	11.92	2,486,598	No	No	Yes	

Note 1: The rate was calculated by the ending balance of equity of the endorser/guarantor as of June 30, 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 for an individual entity shall not exceed 150% 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 June 30, 2020.

Note 3: The foreign currency amount was calculated based on the spot exchange rate as of June 30, 2020.

USI CORPORATION AND SUBSIDIARIES  
(Swanson Plastics Corporation (SPC))  
ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 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 (Note 2)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement / Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee 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	\$ 4,983,178	\$ 1,875,850	\$ 1,841,502	\$ 26,667	\$ -	73.91	\$ 6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	Subsidiary	4,983,178	54,078	53,038	177	-	2.13	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsubsidiary	4,983,178	36,300	35,556	-	-	1.43	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsubsidiary	4,983,178	121,000	88,890	-	-	3.57	6,228,973	No	No	Yes	
0	Swanson Plastics Corporation	Swanson Technologies Corporation	Subsidiary	4,983,178	138,650	137,038	115,000	-	5.50	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (India) Private Limited	Sub-subsubsidiary	4,983,178	90,750	29,630	-	-	1.19	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastic (Tianjin) Co., Ltd.	Sub-subsubsidiary	4,983,178	60,500	29,630	-	-	1.19	6,228,973	No	No	Yes	
0	Swanson Plastics Corporation	PT. Swanson Plastics Indonesia	Subsidiary	4,983,178	60,500	59,260	-	-	2.38	6,228,973	No	No	No	

Note 1: The amount of endorsements/guarantees for an individual entity shall not exceed 200% of SPC's equity. The maximum amount of total endorsements/guarantees shall not exceed 250% of SPC's equity.

Note 2: The foreign currency amount was calculated based on the spot exchange rate as of June 30, 2020.

USI CORPORATION AND SUBSIDIARIES  
(China General Plastics Corporation (CGPC))  
ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 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	\$ 4,955,322	\$ 2,200,000	\$ 2,150,000	\$ 564,815	No	26.03	\$ 8,258,870	No	No	No	

Note 1: The ratio was calculated by the ending balance of equity of CGPC as of June 30, 2020.

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

USI CORPORATION AND SUBSIDIARIES  
(Taita Chemical Company, Ltd. (TTC))  
ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 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 with 100% held ordinary shares	\$ 4,601,265	\$ 1,577,790 (USD33,000 thousand) (NTD 600,000 thousand)	\$ 1,577,790 (USD33,000 thousand) (NTD 600,000 thousand)	\$ 779,862 (USD26,320 thousand)	\$ -	34.29	\$ 6,091,897	No	No	No	
0	Taita Chemical Company, Ltd.	Taita Chemical (Zhongsan) Co., Ltd.	Subsidiary whose ordinary shares were 100% held by TTC's subsidiaries	4,601,265	209,265 (RMB50,000 thousand)	209,265 (RMB50,000 thousand)	-	-	4.55	6,091,897	No	No	Yes	

Note 1: The amount was calculated at the spot exchange rate as of June 30, 2020.

Note 2: The ceilings to TTC on the total amount of endorsements/guarantees and the amount of endorsements/guarantees to any individual entity permitted shall not exceed 150% of TTC's net worth. The ceilings to TTC and its subsidiaries on the total amount of endorsements/guarantees and the amount of endorsements/guarantees to any individual entity permitted shall not exceed 200% of TTC's net worth.

USI CORPORATION AND SUBSIDIARIES  
MARKETABLE SECURITIES HELD  
JUNE 30, 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	June 30, 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	\$ 590,095	1.98	\$ 590,095	
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	12,799,902	231,079	11.90	231,079	
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - non-current	8,514,006	78,840	0.09	78,840	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	1,753,251	18,847	-	18,847	
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	302,000	18,603	-	18,603	
	Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	300,000	15,030	-	15,030	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	1,430,000	21,879	-	21,879	
	United Renewable Energy Co., Ltd.	—	Financial assets at fair value through profit or loss - current	229,580	1,501	-	1,501	
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	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Beneficiary certificates							
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,995,461	\$ 50,000	-	\$ 50,000	
	Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,823,264	41,000	-	41,000	
	Nomura Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,045,605	50,000	-	50,000	
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	10,227,799	157,540	-	157,540	
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,151,066	50,000	-	50,000	
	CTBC Hwa-win Money Market Fund	—	Financial assets at fair value through profit or loss - current	13,817,615	153,224	-	153,224	
	Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,289,935	47,032	-	47,032	
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,920,509	47,419	-	47,419	
	Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	19,933,652	251,652	-	251,652	
	FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	860,625	154,510	-	154,510	
	Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,162,215	50,352	-	50,352	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	13,950,979	190,003	-	190,003	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	596,883	\$ 7,027	-	\$ 7,027	
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	16,833,145	251,108	-	251,108	
Union Polymer Int'l Investment Corp.	Beneficiary certificates Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at fair value through profit or loss - current	3,290,000	\$ 55,930	-	\$ 55,930	
	Shares Asia Polymer Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	20,711,939	384,207	3.74	384,207	
	China General Plastics Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	4,053,793	74,792	0.77	74,792	
	Taita Chemical Company, Ltd.	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	383,520	5,446	0.11	5,446	
Swanlake Traders Ltd.	Shares SOHOware Inc.	—	Financial assets at fair value through other comprehensive income - non-current	1,150,000	-	1.05	-	Note 2
	TGF Linux Communications Inc.	—	Financial assets at fair value through other comprehensive income - non-current	300,000	-	2.14	-	Note 2
	Neurosky Inc. Preferred D	—	Financial assets at fair value through other comprehensive income - non-current	2,397,364	-	0.70	-	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USIFE Investment Co., Ltd.	Shares							
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - current	1,266,061	\$ 11,724	0.01	\$ 11,724	
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - non-current	1,266,061	11,724	0.01	11,724	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - non-current	3,001,655	100,255	0.59	100,255	
	Solargiga Energy Holdings Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	11,876,111	3,026	0.37	3,026	
	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	6,999,728	94,916	4.54	94,916	
	USI Optronics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	165,279	372	0.25	372	
	Digimax, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	23,234	-	0.05	-	
Silicon Technology Investment (Cayman) Corp.	—	Financial assets at fair value through other comprehensive income - non-current	911,849	43,533	1.77	43,533		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	China General Plastics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	472,511	\$ 8,718	0.09	\$ 8,718	
	Asia Polymer Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,577,809	29,268	0.28	29,268	
	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	16,518	0.35	16,518	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	584,416	6,282	0.01	6,282	
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	150,000	9,240	0.09	9,240	
	Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	150,000	7,515	0.01	7,515	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	470,000	7,191	0.40	7,191	
	United Renewable Energy Co., Ltd.	—	Financial assets at fair value through profit or loss - current	2,474,681	16,185	0.09	16,185	
	Acme Electronics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	500,000	\$ 5,075	0.27	\$ 5,075	
	Superactive Group Company Limited	—	Financial assets at fair value through profit or loss - current	678,000	516	-	516	
	Beneficiary certificates Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,870,081	30,688	-	30,688	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,151,207	64,463	-	64,463	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan United Venture Capital Corp.	Beneficiary certificates							
	Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,399,556	\$ 49,369	-	\$ 49,369	
	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	30,157	0.17	30,157	
	Mitac Holdings Corp.	—	Financial assets at fair value through other comprehensive income - current	1,841,072	59,651	0.17	59,651	
	Chitec Technology Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	381,906	10,495	1.37	10,495	
	Leadwell Cnc Machines Mfg., Corp.	—	Financial assets at fair value through other comprehensive income - non-current	419,753	15,145	0.68	15,145	
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	8,972	1.09	8,972		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 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	\$ 939	0.15	\$ 939	
	Uranus Chemicals Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	12,610	260	0.03	260	
	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	1,332	-	1,332	
Inoma Corporation	Beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	759,460	10,343	-	10,343	
USI Optronics Corporation	Beneficiary certificates Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,016,620	15,166	-	15,166	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,701,120	23,168	-	23,168	
	Yuanta De-Bao Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,412,688	17,080	-	17,080	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Management Consulting Corporation	Beneficiary certificates  Eastspring Investments Well Pool Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,577,806	\$ 35,013	-	\$ 35,013	

