

# **USI Corporation and Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2019 and 2018 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders  
USI Corporation

### Introduction

We have reviewed the accompanying consolidated balance sheets of USI Corporation and its subsidiaries (collectively, the "Group") as of September 30, 2019 and 2018, the related consolidated statements of comprehensive income for the three months ended September 30, 2019 and 2018 and for the nine months ended September 30, 2019 and 2018, the consolidated statements of changes in equity and cash flows for the nine 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 September 30, 2019 and 2018, the combined total assets of these non-significant subsidiaries and investments accounted for using the equity method were NT\$25,980,112 thousand and NT\$20,911,950 thousand, respectively, representing 35.89% and 30.45%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$3,365,417 thousand and NT\$3,734,368 thousand, respectively, representing 10.09% and 11.66%, respectively, of the consolidated total liabilities; for the three-month ended September 30, 2019 and 2018 and for the nine-month ended September 30, 2019 and 2018, the amounts of combined comprehensive income (loss) of these subsidiaries and share of profit (loss) of joint ventures accounted for using the equity method were NT\$(363,376) thousand, NT\$(351,642) thousand, NT\$(327,106) thousand and NT\$(342,833) thousand, respectively, representing 232.16%, 1,010.87%, (23.35%) and (17.24%), respectively, of the consolidated total comprehensive income. The additional disclosures in the

consolidated financial statements of these non-significant subsidiaries and joint ventures accounted for using the equity method were based on financial statements which were not reviewed by auditors.

### **Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and joint ventures accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Group as of September 30, 2019 and 2018 and its consolidated financial performance for the three months ended September 30, 2019 and 2018 and its consolidated financial performance and its consolidated financial statement and its cash flows for the nine months ended September 30, 2019 and 2018 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.

The engagement partners on the reviews resulting in this independent auditors’ review report are Pi-Yu Chuang and Cheng-Hung Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 13, 2019

### Notice to Readers

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

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

# USI CORPORATION AND SUBSIDIARIES

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

ASSETS	September 30, 2019 (Reviewed)		December 31, 2018 (Audited)		September 30, 2018 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 8,416,958	12	\$ 8,123,304	12	\$ 12,284,181	18
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	5,740,799	8	5,084,305	7	4,350,814	6
Financial assets at fair value through other comprehensive income (FVTOCI) - current (Note 8)	163,572	-	158,602	-	197,809	-
Financial assets measured at amortized cost - current (Notes 9 and 37)	350,179	1	439,135	1	423,808	1
Notes receivable, net (Note 10)	785,404	1	1,015,882	2	1,189,072	2
Accounts receivable, net (Note 10)	6,770,998	9	7,532,851	11	6,587,464	10
Other receivables (Notes 10 and 36)	307,483	1	279,612	-	373,916	1
Current tax assets (Notes 4 and 30)	11,441	-	8,116	-	20,938	-
Inventories (Note 11)	5,249,858	7	6,703,104	10	8,566,356	12
Prepayments (Notes 3 and 19)	787,003	1	742,562	1	894,010	1
Other current assets	275,414	-	11,909	-	205,758	-
Total current assets	<u>28,859,109</u>	<u>40</u>	<u>30,099,382</u>	<u>44</u>	<u>35,094,126</u>	<u>51</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8 and 37)	2,268,030	3	2,521,855	4	2,711,524	4
Financial assets measured at amortized cost - non-current (Notes 9, 36 and 38)	311,895	-	311,758	-	311,711	-
Investments accounted for using the equity method (Note 14)	15,214,244	21	10,338,945	15	5,138,594	8
Property, plant and equipment (Notes 15 and 37)	23,102,592	32	23,825,239	35	23,430,993	34
Right-of-use assets (Notes 3, 4, 16 and 37)	840,950	1	-	-	-	-
Investment properties (Notes 3, 4, 17 and 37)	532,889	1	182,424	-	182,789	-
Goodwill (Note 18)	269,026	-	269,026	-	269,026	-
Other intangible assets (Note 18)	20,304	-	33,377	-	65,835	-
Deferred tax assets (Notes 4 and 30)	597,589	1	633,334	1	635,946	1
Long-term prepayments for leases (Notes 3, 16, 19 and 37)	-	-	459,542	1	474,774	1
Other non-current assets (Note 37)	369,565	1	316,156	-	366,192	1
Total non-current assets	<u>43,527,084</u>	<u>60</u>	<u>38,891,656</u>	<u>56</u>	<u>33,587,384</u>	<u>49</u>
<b>TOTAL</b>	<u>\$ 72,386,193</u>	<u>100</u>	<u>\$ 68,991,038</u>	<u>100</u>	<u>\$ 68,681,510</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 20 and 37)	\$ 5,006,670	7	\$ 6,726,854	10	\$ 3,786,434	6
Short-term bills payable (Note 20)	1,678,722	2	1,514,784	2	3,597,115	5
Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	2,144	-	11,135	-	2,107	-
Notes payable and accounts payable (Note 22)	2,733,959	4	3,392,687	5	4,249,907	6
Other payables (Note 23)	1,892,626	3	1,897,550	3	1,834,063	3
Current tax liabilities (Notes 4 and 30)	378,532	1	270,351	-	269,098	-
Lease liabilities - current (Notes 3, 4 and 16)	64,608	-	-	-	-	-
Current portion of long-term borrowings (Notes 20, 21 and 37)	1,511,461	2	525,000	1	541,800	1
Refund liabilities - current (Note 23)	24,499	-	30,034	-	34,976	-
Other current liabilities	325,721	-	283,389	-	408,620	1
Total current liabilities	<u>13,618,942</u>	<u>19</u>	<u>14,651,784</u>	<u>21</u>	<u>14,724,120</u>	<u>22</u>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable (Note 21)	6,990,588	10	5,992,604	9	5,991,993	9
Long-term borrowings (Notes 20 and 37)	9,184,369	13	8,617,624	13	8,013,136	12
Provisions - non-current (Notes 24 and 38)	136,375	-	136,375	-	136,064	-
Deferred tax liabilities (Notes 4 and 30)	1,422,781	2	1,408,232	2	1,410,990	2
Lease liabilities - non-current (Notes 3, 4 and 16)	434,628	-	-	-	-	-
Net defined benefit liabilities - non-current (Notes 4 and 25)	1,501,635	2	1,658,228	2	1,685,425	2
Other non-current liabilities (Note 26)	72,271	-	71,482	-	70,968	-
Total non-current liabilities	<u>19,742,647</u>	<u>27</u>	<u>17,884,545</u>	<u>26</u>	<u>17,308,576</u>	<u>25</u>
Total liabilities	<u>33,361,589</u>	<u>46</u>	<u>32,536,329</u>	<u>47</u>	<u>32,032,696</u>	<u>47</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 3, 4, 8, 13, 27 and 30)</b>						
Share capital	11,887,635	17	11,887,635	17	11,887,635	17
Capital surplus	268,630	1	253,738	-	258,605	1
Retained earnings						
Legal reserve	2,979,753	4	2,925,759	4	2,925,759	4
Special reserve	430,526	-	375,127	1	375,127	1
Unappropriated earnings	4,070,308	6	3,513,943	5	3,606,263	5
Total retained earnings	<u>7,480,587</u>	<u>10</u>	<u>6,814,829</u>	<u>10</u>	<u>6,907,149</u>	<u>10</u>
Other equity	(520,032)	(1)	(293,443)	-	(123,463)	-
Treasury shares	(475,606)	(1)	(475,606)	(1)	(475,606)	(1)
Total equity attributable to owners of the Company	18,641,214	26	18,187,153	26	18,454,320	27
<b>NON-CONTROLLING INTERESTS</b>	<u>20,383,390</u>	<u>28</u>	<u>18,267,556</u>	<u>27</u>	<u>18,194,494</u>	<u>26</u>
Total equity	<u>39,024,604</u>	<u>54</u>	<u>36,454,709</u>	<u>53</u>	<u>36,648,814</u>	<u>53</u>
<b>TOTAL</b>	<u>\$ 72,386,193</u>	<u>100</u>	<u>\$ 68,991,038</u>	<u>100</u>	<u>\$ 68,681,510</u>	<u>100</u>