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  
JUNE 30, 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	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
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	\$ 45,356	-	\$ 45,356	Note 1
	Open-end fund beneficiary certificates							
	Shin Kong Chi-Shin Money-Market Fund	—	Financial assets at fair value through profit or loss - current	5,841,399	91,006	-	91,006	Note 1
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,586,764	42,001	-	42,001	Note 1
	FSITC Taiwan Money Market	—	Financial assets at fair value through profit or loss - current	2,532,172	39,003	-	39,003	Note 1
	Nomura Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,827,998	30,010	-	30,010	Note 1
Taiwan VCM Corporation	CTBC Hwa-win Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,617,140	29,021	-	29,021	Note 1
	Shares							
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	7,664,611	138,346	5.95	138,346	Note 1
	Open-end fund beneficiary certificates							
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	10,068,950	137,132	-	137,132	Note 1
Taiwan VCM Corporation	CTBC Hwa-win Money Market Fund	—	Financial assets at fair value through profit or loss - current	9,926,512	110,075	-	110,075	Note 1
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,117,555	100,070	-	100,070	Note 1
	Nomura Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,876,763	80,062	-	80,062	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,816,148	70,056	-	70,056	Note 1
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,249,391	50,051	-	50,051	Note 1
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,081,132	50,028	-	50,028	Note 1
	Eastspring Investments Well Pool Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,654,597	50,026	-	50,026	Note 1
	Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,140,723	50,009	-	50,009	Note 1
	Shin Kong Chi-Shin Money-Market Fund	—	Financial assets at fair value through profit or loss - current	3,209,902	50,008	-	50,008	Note 1
	Fuh Hwa Money Market	—	Financial assets at fair value through profit or loss - current	3,443,550	50,008	-	50,008	Note 1
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,996,068	50,008	-	50,008	Note 1
	Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,362,074	48,063	-	48,063	Note 1
	FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	55,731	10,006	-	10,006	Note 1
	UPAMC James Bond Money Market Fund	—	Financial assets at fair value through profit or loss - current	594,792	10,002	-	10,002	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	2,256	0.02	2,256	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
CGPC Polymer Corporation	Open-end fund beneficiary certificates							
	FSITC Money Market	—	Financial assets at fair value through profit or loss - current	317,525	\$ 57,006	-	\$ 57,006	Note 1
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,079,671	50,004	-	50,004	Note 1
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,056,664	50,000	-	50,000	Note 1
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,608,733	21,910	-	21,910	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 June 30, 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  
JUNE 30, 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	June 30, 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	\$ 178,297	1.27	\$ 178,297	Note 1
	Harbinger Venture Capital – ordinary shares	–	Financial assets at fair value through other comprehensive income - non-current	990	8	0.50	8	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	55,250	-	55,250	Note 1
	Beneficiary certificates							
	Mega Diamond Money Market Fund	–	Financial assets at fair value through profit or loss - current	7,925,720	100,058	-	100,058	Note 2
	FSITC Money Market Fund	–	Financial assets at fair value through profit or loss - current	835,840	150,060	-	150,060	Note 2
	Prudential Financial Money Market Fund	–	Financial assets at fair value through profit or loss - current	3,140,171	50,001	-	50,001	Note 2
	Hua Nan Phoenix Money Market Fund	–	Financial assets at fair value through profit or loss - current	5,503,671	90,029	-	90,029	Note 2
	Capital Money Market Fund	–	Financial assets at fair value through profit or loss - current	3,082,101	50,043	-	50,043	Note 2
	Jih Sun Money Market Fund	–	Financial assets at fair value through profit or loss - current	6,715,624	100,180	-	100,180	Note 2
	Taishin Ta-Chong Money Market Fund	–	Financial assets at fair value through profit or loss - current	3,498,926	50,020	-	50,020	Note 2
CTBC Hwa-win Money Market Fund	–	Financial assets at fair value through profit or loss - current	4,512,310	50,037	-	50,037	Note 2	
Special Account								
Taishin 1699 Money Market Fund	–	Financial assets at fair value through profit or loss - current	12,856,993	175,103	-	175,103	Note 2	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
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: The fair value was based on the Taiwan Stock Exchange closing price on the last trading day of June 2020.

Note 2: The fair value was calculated based on the net asset value on the last trading day of June 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 June 30, 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  
JUNE 30, 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	June 30, 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	\$ 20	1.20	\$ 20	
	Risalink Venture Capital	—	Financial assets at fair value through other comprehensive income - non-current	131,587	1,725	1.67	1,725	
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	15,329,223	276,692	11.90	276,692	
	USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	101,355,673	1,195,997	8.53	1,195,997	
	CTCI Corporation	—	Financial assets at fair value through other comprehensive income - non-current	14,446,107	563,398	1.89	563,398	
	AU Optronic Corporation	—	Financial assets at fair value through other comprehensive income - non-current	9,618,516	89,068	0.10	89,068	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - current	2,017,946	67,399	0.39	67,399	
	United Renewable Energy Co., Ltd.	—	Financial assets at fair value through profit or loss - current	229,580	1,501	0.01	1,501	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
	Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	300,000	\$ 15,030	0.02	\$ 15,030	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	1,753,251	18,847	0.04	18,847	
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	283,000	17,433	0.18	17,433	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	1,430,000	21,879	1.21	21,879	
	Beneficiary securities Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at fair value through profit or loss - current	3,281,000	55,777	-	55,777	
	Beneficiary certificates Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,924,414	100,042	-	100,042	
	Capital Money Market Fund	—	Financial assets at fair value through profit or loss - current	739,076	12,000	-	12,000	
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	16,818,904	250,896	-	250,896	
	Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,183,308	50,687	-	50,687	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	17,934,857	244,260	-	244,260	
	CTBC Hwa Win Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,061,791	67,219	-	67,219	
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,219,966	80,404	-	80,404	
	Shin Kong Chi-Shin Money-Market Fund	—	Financial assets at fair value through profit or loss - current	2,246,746	35,003	-	35,003	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
APC (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd. - ordinary shares	—	Financial assets at fair value through other comprehensive income - non-current	40,467	\$ 13	4.45	\$ 13	
	Silicon Technology Investment (Cayman) Corp. - preference shares	—	Financial assets at fair value through other comprehensive income - non-current	1,139,776	54,410	2.19	54,410	
	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	4,063	0.49	4,063	
	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
APC Investment Corporation	Ordinary Shares							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	529	-	529	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	584,416	6,282	0.01	6,282	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	150,000	9,240	0.09	9,240	
	Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	150,000	7,515	0.01	7,515	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	465,000	7,115	0.39	7,115	
	Beneficiary securities Yuanta Wan Tai Money Market Fund	—	Financial assets at fair value through profit or loss - current	714,986	10,893	-	10,893	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	499,525	6,251	-	6,251	
	Ordinary shares United Renewable Energy Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	1,133,531	7,413	0.04	7,413	

Note 1: Due to the recognition of investment losses over the past years, APC evaluated the fair value of long-term 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  
JUNE 30, 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	June 30, 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	\$ 91,633	0.89	\$ 91,633	Note 2
	China General Plastics Corporation	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	2,667,382	49,213	0.51	49,213	Note 1
	Taita Chemical Company, Ltd.	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	1,915,033	27,193	0.57	27,193	Note 1
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	499,552	10,341	-	10,341	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 SIX MONTHS ENDED JUNE 30, 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 on Disposal	Number of Shares	Amount
USI Corporation	Beneficiary certificates Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	4,566,633	\$ 74,500	14,377,884	\$ 235,000	18,944,518	\$ 309,667	\$ 309,500	\$ 167	-	\$ -
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	11,834,053
Ever Victory Global Limited	Shares Dynamic Ever Investments Limited	Investment accounted for using the equity method	—	Subsidiary	488,286,000	14,432,823	87,853,000	2,661,928	-	-	-	-	576,139,000	16,627,237
Dynamic Ever Investments Limited	Shares Fujian Gulei Petrochemical Co., Ltd.	Investment accounted for using the equity method	—	Joint Venture	Note 3	14,867,168	Note 3	3,811,781	-	-	-	-	Note 3	18,177,731

Note 1: The book cost includes the original investment amount, shares of profit (loss) by equity method, exchange rate conversion and adjustments to net changes.

Note 2: The amount as of June 30, 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 SIX MONTHS ENDED JUNE 30, 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	-	-	6,722,102	\$ 100,000	14,639,820	\$ 218,000	21,361,922	\$ 318,089	\$ 318,000	\$ 89	-	\$ -
CGPC Polymer 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	36,859,365	548,937	548,601	336	-	-
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	8,813,848	119,700	17,158,745	233,400	24,363,860	331,300	331,200	100	1,608,733	21,900

Note: The beginning and ending balances were calculated at the original investment cost.

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

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

FOR THE SIX MONTHS ENDED JUNE 30, 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		Acquisition (Note)		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
Taita Chemical Company, Ltd.	Beneficiary certificates Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	23,006,062	\$ 313,000	10,149,069	\$ 138,050	\$ 138,000	\$ 50	12,856,993	\$ 175,000

Note: The ending balance of beneficiary certificates was based on the original investment amount.

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 SIX MONTHS ENDED JUNE 30, 2020

TABLE 4-3

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		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
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	\$ 4,708,408
	Funds FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	957,942	171,000	1,148,360	206,000	2,106,302	377,796	377,000	796	-	-

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 SIX MONTHS ENDED JUNE 30, 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	\$ 323,688	11.09	Within 60 days after purchasing on credit	No significant difference	No significant difference	(\$ 73,987)	( 13.81)	

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

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corp. (ACME))

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2020

TABLE 5-1

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		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	
Acme Electronics Corp.	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Purchase (including processing fee)	\$ 213,365	56	55 days	No significant difference	No significant difference	Accounts payable to related parties (\$ 208,901)	78	Note 2
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corp.	Subsidiary of GAEL	Sell (including processing fee)	( 213,365)	47	55 days	No significant difference	No significant difference	Accounts receivable from related parties 208,901	61	Note 2

Note 1: There is no significant difference between transaction receipt/payment terms and prices of ACME and Acme Electronics (Guang-Zhou) Co., Ltd. and general transactions.