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

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

## USI CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2019		2018		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 28)								
Sales	\$ 13,990,494	100	\$ 15,316,003	100	\$ 41,985,100	100	\$ 45,648,482	100
COST OF GOODS SOLD (Notes 11, 15, 16, 18, 25 and 29)	<u>12,340,401</u>	<u>88</u>	<u>14,101,042</u>	<u>92</u>	<u>37,195,424</u>	<u>88</u>	<u>40,719,474</u>	<u>89</u>
GROSS PROFIT	<u>1,650,093</u>	<u>12</u>	<u>1,214,961</u>	<u>8</u>	<u>4,789,676</u>	<u>12</u>	<u>4,929,008</u>	<u>11</u>
OPERATING EXPENSES (Notes 10, 15, 16, 18, 25, 29 and 36)								
Selling and marketing expenses	496,864	4	490,344	3	1,531,348	4	1,495,419	3
General and administrative expenses	307,204	2	281,687	2	970,206	2	977,494	2
Research and development expenses	<u>109,191</u>	<u>1</u>	<u>110,641</u>	<u>1</u>	<u>325,473</u>	<u>1</u>	<u>310,217</u>	<u>1</u>
Total operating expenses	<u>913,259</u>	<u>7</u>	<u>882,672</u>	<u>6</u>	<u>2,827,027</u>	<u>7</u>	<u>2,783,130</u>	<u>6</u>
PROFIT FROM OPERATIONS	<u>736,834</u>	<u>5</u>	<u>332,289</u>	<u>2</u>	<u>1,962,649</u>	<u>5</u>	<u>2,145,878</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES								
Other income (Notes 15, 29 and 36)	203,312	1	243,648	2	643,714	2	501,728	1
Other gains and losses (Notes 19, 25, 29 and 40)	(139,531)	(1)	(66,479)	(1)	27,902	-	138,656	-
Finance costs (Notes 20, 21 and 29)	(69,987)	-	(64,309)	-	(212,170)	(1)	(180,687)	-
Share of profit (loss) of joint ventures accounted for using the equity method (Note 14)	<u>(2,100)</u>	<u>-</u>	<u>(794)</u>	<u>-</u>	<u>19,070</u>	<u>-</u>	<u>33,311</u>	<u>-</u>
Total non-operating income and expenses	<u>(8,306)</u>	<u>-</u>	<u>112,066</u>	<u>1</u>	<u>478,516</u>	<u>1</u>	<u>493,008</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	728,528	5	444,355	3	2,441,165	6	2,638,886	6
INCOME TAX EXPENSE (Notes 4 and 30)	<u>157,052</u>	<u>1</u>	<u>91,817</u>	<u>1</u>	<u>586,500</u>	<u>2</u>	<u>622,240</u>	<u>2</u>
NET PROFIT FROM CONTINUING OPERATIONS	571,476	4	352,538	2	1,854,665	4	2,016,646	4
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Note 12)	<u>(793)</u>	<u>-</u>	<u>2,298</u>	<u>-</u>	<u>3,604</u>	<u>-</u>	<u>6,355</u>	<u>-</u>
NET PROFIT FOR THE PERIOD	<u>570,683</u>	<u>4</u>	<u>354,836</u>	<u>2</u>	<u>1,858,269</u>	<u>4</u>	<u>2,023,001</u>	<u>4</u>