Note 2: 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 SIX MONTHS ENDED JUNE 30, 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/ Note Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	
Swanson Plastics (Singapore) Pte. Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	\$ 119,530	81	90 days	No significant difference	No significant difference	Accounts payable from related parties (\$ 16,267)	( 64)	
Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	( 166,691)	( 33)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 85,748	55	
Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	( 188,826)	( 37)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 30,730	20	
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	166,691	38	90 days	No significant difference	No significant difference	Accounts payable to related parties ( 85,748)	( 54)	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	188,826	46	90 days	No significant difference	No significant difference	Accounts payable to related parties ( 30,730)	( 51)	
Swanson Plastics (Malaysia) Sdn. Bhd.	Swanson Plastics (Singapore) Pte. Ltd.	Parent Company	Sale	( 119,530)	( 24)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 16,267	11	

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 SIX MONTHS ENDED JUNE 30, 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	
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchase	\$ 1,758,467	71	45 days	No significant difference	No significant difference	Accounts payable to related parties (\$ 375,638)	( 66)	Note
	CGPC America Corporation	Subsidiary	Sale	( 189,748)	( 5)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 98,979	13	Note
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	( 1,758,467)	( 51)	45 days	No significant difference	No significant difference	Accounts receivable from related parties 375,638	58	Note
	CGPC Polymer Corporation	Fellow subsidiary	Sale	( 1,518,180)	( 44)	45 days	No significant difference	No significant difference	Accounts receivable from related parties 275,063	42	Note
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchase	1,518,180	95	45 days	No significant difference	No significant difference	Accounts payable to related parties ( 275,063)	( 97)	Note
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchase	189,748	85	90 days	No significant difference	No significant difference	Accounts payable to related parties ( 98,979)	( 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 SIX MONTHS ENDED JUNE 30, 2020

TABLE 5-4

(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	(\$ 283,260) (USD 9,481 thousand)	( 6.05)	30 days	No significant difference	No significant difference	Accounts receivable from related parties \$ 2,403 (USD81 thousand)	0.22	
Taita Chemical (Zhongshan) Co., Ltd.	Taita Chemical Company, Ltd.	Sub-subsidiary	Purchase	283,260 (USD 9,481 thousand)	6.05	30 days	No significant difference	No significant difference	Accounts payable to related parties 2,403 (USD81 thousand)	0.22	

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 SIX MONTHS ENDED JUNE 30, 2020

TABLE 5-5

(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	(\$ 311,023)	( 11.65)	60 days	No significant difference	No significant difference	Accounts receivable from related parties \$ 75,518	12.41	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Ultimate parent company	Sale	( 203)	-	30 days	No significant difference	No significant difference	Accounts receivable from related parties -	-	
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Purchase	52,681	3.48	30 days	No significant difference	No significant difference	Accounts payable to related parties -	-	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Ultimate parent company	Purchase	49,887	3.29	30 days	No significant difference	No significant difference	Accounts payable to related parties ( 26,400)	11.42	

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  
JUNE 30, 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 \$ 27,141	-	\$ -	-	\$ 27,141	Note 1
	Asia Polymer Corporation	Subsidiary of the Company	Other receivables - related parties 32,936	-	-	-	32,936	Note 1

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

Note 2: The subsequent period refers to the period from July 1, 2020 to August 4, 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  
JUNE 30, 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 of ACME	Other receivables - related parties \$ 210,229	-	\$ -	-	\$ -	Note 1
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Receivables - related parties 208,901	2.63	-	-	56,257	Note 1

Note 1: No allowance for impairment loss is 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  
JUNE 30, 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		
ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Fellow subsidiary	Other receivable - related parties \$ 183,825 (RMB 43,922 thousand)	-	\$ -	—	\$ -	Note 1

Note 1: No allowance for impairment loss is needed after assessment.

Note 2: The subsequent period refers to the period from July 1, 2020 to August 4, 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  
 JUNE 30, 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		
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable from related parties <u>\$ 375,638</u>	5.66	\$ -	—	\$ 75,224	Note 1
	CGPC Polymer Corporation	Fellow subsidiary	Accounts receivable from related parties <u>\$ 275,063</u>	5.96	-	—	33,108	Note 1

Note 1: No allowance for impairment loss is needed after assessment.

Note 2: The subsequent period refers to the period from July 1, 2020 to July 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

JUNE 30, 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 3)	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 \$ 276,064 (USD 9,317 thousand) (Note 1)	-	\$-	—	\$-	\$-

Note 1: The other receivables of Taita Chemical Co., Ltd. is from selling raw materials to Taita Chemical (Tianjin) Co., Ltd., transferred to other receivables since it had exceeded the normal credit period.

Note 2: There was no amount received as of August 12, 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

JUNE 30, 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	\$ 75,518	5.59	\$ -	-	\$ 75,518	Note 1
	USI Corporation	Ultimate parent company	Other receivables - related parties	55,497	-	-	-	4,819	Note 1

Note 1: No allowance for impairment loss is needed after assessment.

Note 2: The subsequent period refers to the period from July 1, 2020 to August 12, 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 SIX MONTHS ENDED JUNE 30, 2020

TABLE 7

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
USI Corporation	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focused on "production, transportation, storage, building, bank, securities investment and trading industry")	\$ 550,000	\$ 550,000	87,250,800	100.00	\$ 714,981	\$ 13,139	\$ 13,139	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	1,329,630	12,079	12,079	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	124,006	( 3,001)	( 3,001)	Subsidiary
	Union Polymer Int'l Investment Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focused on "production and service industry")	3,490,255	3,490,255	565,276,555	100.00	6,359,257	359,052	339,645	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	167,987	( 3,470)	( 2,429)	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	46,537	1,823	1,868	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	993,587	136,707	55,473	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	319,280	30,108	8,103	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Optical products and fireproof materials	250,354	250,354	9,243,369	94.37	22,470	( 5,499)	( 5,124)	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	( 502)	74	74	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	121,638	( 125)	( 125)	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	527	15	4	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	7,645,980	7,645,980	246,670,000	60.21	7,125,645	( 56,470)	( 35,200)	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
	USI Optronics 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	\$ 87,444	(\$ 27,031)	(\$ 13,744)	Subsidiary
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	12,138,285 (USD 409,662 thousand)	11,580,293 (USD 390,830 thousand)	409,662,000	71.04	11,834,053 (USD 399,394 thousand)	( 72,974) (USD -2,429 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	17,070,999 (USD 576,139 thousand)	14,467,914 (USD 488,286 thousand)	576,139,000	85.32	16,627,237 (USD 561,162 thousand)	( 81,208) (USD -2,703 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	\$ 1,900,420	\$ 470,827		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	3,733,019	367,620		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	2,128,261	255,851		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	121,062	30,108		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	( 15,097)	( 6,986)		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	15,643	1,021		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	260	15		Subsidiary
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	British Virgin Islands	Import and export trade	6,519 (USD 220 thousand)	6,519 (USD 220 thousand)	220,000	100.00	6,751	( 20) (USD -1 thousand)		Sub-subsidiary
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Investment	104,818 (USD3,538 thousand)	104,818 (USD3,538 thousand)	5,609,231	11.23	127,677 (USD4,309 thousand)	( 4,487) (USD-148 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 SIX MONTHS ENDED JUNE 30, 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 June 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Investment	\$ 605,182 (USD 18,336 thousand)	\$ 605,182 (USD 18,336 thousand)	25,621,692	51.27	\$ 582,300	(\$ 4,487) (USD-148 thousand)	(\$ 2,879) (USD -95 thousand)	Note 1
	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	814,007	26,310	26,310	Note 1
	ACME Electronics (BVI) Corp.	CITCO Building, Wickhams Cay P.O. Box 662, Road Town, Tortola, British Virgin Islands	Investment	-	23,923 (USD 730 thousand)	-	-	-	( 153) (USD -5 thousand)	( 153) (USD -5 thousand)	Notes 1 and 3
	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	58,466	( 27,031)	( 9,190)	
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 19,707 thousand	USD 75 thousand (MYR318 thousand)	USD 75 thousand (MYR318 thousand)	Note 1
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Production and marketing of soft ferrite core	MYR 37,964 thousand	MYR 37,964 thousand	9,120,000	100.00	MYR 86,585 thousand	MYR354 thousand	MYR354 thousand	Note 1

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: ACME Electronics (BVI) Corp. had been liquidated on June 30, 2020.

Note 4: Information on investments in mainland China is provided in Table 8-1.

USI CORPORATION AND SUBSIDIARIES  
(Swanson Plastics Corporation)  
INFORMATION ON INVESTEES  
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2020 (Note 2)	December 31, 2019 (Note 2)	Number of Shares	Percentage (%)	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	\$ 808,506	\$ 808,506	36,863	100.00	\$ 1,842,124	\$ 65,043	\$ 65,043	Note 3
	Forever Young Company Limited	Skelton Building Main Street P.O. Box 3136 Road Town, Tortola British Virgin Islands	Import, export and agency services	1,297	1,297	50	100.00	72,535	4,089	4,089	
	Swanson International Ltd.	Ugland House, P.O.Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	454,134	454,134	14,541	100.00	1,497,167	82,252	82,252	Note 3
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	4,850	4,850	1,600	100.00	6,458	-	-	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	EVA packaging film and production, planting, development and sales of agri-technologies	140,000	140,000	14,000	70.00	( 70,450)	( 6,986)	( 4,890)	
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	7,979	7,979	261	1.00	7,210	25,937	259	
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	195,362 (USD 6,593 thousand)	195,362 (USD6,593 thousand)	20,000	100.00	599,674 (USD20,239 thousand)	50,344 (MYR7,468 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Production and marketing of plastic products	489,217 (USD 16,511 thousand)	489,217 (USD 16,511 thousand)	107,351	100.00	299,711 (USD10,115 thousand)	( 3,626) (INR-9,093 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	765,640 (USD 25,840 thousand)	765,640 (USD 25,840 thousand)	25,840	99.00	713,771 (USD24,089 thousand)	25,937 (IDR 12,371,923 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	210,198 (USD7,094 thousand)	210,198 (USD7,094 thousand)	-	100.00	527,814 (USD17,814 thousand)	21,892 (USD730 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 June 30, 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 SIX MONTHS ENDED JUNE 30, 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 June 30, 2020		Net Income (Loss) of the Investee	Share of Profits (Loss)	Note	
				June 30, 2020	December 31, 2019	Number of Shares	Percentage (%)				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	226,609,751	87.22	\$ 3,190,796	\$ 220,260	\$ 200,333	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	886,548	( 7,878 )	( 7,878 )	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	340,481	2,001	2,001	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	276,668	44,573	14,858	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	199,314	7,668	7,668	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	21,579	30,108	523	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	13,725	15,000	600,000	10.00	173	15	1	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. CGPC recovered \$1,274 thousand in share capital in May 2020, and TMC completed the dissolution and liquidation procedures on July 22, 2020.