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## USI CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2019		2018		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Profit or loss of equity instruments measured at FVTOCI (Note 27)	\$ (236,013)	(2)	\$ 5,302	-	\$ (121,197)	-	\$ 202,305	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 27 and 30)	<u>658</u>	-	<u>1,199</u>	-	<u>1,332</u>	-	<u>19,903</u>	-
	<u>(235,355)</u>	<u>(2)</u>	<u>6,501</u>	<u>-</u>	<u>(119,865)</u>	<u>-</u>	<u>222,208</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations (Note 27)	(572,438)	(4)	(464,760)	(3)	(395,199)	(1)	(296,921)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 27 and 30)	<u>80,592</u>	<u>1</u>	<u>68,637</u>	<u>1</u>	<u>57,915</u>	<u>-</u>	<u>39,942</u>	<u>-</u>
	<u>(491,846)</u>	<u>(3)</u>	<u>(396,123)</u>	<u>(2)</u>	<u>(337,284)</u>	<u>(1)</u>	<u>(256,979)</u>	<u>(1)</u>
Other comprehensive loss for the period, net of income tax	<u>(727,201)</u>	<u>(5)</u>	<u>(389,622)</u>	<u>(2)</u>	<u>(457,149)</u>	<u>(1)</u>	<u>(34,771)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ (156,518)</u>	<u>(1)</u>	<u>\$ (34,786)</u>	<u>-</u>	<u>\$ 1,401,120</u>	<u>3</u>	<u>\$ 1,988,230</u>	<u>4</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 301,812	2	\$ 113,765	1	\$ 997,873	2	\$ 641,195	1
Non-controlling interests	<u>268,871</u>	<u>2</u>	<u>241,071</u>	<u>1</u>	<u>860,396</u>	<u>2</u>	<u>1,381,806</u>	<u>3</u>
	<u>\$ 570,683</u>	<u>4</u>	<u>\$ 354,836</u>	<u>2</u>	<u>\$ 1,858,269</u>	<u>4</u>	<u>\$ 2,023,001</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ (51,396)	-	\$ (86,647)	-	\$ 806,218	2	\$ 606,965	1
Non-controlling interests	<u>(105,122)</u>	<u>(1)</u>	<u>51,861</u>	<u>-</u>	<u>594,902</u>	<u>1</u>	<u>1,381,265</u>	<u>3</u>
	<u>\$ (156,518)</u>	<u>(1)</u>	<u>\$ (34,786)</u>	<u>-</u>	<u>\$ 1,401,120</u>	<u>3</u>	<u>\$ 1,988,230</u>	<u>4</u>
EARNINGS PER SHARE (Note 31)								
From continuing and discontinued operations								
Basic	<u>\$ 0.28</u>		<u>\$ 0.11</u>		<u>\$ 0.93</u>		<u>\$ 0.60</u>	
Diluted	<u>\$ 0.28</u>		<u>\$ 0.11</u>		<u>\$ 0.93</u>		<u>\$ 0.60</u>	
From continuing operations								
Basic	<u>\$ 0.28</u>		<u>\$ 0.11</u>		<u>\$ 0.93</u>		<u>\$ 0.60</u>	
Diluted	<u>\$ 0.28</u>		<u>\$ 0.11</u>		<u>\$ 0.93</u>		<u>\$ 0.60</u>	

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

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

(Concluded)

USI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Net Audited)

	Equity Attributable to Owners of the Company											Non-controlling Interests (Notes 3, 8 and 27)	Total Equity	
	Share Capital Ordinary Shares (Note 27)	Treasury Share Transactions (Note 27)	Share Surplus		Retained Earnings			Exchange Differences on Translating Foreign Operations (Notes 27 and 30)	Other Equity		Treasury Shares (Note 27)			Total
			Capital Surplus of Associates (Notes 13 and 27)	Others (Note 27)	Legal Reserve (Note 27)	Special Reserve (Note 27)	Unappropriated Earnings (Notes 3, 8, 13 and 27)		Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain (Loss) on Financial Assets at FVTOCI (Notes 8, 27 and 30)				
BALANCE AT JANUARY 1, 2018	\$ 11,654,544	\$ 222,710	\$ 996	\$ 14,488	\$ 2,814,630	\$ 375,127	\$ 3,548,804	\$ (190,880)	\$ 159,594	\$ -	\$ (475,606)	\$ 18,124,407	\$ 16,684,012	\$ 34,808,419
Effects of retrospective application	-	-	-	-	-	-	21,341	-	(159,594)	190,426	-	52,173	44,007	96,180
RECLASSIFIED BALANCE AT JANUARY 1, 2018	11,654,544	222,710	996	14,488	2,814,630	375,127	3,570,145	(190,880)	-	190,426	(475,606)	18,176,580	16,728,019	34,904,599
Appropriation of 2017 earnings														
Legal reserve	-	-	-	-	111,129	-	(111,129)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(349,636)	-	-	-	-	(349,636)	-	(349,636)
Share dividends distributed by the Company	233,091	-	-	-	-	-	(233,091)	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(615,849)	(615,849)
Net profit for the nine months ended September 30, 2018	-	-	-	-	-	-	641,195	-	-	-	-	641,195	1,381,806	2,023,001
Other comprehensive income (loss) for the nine months ended September 30, 2018, net of income tax	-	-	-	-	-	-	9,946	(113,164)	-	68,988	-	(34,230)	(541)	(34,771)
Total comprehensive income (loss) for the nine months ended September 30, 2018	-	-	-	-	-	-	651,141	(113,164)	-	68,988	-	606,965	1,381,265	1,988,230
Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	9,138	-	-	-	-	-	-	-	-	9,138	(4,536)	4,602
Changes in capital surplus from distributing cash dividends to subsidiaries	-	11,273	-	-	-	-	-	-	-	-	-	11,273	-	11,273
Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	78,833	-	-	(78,833)	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	705,595	705,595
BALANCE AT SEPTEMBER 30, 2018	\$ 11,887,635	\$ 233,983	\$ 10,134	\$ 14,488	\$ 2,925,759	\$ 375,127	\$ 3,606,263	\$ (304,044)	\$ -	\$ 180,581	\$ (475,606)	\$ 18,454,320	\$ 18,194,494	\$ 36,648,814
BALANCE AT JANUARY 1, 2019	\$ 11,887,635	\$ 233,983	\$ 2,592	\$ 17,163	\$ 2,925,759	\$ 375,127	\$ 3,513,943	\$ (208,307)	\$ -	\$ (85,136)	\$ (475,606)	\$ 18,187,153	\$ 18,267,556	\$ 36,454,709
Effects of retrospective application	-	-	-	-	-	-	(9,509)	-	-	-	-	(9,509)	(4,490)	(13,999)
RECLASSIFIED BALANCE AT JANUARY 1, 2019	11,887,635	233,983	2,592	17,163	2,925,759	375,127	3,504,434	(208,307)	-	(85,136)	(475,606)	18,177,644	18,263,066	36,440,710
Appropriation of 2018 earnings														
Legal reserve	-	-	-	-	53,994	-	(53,994)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	55,399	(55,399)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(356,629)	-	-	-	-	(356,629)	-	(356,629)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(705,440)	(705,440)
Net profit for the nine months ended September 30, 2019	-	-	-	-	-	-	997,873	-	-	-	-	997,873	860,396	1,858,269
Other comprehensive loss for the nine months ended September 30, 2019, net of income tax	-	-	-	-	-	-	-	(144,806)	-	(46,849)	-	(191,655)	(265,494)	(457,149)
Total comprehensive income (loss) for the nine months ended September 30, 2019	-	-	-	-	-	-	997,873	(144,806)	-	(46,849)	-	806,218	594,902	1,401,120
Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	3,393	-	-	-	(911)	-	-	-	-	2,482	(2,253)	229
Changes in capital surplus from distributing cash dividends to subsidiaries	-	11,499	-	-	-	-	-	-	-	-	-	11,499	-	11,499
Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	34,934	-	-	(34,934)	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	2,233,115	2,233,115
BALANCE AT SEPTEMBER 30, 2019	\$ 11,887,635	\$ 245,482	\$ 5,985	\$ 17,163	\$ 2,979,753	\$ 430,526	\$ 4,070,308	\$ (353,113)	\$ -	\$ (166,919)	\$ (475,606)	\$ 18,641,214	\$ 20,383,390	\$ 39,024,604

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

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

# USI CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax from continuing operations	\$ 2,441,165	\$ 2,638,886
Income before income tax from discontinued operations	<u>3,604</u>	<u>6,355</u>
Income before income tax	2,444,769	2,645,241
Adjustments for:		
Depreciation expenses	1,590,218	1,474,016
Amortization expenses	51,190	46,995
Expected credit loss (reversed) recognized on accounts receivable	(7,979)	2,956
Net gain on fair value change of financial assets and liabilities as at FVTPL	(113,274)	(34,059)
Finance costs	229,045	200,394
Interest income	(115,263)	(108,174)
Dividend income	(161,637)	(185,709)
Share of profit of joint ventures accounted for using the equity method	(19,070)	(33,311)
Gain on disposal of property, plant and equipment	(31,516)	(8,509)
Gain on disposal of land use rights	-	(262,617)
Inventory write-downs recognized	29,747	82,007
Impairment loss (gain) recognized on non-financial assets	15,838	(13,423)
Amortization of long-term prepayments for leases	-	12,182
Gain on government grants	(155,710)	-
Recognition of refund liabilities	5,258	11,824
Recognition of provisions	-	136,064
Gain on disposal of biological assets	-	(13,735)
Changes in operating assets and liabilities		
(Increase) decrease in financial assets mandatorily classified as at fair value through profit or loss	(552,211)	993,363
Decrease (increase) in notes receivable	230,477	(71,001)
Decrease in accounts receivable	770,504	359,608
Decrease (increase) in other receivables	14,518	(71,473)
Decrease (increase) in inventories	1,417,345	(1,790,609)
Increase in prepayments	(54,840)	(108,494)
Increase in other current assets	(263,505)	(194,992)
Decrease in notes payable	(291)	(68)
(Decrease) increase in accounts payable	(658,437)	284,531
Decrease in other payables	(44,067)	(26,132)
Decrease in refund liabilities	(10,793)	(9,053)
Decrease in net defined benefit liabilities	(156,593)	(734,472)
Increase in other current liabilities	<u>42,332</u>	<u>129,390</u>
Cash generated from operations	4,496,055	2,712,740
Interest received	111,104	109,728

(Continued)

# USI CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2019	2018
Interest paid	\$ (198,232)	\$ (177,834)
Income tax paid	<u>(372,103)</u>	<u>(565,809)</u>
Net cash generated from operating activities	<u>4,036,824</u>	<u>2,078,825</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for financial assets at FVTOCI	(4,525)	(9,826)
Proceeds from sale of financial assets at FVTOCI	80,649	103,230
Reduction of capital by returning cash of financial assets at FVTOCI	52,423	44,648
Proceeds from sale of financial assets measured at amortized cost	88,819	2,423
Acquisition of investments accounted for using the equity method	(5,161,581)	-
Payments for property, plant and equipment	(1,139,663)	(1,306,673)
Proceeds from disposal of property, plant and equipment	59,989	154,943
Decrease (increase) in refundable deposits	5,421	(3,217)
Payments for other intangible assets	(5,314)	(4,365)
Increase in other non-current assets	(91,842)	(45,364)
Increase in long-term prepayments for leases	-	(5,562)
Proceeds from disposal of land use rights	-	291,368
Dividends received	161,637	185,709
Proceeds from disposal of biological assets	-	36,866
Compensations for land ownership certificate	<u>154,764</u>	<u>-</u>
Net cash used in investing activities	<u>(5,799,223)</u>	<u>(555,820)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) increase in short-term borrowings	(1,720,184)	34,166
Increase in short-term bills payable	164,000	1,912,609
Proceeds from issuance of bond	1,995,630	-
Proceeds from long-term borrowings	24,312,000	11,430,000
Repayments of long-term borrowings	(23,758,655)	(10,577,812)
Increase in guarantee deposits received	1,254	3,716
Repayments of the principal portion of lease liabilities	(47,068)	-
Decrease in other non-current liabilities	(465)	(11,964)
Decrease in dividends payable	(356,629)	(349,636)
Change in non-controlling interests	2,233,115	705,595
Dividends paid to non-controlling interests	<u>(705,440)</u>	<u>(615,849)</u>
Net cash generated from financing activities	<u>2,117,558</u>	<u>2,530,825</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>(61,505)</u>	<u>(243,511)</u>

(Continued)

# USI CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

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	For the Nine Months Ended September 30	
	2019	2018
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 293,654	\$ 3,810,319
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>8,123,304</u>	<u>8,473,862</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 8,416,958</u>	<u>\$ 12,284,181</u>

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

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

(Concluded)

# USI CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

USI Corporation (“USI”, the “Company” or the “parent company”) was incorporated in May 1965. The Company mainly produces and sells polyethylene. In May 1972, the Company’s shares 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 November 13, 2019.

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

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

Except for the following 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 did not have material impact on the Group’s accounting policies:

#### IFRS 16 “Leases”

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

#### Definition of a lease

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

### The Group as lessee

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

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

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

The Group also applies the following practical expedients:

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

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

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

### The Group as lessor

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

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

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

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

b. The IFRSs endorsed by the FSC for application starting from 2020

<b>New IFRSs</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 1)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 2)

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

Note 2: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

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

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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021

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

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

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

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, biological assets which are measured at fair value less costs to sell, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

- c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions,

balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

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

d. Other significant accounting policies

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

1) Investment properties

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

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

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

Depreciation is recognized using the straight-line method.