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 INVESTEES  
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 1,829,297 ( USD61,738 thousand )	\$ 1,829,297 ( USD61,738 thousand )	61,738,000	100.00	\$ 1,554,114 ( USD52,451 thousand )	\$ 152,188 ( USD 5,087 thousand )	\$ 152,188 ( USD 5,087 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	163,687	255,851	5,071	Investments accounted for using the equity method (Note 1)
	China General Terminal & Distribution Corporation	Taipei	Warehousing of petro chemical raw materials	41,082	41,082	18,667,463	33.33	276,668	44,573	14,858	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	30,201	30,108	731	Investments accounted for using the equity method (Note 1)
	Thintec Materials Corporation	Taipei	Manufacturing of reinforced plastic products	13,726	15,000	600,000	10.00	173	15	1	Investments accounted for using the equity method (Note 2)
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	51,384 ( USD 1,700 thousand )	51,384 ( USD 1,700 thousand )	2,695,619	5.39	61,358 ( USD 2,071 thousand )	( 4,487 ) ( USD -148 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 INVESTEEES  
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 408,148 (USD13,775 thousand)	\$ 408,148 (USD13,775 thousand)	11,342,594	100.00	\$ 484,185	\$ 7,695	\$ 7,695	Subsidiary (Note 1)
	APC Investment Corporation	Taipei	Investment	200,000	200,000	20,000,000	100.00	99,328	5,766	5,766	Subsidiary (Note 1)
	USI International Corp.	British Virgin Islands	Reinvestment	82,964 (USD 2,800 thousand)	82,964 (USD 2,800 thousand)	2,800,000	70.00	133,836	3,824	2,677	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	666,426	255,851	20,645	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	276,668	44,573	14,858	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	195,623	136,707	10,867	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	41,150	30,108	996	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	19,982	( 3,470)	( 289)	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	527	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	15,826	( 27,031)	( 2,487)	Investments accounted for using the equity method	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
APC (BVI) Holding Co., Ltd.	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	4,829,453 (USD 162,992 thousand)	4,271,461 (USD 144,160 thousand)	162,992,000	39.79	4,708,408	( 56,470)	( 21,270)	Investments accounted for using the equity method - Investments accounted for using the equity method - Investments accounted for using the equity method (Note 1)
	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	155,406 (USD 5,245 thousand)	155,406 (USD 5,245 thousand)	8,316,450	16.64	189,229	( 4,487)		
	USI International Corp.	British Virgin Islands	Reinvestment	35,556 (USD 1,200 thousand)	35,556 (USD 1,200 thousand)	1,200,000	30.00	57,358	3,824		
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	12,804	( 30,108)		- 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	( 15,097)	( 6,986)		- Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment	12,138,285 (USD 409,662 thousand)	11,580,293 (USD 390,830 thousand)	409,662,000	71.04	11,834,053 (USD 399,394 thousand)	72,974 (USD2,429 thousand)		- Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Limited	Hong Kong	Reinvestment	17,070,999 (USD 576,139 thousand)	14,467,914 (USD 488,286 thousand)	576,139,000	85.32	16,627,237 (USD 561,162 thousand)	( 81,208) (USD2,703 thousand)		- 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 SIX MONTHS ENDED JUNE 30, 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 June 30, 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 June 30, 2020
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 910,382 (USD 30,725 thousand)	Note 1	\$ 83,483 (USD 2,818 thousand)	\$ -	\$ -	\$ 83,483 (USD 2,818 thousand)	\$ 3,882 (USD 131 thousand)	11.23	\$ 436 (USD 15 thousand)	\$ 84,122 (USD 2,839 thousand)	\$ -
Usig (Shanghai) Co., Ltd.	Importing and distributing various chemical raw materials and products	148,150 (USD 5,000 thousand)	Note 2	148,150 (USD 5,000 thousand)	-	-	148,150 (USD 5,000 thousand)	(125) (USD -4 thousand)	100.00	(125) (USD -4 thousand)	121,638 (USD 4,105 thousand)	-
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	Crude oil processing and petroleum products manufacturing	36,472,586 (RMB 8,714,400 thousand)	Note 3	6,745,431 (USD 227,655 thousand)	80,531 (USD 2,718 thousand)	-	6,825,962 (USD 230,373 thousand)	(139,590) (USD -4,649 thousand)	18.25	(29,321) (USD -976 thousand)	6,634,633 (USD 223,916 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
\$ 7,234,116 (USD 244,148 thousand)	\$ 8,100,353 (USD 273,384 thousand)	\$ - (Note 4)

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

Note 2: The Company 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 (71.04%), and finally via Dynamic Ever Investments Limited (85.32%).

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 June 30, 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 SIX MONTHS ENDED JUNE 30, 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 June 30, 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 June 30, 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)	\$ 3,882 (RMB933 thousand)	51.27	\$ 1,990 (RMB489 thousand)	\$ 384,246 (RMB 91,809 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)	26,701 (RMB 6,326 thousand)	100.00	26,701 (RMB 6,326 thousand)	808,283 (RMB 193,124 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 899,093 (USD 30,344 thousand) (Notes 3 and 7)	\$ 1,085,436 (USD 36,633 thousand) (Notes 3 and 7)	\$ - (Note 2)

Note 1: Investment 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 June 30, 2020.

Note 7: The amount was calculated using the spot exchange rate on June 30, 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 SIX MONTHS ENDED JUNE 30, 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 June 30, 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 June 30, 2020
					Outflow	Inflow						
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	\$ 393,783 (USD 13,290 thousand)	Indirect investment via Swanson International Ltd. of British Cayman Islands	\$ 223,930	\$ -	\$ -	\$ 223,930	\$ 60,361 (USD 2,014 thousand)	100.00	\$ 60,361 (USD 2,014 thousand)	\$ 1,061,326 (USD 35,819 thousand)	\$ -
ASK-Swanson (Kunshan) Co., Ltd.	Management of PE release film and other release products	269,633 (USD 9,100 thousand)	Indirect investment in A.S. Holdings (UK) Limited via Swanson International Ltd.	193,447	-	-	193,447	21,892 (USD 730 thousand)	100.00	21,892 (USD 730 thousand)	527,814 (USD 17,814 thousand)	-
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	317,041 (USD 10,700 thousand)	Indirect investment via Swanson (Singapore) Private Ltd.	170,754	-	-	170,754	(19,501) (USD -650 thousand)	100.00	(19,501) (USD -650 thousand)	111,695 (USD 3,770 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 588,131	\$ 971,442 (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 June 30, 2020.

Note 2: According to the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920418410, 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 2020 to 2023.

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 SIX MONTHS ENDED JUNE 30, 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 June 30, 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 (Notes 1 and 5)	Accumulated Repatriation of Investment Income as of June 30, 2020
					Outflow	Inflow						
Continental General Plastics (ZhongShan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	\$ 592,600 (USD 20,000 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	\$ 592,600 (USD 20,000 thousand)	\$ -	\$ -	\$ 592,600 (USD 20,000 thousand)	\$ 1,440 (USD48 thousand)	100.00	\$ 1,440 (USD48 thousand)	\$ 252,664 (USD 8,527 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacture and marketing of PVC third-time processed products	44,445 (USD 1,500 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	44,445 (USD 1,500 thousand)	-	-	44,445 (USD 1,500 thousand)	16 (USD1 thousand)	100.00	16 (USD1 thousand)	12,976 (USD 438 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 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)
\$ 802,440 (USD 27,082 thousand)	\$ 930,382 (USD 31,400 thousand)	\$ -