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

2) Leases

2019

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

a) The Group as lessor

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

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

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

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

b) The Group as lessee

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

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

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

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

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

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

## 2018

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

a) The Group as lessor

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

b) The Group as lessee

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

3) Employee benefits retirement benefits

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

4) Taxation

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

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

The same critical accounting judgments and key sources of estimation uncertainty were applied in the preparation of the consolidated financial statements for the year ended December 31, 2018 which have been followed in these consolidated financial statements.

## **6. CASH AND CASH EQUIVALENTS**

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Cash on hand and petty cash	\$ 91,686	\$ 74,325	\$ 137,561
Checking accounts and demand deposits	2,876,092	2,056,392	2,248,154
Cash equivalents			
Time deposits	5,310,644	4,225,589	9,454,283
Reserve repurchase agreements collateralized by bonds	<u>138,536</u>	<u>1,766,998</u>	<u>444,183</u>
	<u>\$ 8,416,958</u>	<u>\$ 8,123,304</u>	<u>\$ 12,284,181</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:

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Bank deposits	0.001%-7.30%	0.001%-6.95%	0.22%-6.75%
Reserve repurchase agreements collateralized by bonds	0.50%-2.40%	0.53%-2.90%	0.40%-2.90%

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

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
<u>Financial assets mandatorily at FVTPL</u>			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 23,958	\$ 2,181	\$ 9,105
Non-derivative financial assets			
Domestic listed shares and over-the-counter shares	161,044	151,081	205,745
Mutual funds	4,539,622	3,995,963	3,193,471
Beneficiary securities	1,015,424	934,252	941,673
Overseas listed shares	751	828	820
	<u>5,716,841</u>	<u>5,082,124</u>	<u>4,341,709</u>
	<u>\$ 5,740,799</u>	<u>\$ 5,084,305</u>	<u>\$ 4,350,814</u>

### Financial liabilities held for trading

Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ 2,144	\$ 11,135	\$ 2,107

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

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
<u>September 30, 2019</u>			
Sell	RMB/NTD	2019.10.01-2019.12.30	RMB260,400/NTD1,147,261
Sell	USD/MYR	2019.12.10-2020.06.30	USD1,600/MYR6,658
Sell	USD/NTD	2019.10.02-2020.01.06	USD44,760/NTD1,389,332
Sell	EUR/MYR	2019.11.29-2020.03.31	EUR197/MYR928
Buy	NTD/USD	2019.10.14-2019.12.14	NTD66,617/USD2,140
Buy	JPY/USD	2019.10.21-2019.10.31	JPY50,000/USD468

(Continued)

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
<u>December 31, 2018</u>			
Sell	RMB/NTD	2019.01.02-2019.04.02	RMB258,900/NTD1,143,806
Sell	USD/MYR	2019.01.30-2019.04.30	USD894/MYR3,719
Sell	USD/NTD	2019.01.03-2019.03.22	USD27,360/NTD839,640
Sell	EUR/MYR	2019.01.31-2019.03.29	EUR117/MYR559
Sell	JPY/USD	2019.01.18-2019.01.30	JPY80,000/USD711
Buy	NTD/USD	2019.01.04-2019.03.04	NTD554,147/USD18,030

September 30, 2018

Sell	RMB/NTD	2018.10.04-2018.12.21	RMB147,000/NTD654,720
Sell	USD/MYR	2018.12.28-2019.02.28	USD900/MYR3,683
Sell	USD/NTD	2018.10.02-2018.12.21	USD26,240/NTD802,483
Sell	EUR/MYR	2018.11.29-2018.12.28	EUR127/MYR615
Buy	NTD/USD	2018.10.02-2018.11.22	NTD285,679/USD9,320

(Concluded)

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**

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
<u>Current</u>			
Investments in equity instruments at FVTOCI			
Domestic investments			
Listed shares and over-the-counter shares	<u>\$ 163,572</u>	<u>\$ 158,602</u>	<u>\$ 197,809</u>
<u>Non-current</u>			
Investments in equity instruments at FVTOCI			
Domestic investments			
Listed shares and over-the-counter shares	\$ 1,500,648	\$ 1,670,394	\$ 1,854,830
Emerging market shares	20,608	15,937	15,337
Unlisted shares	<u>639,287</u>	<u>655,575</u>	<u>662,125</u>
	<u>2,160,543</u>	<u>2,341,906</u>	<u>2,532,292</u>
Overseas investments			
Listed shares and over-the-counter shares	6,090	6,282	6,683
Unlisted shares	<u>101,397</u>	<u>173,667</u>	<u>172,549</u>
	<u>107,487</u>	<u>179,949</u>	<u>179,232</u>
	<u>\$ 2,268,030</u>	<u>\$ 2,521,855</u>	<u>\$ 2,711,524</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The Group sold 100 thousand shares of CTCI Corporation and 684 thousand preference shares of Silicon Technology Investment (Cayman) Corp. during the nine months ended September 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 Group sold 1,538 thousand shares of Vanguard International Semiconductor Corporation during the nine months ended September 30, 2018, and transferred a gain of \$71,238 thousand from other equity to retained earnings.

The Group sold 249 thousand shares of Wafer Works Corporation during the nine months ended September 30, 2019, and transferred a total gain of \$10,331 thousand from other equity to retained earnings in the amount of \$7,595 thousand and to non-controlling interests in the amount of \$2,736 thousand.

The investee announced a reduction of capital by returning cash during the nine months ended September 30, 2019 and 2018, and the Group received \$52,423 thousand and \$44,648 thousand according to its ownership percentage, respectively.

Please refer to Note 37 for the information related to financial assets at FVTOCI pledged as security.

## 9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Current</u>			
Pledged time deposits	<u>\$ 350,179</u>	<u>\$ 439,135</u>	<u>\$ 423,808</u>
<u>Non-current</u>			
Pledged time deposits	<u>\$ 311,895</u>	<u>\$ 311,758</u>	<u>\$ 311,711</u>
Range of interest rate	0.09%-3.75%	0.09%-4.1%	0.09%-1.045%

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

Please refer to Note 37 for the information related to financial assets measured at amortized cost pledged as security.