Note 1: The amount was calculated using the spot exchange rate as of June 30, 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 June 30, 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 SIX MONTHS ENDED JUNE 30, 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 June 30, 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 June 30, 2020
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	\$ 1,370,388 (USD46,250 thousand) (Note 1)	Investment through a holding company registered in a third region	\$ 1,274,090 (USD43,000 thousand)	\$ -	\$ -	\$ 1,274,090 (USD43,000 thousand)	\$ 200,104 (USD6,684 thousand)	100.00	\$ 200,104 (USD6,684 thousand) (Note 6)	\$ 2,425,707 (USD81,867 thousand) (Note 6)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	810,381 (USD27,350 thousand) (Note 2)	Investment through a holding company registered in a third region	770,380 (USD26,000 thousand)	-	-	770,380 (USD26,000 thousand)	( 37,163 ) (USD-1,239 thousand)	100.00	( 37,163 ) (USD-1,239 thousand) (Note 6)	( 154,559 ) (USD-5,216 thousand) (Note 6)	-
ACME Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	910,382 (USD30,725 thousand)	Investment through a holding company registered in a third region ACME Electronics (Cayman) Corp	40,119 (USD1,354 thousand)	-	-	40,119 (USD1,354 thousand)	3,882 (USD 131 thousand)	5.39	209 (USD 7 thousand)	40,415 (USD1,364 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 2,084,589 (USD 70,354 thousand)	\$ 2,246,467 (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 SIX MONTHS ENDED JUNE 30, 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 June 30, 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 June 30, 2020
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 910,382 (USD30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 123,775 (USD4,177 thousand)	\$ -	\$ -	\$ 123,775 (USD4,177 thousand)	B \$ 3,882	16.64	\$ 646	\$ 124,721	\$ -
USI Trading(Shanghai) Co., Ltd.	Sales of chemical engineering products and equipment	74,075 (USD 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	89,945 (USD3,036 thousand)	-	-	89,945 (USD3,036 thousand)	B 6,759	100.00	6,759	110,702	-
Fujian Gulei Petrochemical Co., Ltd.	Processing of crude oil and manufacturing of petroleum products	36,472,378 (RMB 8,714,400 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	3,942,967 (USD 133,073 thousand)	555,135 (USD 18,736 thousand)	-	4,498,101 (USD151,809 thousand)	A ( 139,590)	12.06	( 17,878)	4,384,444	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 4,854,642 (Note 5) (USD 163,842 thousand)	\$ 6,223,355 (USD 210,036 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. (71.04%), and finally via Dynamic Ever Investments Ltd. (85.32%).

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 types, 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 June 30, 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 SIX MONTHS ENDED JUNE 30, 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	Ratio to Total Sales or Assets (%)(Note 4)
0	USI Corporation	Swanson Plastics Corporation	a	Sales revenue	\$ 32,557	No significant difference	0.15
0	USI Corporation	Forever Young Company Limited	a	Sales revenue	53,258	No significant difference	0.24
0	USI Corporation	USI Trading (Shanghai) Co., Ltd.	a	Sales revenue	49,515	No significant difference	0.22
0	USI Corporation	USI Far East (HK) Co., Ltd.	a	Sales revenue	50,353	No significant difference	0.23
0	USI Corporation	Asia Polymer Corporation	a	Sales revenue	25,559	No significant difference	0.12
0	USI Corporation	Asia Polymer Corporation	a	Purchase	311,023	No significant difference	1.40
0	USI Corporation	Swanson Plastics Corporation	a	Purchase	26,107	No significant difference	0.12
0	USI Corporation	Asia Polymer Corporation	a	Raw materials sales revenue	27,121	No significant difference	0.12
0	USI Corporation	USI Far East (HK) Co., Ltd.	a	Accounts receivable	11,379	No significant difference	0.02
0	USI Corporation	Forever Young Company Limited	a	Accounts receivable	27,094	No significant difference	0.04
0	USI Corporation	USI Trading (Shanghai) Co., Ltd.	a	Accounts receivable	26,400	No significant difference	0.04
0	USI Corporation	Swanson Plastics Corporation	a	Other receivables	29,430	No significant difference	0.04
0	USI Corporation	Asia Polymer Corporation	a	Other receivables	32,838	No significant difference	0.05
0	USI Corporation	Taiwan VCM Corporation	a	Other receivables	26,871	No significant difference	0.04
0	USI Corporation	Asia Polymer Corporation	a	Other company related payables	73,987	No significant difference	0.10
0	USI Corporation	Asia Polymer Corporation	a	Dividend payable	50,678	No significant difference	0.07

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
0	USI Corporation	USI Management Consulting Corporation	a	Management services expense	60,984	No significant difference	0.08
0	USI Corporation	China General Terminal & Distribution Corporation	a	Direct material costs variance	22,272	No significant difference	0.03
0	USI Corporation	Taiwan VCM Corporation	a	Other payable	88,128	No significant difference	0.40
1	Asia Polymer Corporation	China General Terminal & Distribution Corporation	c	Storage tank operating expense	21,477	No significant difference	0.10
1	Asia Polymer Corporation	Swanson Plastics Corporation	c	Sales revenue	20,724	No significant difference	0.09
1	Asia Polymer Corporation	Swanson Plastics Corporation	c	Purchase	13,655	No significant difference	0.06
1	Asia Polymer Corporation	Union Polymer International Investment Corporation	c	Dividend payable	120,026	No significant difference	0.54
1	Asia Polymer Corporation	USIG (Shanghai) Co., Ltd	c	Sales revenue	37,910	No significant difference	0.17
1	Asia Polymer Corporation	USIG (Shanghai) Co., Ltd	c	Account receivable	11,485	No significant difference	0.05
2	China General Plastics Corporation	China General Terminal & Distribution Corporation	c	Cost of good purchased	38,520	No significant difference	0.05
2	China General Plastics Corporation	Swanson Plastics Corporation	c	Cost of good purchased	10,385	No significant difference	0.01
2	China General Plastics Corporation	USI Management Consulting Corporation	c	Management services expense	38,318	No significant difference	0.17
2	China General Plastics Corporation	Union Polymer International Investment Corporation	c	Dividend payable	65,796	No significant difference	0.30
2	China General Plastics Corporation	Asia Polymer Corporation	c	Dividend payable	21,264	No significant difference	0.10
2	China General Plastics Corporation	Taiwan VCM Corporation	c	Purchase	1,758,467	No significant difference	7.92