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

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Notes receivable (a)</u>			
At amortized cost			
Gross carrying amount	\$ 785,406	\$ 1,015,883	\$ 1,189,078
Less: Allowance for impairment loss	<u>(2)</u>	<u>(1)</u>	<u>(6)</u>
	<u>\$ 785,404</u>	<u>\$ 1,015,882</u>	<u>\$ 1,189,072</u>
<u>Accounts receivable (a)</u>			
At amortized cost			
Gross carrying amount	\$ 6,874,062	\$ 7,644,629	\$ 6,701,006
Less: Allowance for impairment loss	<u>(103,064)</u>	<u>(111,778)</u>	<u>(113,542)</u>
	<u>\$ 6,770,998</u>	<u>\$ 7,532,851</u>	<u>\$ 6,587,464</u>
<u>Other receivables (b)</u>			
Tax refund receivables	\$ 265,228	\$ 227,731	\$ 296,040
Others	<u>42,255</u>	<u>51,881</u>	<u>77,876</u>
	<u>\$ 307,483</u>	<u>\$ 279,612</u>	<u>\$ 373,916</u>

### a. Notes and accounts receivable

The average credit period of sales of goods was 10 to 150 days. No interest was charged on the trade receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting a new customer, the Group surveys the customers' credit history and measures the potential customer's credit quality to grant a credit term. A customer's credit term and rating are reviewed annually. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk is significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECLs) 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.

September 30, 2019

Based on the number of days past due

	<b>Up to 60 Days</b>	<b>61-90 Days</b>	<b>Over 90 Days</b>	<b>Total</b>
Gross carrying amount	\$ 3,086,653	\$ 21,185	\$ 15,801	\$ 3,123,639
Loss allowance (lifetime ECLs)	<u>(4,651)</u>	<u>(643)</u>	<u>(13,164)</u>	<u>(18,458)</u>
Amortized cost	<u>\$ 3,082,002</u>	<u>\$ 20,542</u>	<u>\$ 2,637</u>	<u>\$ 3,105,181</u>

Based on credit quality

	<b>Credit Rating A</b>	<b>Credit Rating B</b>	<b>Credit Rating C</b>	<b>Other</b>	<b>Total</b>
Gross carrying amount	\$ 375,008	\$ 791,131	\$ 907,417	\$ 2,462,273	\$ 4,535,829
Loss allowance (lifetime ECLs)	<u>(4,252)</u>	<u>(4,580)</u>	<u>(9,386)</u>	<u>(66,390)</u>	<u>(84,608)</u>
Amortized cost	<u>\$ 370,756</u>	<u>\$ 786,551</u>	<u>\$ 898,031</u>	<u>\$ 2,395,883</u>	<u>\$ 4,451,221</u>

December 31, 2018

Based on the number of days past due

	<b>Up to 60 Days</b>	<b>61-90 Days</b>	<b>Over 90 Days</b>	<b>Total</b>
Gross carrying amount	\$ 3,315,684	\$ 58,457	\$ 63,237	\$ 3,437,378
Loss allowance (lifetime ECLs)	<u>(4,651)</u>	<u>-</u>	<u>(14,312)</u>	<u>(18,963)</u>
Amortized cost	<u>\$ 3,311,033</u>	<u>\$ 58,457</u>	<u>\$ 48,925</u>	<u>\$ 3,418,415</u>

Based on credit quality

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

September 30, 2018

Based on the number of days past due

	<b>Up to 60 Days</b>	<b>61-90 Days</b>	<b>Over 90 Days</b>	<b>Total</b>
Gross carrying amount	\$ 3,062,819	\$ 1,886	\$ 58,711	\$ 3,123,416
Loss allowance (lifetime ECLs)	<u>(6,234)</u>	<u>-</u>	<u>(13,966)</u>	<u>(20,200)</u>
Amortized cost	<u>\$ 3,056,585</u>	<u>\$ 1,886</u>	<u>\$ 44,745</u>	<u>\$ 3,103,216</u>

Based on credit quality

	<b>Credit Rating A</b>	<b>Credit Rating B</b>	<b>Credit Rating C</b>	<b>Other</b>	<b>Total</b>
Gross carrying amount	\$ 504,362	\$ 1,166,773	\$ 1,006,230	\$ 2,089,303	\$ 4,766,668
Loss allowance (lifetime ECLs)	<u>(3,616)</u>	<u>(8,409)</u>	<u>(16,527)</u>	<u>(64,796)</u>	<u>(93,348)</u>
Amortized cost	<u>\$ 500,746</u>	<u>\$ 1,158,364</u>	<u>\$ 989,703</u>	<u>\$ 2,024,507</u>	<u>\$ 4,673,320</u>

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

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Not past due	\$ 4,378,755	\$ 5,011,858	\$ 4,576,538
Up to 60 days	94,879	146,568	117,131
Over 60 days	<u>62,195</u>	<u>64,708</u>	<u>72,999</u>
	<u>\$ 4,535,829</u>	<u>\$ 5,223,134</u>	<u>\$ 4,766,668</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:

	<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>
Balance at January	\$ 111,779	\$ 113,591
Add: Net remeasurement of loss allowance	-	2,956
Less: Impairment losses reversed	(7,979)	-
Less: Amounts written off during the period as uncollectible	(63)	(2,029)
Foreign exchange translation gains and losses	<u>(671)</u>	<u>(970)</u>
Balance at September 30	<u>\$ 103,066</u>	<u>\$ 113,548</u>

b. Other receivables

Other receivables mainly consisted of tax refund receivables and interest receivables, 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 September 30, 2019, December 31, 2018 and September 30, 2018.

## 11. INVENTORIES

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Finished goods	\$ 2,912,333	\$ 4,085,660	\$ 4,844,665
Work in progress	467,996	507,602	684,646
Raw materials	1,476,776	1,690,097	2,417,764
Supplies	380,160	308,482	229,969
Inventory in transit	<u>12,593</u>	<u>111,263</u>	<u>389,312</u>
	<u>\$ 5,249,858</u>	<u>\$ 6,703,104</u>	<u>\$ 8,566,356</u>

The costs of inventories recognized as cost of goods sold for the three months ended September 30, 2019 and 2018, were \$12,340,401 thousand and \$14,101,042 thousand, respectively, and for the nine months ended September 30, 2019 and 2018 were \$37,195,424 thousand and \$40,719,474 thousand, respectively.

The cost of goods sold included reversal of inventory write-downs of \$4,030 thousand and write-downs of \$53,211 thousand for the three months ended September 30, 2019 and 2018, respectively, and write-downs of \$29,747 thousand and \$82,007 thousand for the nine months ended September 30, 2019 and 2018, respectively. Previous write-downs were reversed as a result of increased selling prices in certain markets.

## 12. DISCONTINUED OPERATIONS

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

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

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Administrative expenses	\$ (7,469)	\$ (8,534)	\$ (19,853)	\$ (24,618)
Loss from operations	(7,469)	(8,534)	(19,853)	(24,618)
Non-operating income	<u>6,676</u>	<u>10,832</u>	<u>23,457</u>	<u>30,973</u>
Net (loss) profit from discontinued operations	<u>\$ (793)</u>	<u>\$ 2,298</u>	<u>\$ 3,604</u>	<u>\$ 6,355</u>

For the nine months ended September 30, 2019 and 2018, the cash flows which can be attributed to the discontinued operations were as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>
Net cash generated from operating activities	\$ 8,144	\$ 11,688
Net cash generated from investing activities	-	998
Effect of exchange rate changes	<u>(1,670)</u>	<u>(2,048)</u>
Net cash inflow	<u>\$ 6,474</u>	<u>\$ 10,638</u>

### 13. SUBSIDIARIES

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

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark	
			September 30, 2019	December 31, 2018	September 30, 2018		
The Company	USIFE Investment Co., Ltd. ("USIF")	Investment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>		
	Swanlake Traders Ltd. ("Swanlake")	Trading and investment	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>		
	USI Far East (HK) Co., Ltd. USI Management Consulting Corp. ("UM")	Trading and investment Providing management services	<u>100.0</u> <u>100.0</u>	<u>100.0</u> <u>100.0</u>	<u>100.0</u> <u>100.0</u>		
	Chong Loong Trading Co., Ltd. ("CLT")	Engaging in import and export trade	<u>99.9</u>	<u>99.9</u>	<u>99.9</u>		
	Union Polymer Int'l Investment Corp. ("UPIIC")	Investment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>		
	Cypress Epoch Limited Inoma Corporation ("INOMA")	Investment business Engaging in optical products and fireproof materials	<u>100.0</u> <u>93.2</u>	<u>100.0</u> <u>93.2</u>	<u>100.0</u> <u>93.2</u>		
	Cypress Epoch Limited	Usig (Shanghai) Co., Ltd.	Import and distribution of various chemical raw materials and products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	The Company	Thintec Materials Corporation ("TMC")	Reinforced plastic products manufacturing	30.4	30.4	30.4	
Taita Chemical Company, Ltd. China General Plastics Corporation Asia Polymer Corporation Taiwan United Venture Capital Corp.			10.0 10.0 30.4 <u>15.0</u>	10.0 10.0 30.4 <u>15.0</u>	10.0 10.0 30.4 <u>15.0</u>		
			<u>95.8</u>	<u>95.8</u>	<u>95.8</u>	1)	
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 USIFE Investment Co., Ltd.			8.0 <u>0.3</u>	8.0 <u>0.1</u>	8.0 <u>0.1</u>		
			<u>48.9</u>	<u>48.7</u>	<u>48.7</u>		
The Company	Acme Electronics Corp. ("ACME")	Production and marketing of manganese-zinc soft ferrite powder	26.9	27.0	27.0		
China General Plastics Corporation USIFE Investment Co., Ltd. Asia Polymer Corporation Taita Chemical Company, Ltd. APC Investment Corporation			1.7 9.3 3.3 2.4 <u>1.0</u>	1.8 9.3 3.3 2.4 <u>1.0</u>	1.8 9.3 3.3 2.4 <u>1.0</u>		
			<u>44.6</u>	<u>44.8</u>	<u>44.8</u>	7)	
The Company	USI Optronics Corporation ("USIO")	Manufacture and marketing of sapphire crystal	50.9	50.9	50.9		
Acme Electronics Corp. Asia Polymer Corporation USIFE Investment Co., Ltd.			34.0 9.2 <u>0.2</u>	34.0 9.2 <u>0.2</u>	34.0 9.2 <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
			September 30, 2019	December 31, 2018	September 30, 2018	
Acme Electronics Corp.	ACME Electronics (Cayman) Corp.	Reinvestment business	51.3	51.3	51.3	
APC (BVI) Holding Co., Ltd.			16.6	16.6	16.6	
Swanlake Traders Ltd.			11.2	11.2	11.2	
TAITA (BVI) Holding Co., Ltd.			<u>5.4</u>	<u>5.4</u>	<u>5.4</u>	
			<u>84.5</u>	<u>84.5</u>	<u>84.5</u>	
Acme Electronics Corp.	Golden Amber Enterprises Limited	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	ACME Electronics (BVI) Corp.	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
ACME Electronics (Cayman) Corp.	Acme Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	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. ("ACME (GZ)")	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>-</u>	<u>-</u>	<u>-</u>	
			<u>37.3</u>	<u>37.3</u>	<u>37.3</u>	7)
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd. ("APC (BVI)")	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Asia Polymer Corporation	USI International Corp.	Reinvestment business	70.0	70.0	70.0	
APC (BVI) Holding Co., Ltd.			<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Asia Polymer Corporation	APC Investment Corporation	Investment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
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>	7)
Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd. ("TAITA (BVI)")	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
TAITA (BVI) Holding Co., Ltd.	Taita Chemical (Zhong Shan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Union Polymer Int'l Investment Corp.	China General Plastics Corporation ("CGPC")	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	25.0	25.0	25.0	
Asia Polymer Corporation			8.1	8.1	8.1	
Taita Chemical Company, Ltd.			2.0	2.0	2.0	
China General Terminal & Distribution Co.			0.5	0.5	0.5	
USIFE Investment Co., Ltd.			<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	
			<u>35.7</u>	<u>35.7</u>	<u>35.7</u>	7)
China General Plastics Corporation	Taiwan VCM Corporation ("TVCM")	Manufacture and marketing of vinyl chloride monomer and related petrochemical products	<u>87.2</u>	<u>87.2</u>	<u>87.2</u>	
	CGPC (BVI) Holding Co., Ltd.	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	CGPC America Corporation	Marketing of PVC two- or three-time processed products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Krystal Star International Corporation	Marketing of PVC two- or three-time processed products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	2)
	CGPC Polymer Corporation ("CGPCPOL")	Manufacture and marketing of PVC powder	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
CGPC (BVI) Holding Co., Ltd.	Continental General Plastics (Zhong Shan) Co., Ltd. (CGPC (ZS))	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	3)
	CGPC Consumer Products Corporation ("CGPC (CP)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	3)