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
2	China General Plastics Corporation	Taiwan VCM Corporation	c	Accounts payable	\$ 375,638	No significant difference	1.69
2	China General Plastics Corporation	CGPC America Corporation	c	Sales revenue	189,748	No significant difference	0.85
2	China General Plastics Corporation	CGPC America Corporation	c	Accounts receivable	98,979	No significant difference	0.45
3	Taita Chemical Company, Ltd.	USI Management Consulting Corporation	c	Management services expense	25,164	No significant difference	0.04
3	Taita Chemical Company, Ltd.	Union Polymer International Investment Corporation	c	Dividend payable	36,884	No significant difference	0.17
3	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	c	Sales revenue	283,260	No significant difference	1.28
3	Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	c	Other receivables	276,064	No significant difference	1.24
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Sales revenue	61,788	No significant difference	0.28
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	c	Sales revenue	41,023	No significant difference	0.18
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Cost of goods sold	31,545	No significant difference	0.14
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	c	Processing fee (entered as cost of goods sold)	211,820	No significant difference	0.95
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Accounts receivable—related parties	20,117	No significant difference	0.03
4	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	c	Other receivables—related parties	210,229	No significant difference	0.29
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	c	Note payables and accounts payable—related parties	208,901	No significant difference	0.29
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Note payables and accounts payable—related parties	14,796	No significant difference	0.02
5	USI Management Consulting Corporation	Asia Polymer Corporation	c	Management services revenue	20,254	No significant difference	0.03
5	USI Management Consulting Corporation	Swanson Plastics Corporation	c	Management services revenue	15,845	No significant difference	0.07
6	Taita Chemical (Zhongshan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	c	Other receivables	64,318	No significant difference	0.29

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
7	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guangzhou) Co., Ltd.	c	Sales revenue	23,030	No significant difference	0.03
7	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guangzhou) Co., Ltd.	c	Accounts receivable—related parties	10,973	No significant difference	0.02
7	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	c	Sales revenue	27,604	No significant difference	0.12
8	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Purchase	1,518,180	No significant difference	6.83
8	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Accounts payable	275,063	No significant difference	1.24
8	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Other receivables	13,076	No significant difference	0.06
9	Swanson Plastics Corporation	USI Corporation	b	Sales revenue	26,107	No significant difference	0.12
9	Swanson Plastics Corporation	USI Corporation	b	Cost of goods sold	32,242	No significant difference	0.15
9	Swanson Plastics Corporation	USI Corporation	b	Accounts payable	10,701	No significant difference	0.05
9	Swanson Plastics Corporation	USI Corporation	b	Other payables	29,666	No significant difference	0.13
9	Swanson Plastics Corporation	Asia Polymer Corporation	c	Cost of goods sold	20,723	No significant difference	0.03
9	Swanson Plastics Corporation	Asia Polymer Corporation	c	Sales revenue	13,655	No significant difference	0.02
9	Swanson Plastics Corporation	USI Management Consulting Corporation	c	Management services expense	15,845	No significant difference	0.07
9	Swanson Plastics Corporation	Forever Young Company Limited	c	Accounts receivable	18,268	No significant difference	0.03
9	Swanson Plastics Corporation	Forever Young Company Limited	c	Sales revenue	27,910	No significant difference	0.04
9	Swanson Plastics Corporation	Forever Young Company Limited	c	Other income	10,782	No significant difference	0.02
9	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Corp.	c	Accounts receivable	31,016	No significant difference	0.04
10	Forever Young Company Limited	Swanson Plastics (India) Private Ltd.	c	Sales revenue	23,216	No significant difference	0.10

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Corp.	c	Accounts receivable	\$ 85,748	No significant difference	0.39
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Corp.	c	Sales revenue	166,691	No significant difference	0.75
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts receivable	30,730	No significant difference	0.14
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	66,622	No significant difference	0.30
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Sales revenue	188,826	No significant difference	0.85
10	Forever Young Company Limited	PT Swanson Plastics Indonesia	c	Accounts receivable	20,136	No significant difference	0.03
10	Forever Young Company Limited	PT Swanson Plastics Indonesia	c	Sales revenue	58,474	No significant difference	0.26
10	Forever Young Company Limited	Swanson International Ltd.	c	Other receivables	92,001	No significant difference	0.41
10	Forever Young Company Limited	USI Corporation	b	Accounts payable	27,094	No significant difference	0.12
10	Forever Young Company Limited	USI Corporation	b	Cost of goods sold	52,144	No significant difference	0.07
11	Swanson Plastics (Kunshan) Corp.	API-Swanson (Kunshan) Co., Ltd.	c	Accounts receivable	41,229	No significant difference	0.06
11	Swanson Plastics (Kunshan) Corp.	API-Swanson (Kunshan) Co., Ltd.	c	Sales revenue	69,703	No significant difference	0.31
12	SWANSON PLASTICS (SINGAPORE) PTE LTD.	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	119,530	No significant difference	0.54
12	SWANSON PLASTICS (SINGAPORE) PTE LTD.	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts payable	16,267	No significant difference	0.07
12	SWANSON PLASTICS (SINGAPORE) PTE LTD.	PT Swanson Plastics Indonesia	c	Other receivables	29,630	No significant difference	0.04
12	SWANSON PLASTICS (SINGAPORE) PTE LTD.	PT Swanson Plastics Indonesia	c	Cost of goods sold	25,741	No significant difference	0.04
13	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tainjin) Co., Ltd.	c	Other receivables	183,825	No significant difference	0.26

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 SIX MONTHS ENDED JUNE 30, 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	\$ 50,353	1.10	No significant difference	Within 60 days after selling on credit	No significant difference	\$ 14,240	2.66	\$ -	—
USI Trading (Shanghai) Co., Ltd.	Sales revenue	49,515	1.08	—	Within 60 days after selling on credit	No significant difference	26,400	4.93	-	—
	Commission expense	218		—	—	—	-	-	-	—
Dynamic Ever Investments Limited	Management service revenue	9,966		—	—	—	-	-	-	—
	Other income	128		—	—	—	-	-	-	—
	Other receivables from related parties	5,260		—	—	—	-	-	-	—

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 SIX MONTHS ENDED JUNE 30, 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	\$ 37,910	1.42	No significant difference	Within 90 days after selling on credit	No significant difference	\$ 11,485	1.89	\$ -	—
	Commission expenses	217	-	—	—	—	-	-	-	—
	Non-operating income and expense - rental income	757	-	—	—	—	-	-	-	—
	Management services expense	61	-	—	—	—	-	-	-	—
	Other receivables to related parties	8,382	-	—	—	—	-	-	-	—
	Other payables to related parties	1,326	-	—	—	—	-	-	-	—

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

USI CORPORATION  
INFORMATION ON MAJOR SHAREHOLDERS  
JUNE 30, 2020

TABLE 11

Name of major shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shing Lee Enterprise (Hong Kong) Limited	173,776,546	14.61
Wholegainer 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.