(Continued)

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			September 30, 2019	December 31, 2018	September 30, 2018	
China General Plastics Corporation	China General Terminal & Distribution Co.	Warehousing petrochemical raw materials	33.3	33.3	33.3	
Taita Chemical Company, Ltd.			33.3	33.3	33.3	
Asia Polymer Corporation			<u>33.4</u>	<u>33.4</u>	<u>33.4</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
USIFE Investment Co., Ltd.	Taiwan United Venture Management Corp. ("TUVM")	Business management consulting	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd. ("ACME Ferrite")	Manufacture and marketing of soft ferrite core	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	Engaging in import and export trade	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Swanson Plastics Corp.	Curtana Company Ltd.	Reinvestment business	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Forever Young Company Ltd.	Import and export agency services	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Swanson Plastics Company Ltd. (Singapore)	Production and marketing of plastic products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Swanson International Ltd.	Engaging in import and export trade	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Swanson Plastics Corp.	Swanson Plastics Company Ltd. (Nantong) ("SPC (Nantong)")	Production and marketing of vest bags, garbage bags and diapers	-	-	95.5	
Curtana Company Ltd.			-	-	4.5	
			<u>-</u>	<u>-</u>	<u>100.0</u>	4)
Swanson Plastics Corp.	PT. Swanson Plastics Indonesia Ltd.	Manufacture and marketing of plastic products	1.0	1.0	1.0	
Swanson Plastics Company Ltd. (Singapore)			<u>99.0</u>	<u>99.0</u>	<u>99.0</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Swanson Plastics Corp.	Swanson Technologies Corporation	Production, marketing and development of EVA packaging film and other value added plastic products	70.0	70.0	70.0	
APC Investment Corporation			15.0	15.0	15.0	
USIFE Investment Co., Ltd.			<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Swanson Plastics Company Ltd. (Singapore)	Swanson Plastics (Malaysia) Sdn. Bhd.	Manufacture and marketing of plastic products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Swanson Plastics (India) Private Limited	Manufacture and marketing of plastic products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Swanson Plastics (Tianjin) Co., Ltd.	Production, marketing and development of multi-functional film and light-solution film	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Swanson International Ltd.	A.S. Holdings (UK) Limited	Reinvestment	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
	Swanson Plastics (Kunshan) Corp.	Production, marketing and development of multi-functional film and light-solution film	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
A.S. Holdings (UK) Limited	API-Swanson (Kunshan) Co., Ltd.	Management PE release film and other release products	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
The Company	Ever Conquest Global Limited ("ECGL")	Investment	63.1	63.1	63.1	
Asia Polymer Corporation			<u>36.9</u>	<u>36.9</u>	<u>36.9</u>	
			<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	5)
Ever Conquest Global Limited	Ever Victory Global Limited ("EVGL")	Investment	<u>80.0</u>	<u>77.5</u>	<u>77.5</u>	5), 6) and 7)
Ever Victory Global Limited	Dynamic Ever Investments Limited ("DEIL")	Investment	<u>89.9</u>	<u>100.0</u>	<u>100.0</u>	5) and 6)

(Concluded)

- 1) TMC had no actual production and sales activities in the recent year. Therefore, on April 12, 2019, the board of directors of TMC had approved the proposal for dissolution and liquidation of the company starting from the dissolution date of May 25, 2019. TMC had not completed the process of liquidation as of September 30, 2019.
- 2) Krystal Star International Corporation is undergoing the liquidation process and had returned its remaining assets to the CGPC in July 2019. Krystal Star International Corporation had not completed the process of liquidation as of September 30, 2019.
- 3) CGPC disposed of CGPCP (ZS) and CGPCL (CP) as approved in the meeting of the board of directors in October 2011. CGPCP (ZS) and CGPC (CP) had not completed the process of liquidation as of September 30, 2019.

- 4) The economic recession caused SPC (Nantong) to suffer a sustained loss. In consideration of the whole operations of the company and its subsidiaries, SPC disposed of SPC (Nantong) as agreed in the meeting of the board of directors held in April 2016 and sold all shares in SPC (Nantong) on December 21, 2018 with sales price of \$129,077 thousand. As of December 31, 2018, SPC completed the process of disposal and recognized gain on disposal of \$116,576 thousand.
- 5) As of September 30, 2019, the Company and APC invested capital amounted to US\$246,670 thousand (around \$7,645,980 thousand) and US\$144,160 thousand (around \$4,471,623 thousand) in ECGL, respectively, and reinvested in DEIL, first via ECGL and subsequently via EVGL. The total percentage of ECGL's ownership in EVGL is 80.0%. For more explanation, please refer to Appendix 5 and Note 39.
- 6) ECGL subscribed for additional new shares of EVGL at a percentage different from its existing ownership percentage, thereby increasing its continuing interest from 77.5% to 80.0% in May and August 2019, respectively. Then, EVGL did not subscribe for additional new shares of DEIL at a percentage different from its existing ownership percentage, thereby reducing its continuing interest from 100% to 89.9%. The additional paid-in capital amounting to \$4,275 thousand was added and unappropriated earning amounting to \$1,191 thousand was deducted as an adjustment to the difference in the amount of equity transaction occurred.

The above transaction was accounted for as an equity transaction since the Group did not cease to have control over the subsidiary.

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

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

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	September 30, 2019	December 31, 2018	September 30, 2018
	CGPC	64.3%	64.3%
TTC	62.2%	62.2%	62.2%
ACME	55.4%	55.2%	55.2%
APC	62.7%	62.7%	62.7%
EVGL	20.0%	22.5%	22.5%

Please refer to Tables 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 September 30		For the Nine Months Ended September 30		September 30,	December 31,	September 30,
	2019	2018	2019	2018	2019	2018	2018
CGPC	\$ 111,873	\$ 157,027	\$ 265,568	\$ 764,686	\$ 5,128,707	\$ 5,354,451	\$ 5,260,100
TTC	\$ 6,189	\$ 1,060	\$ 199,710	\$ 242,960	\$ 2,630,078	\$ 2,494,266	\$ 2,605,026
ACME	\$ (2,499)	\$ 8,584	\$ (23,259)	\$ 65,860	\$ 742,360	\$ 772,085	\$ 800,212
APC	\$ 139,221	\$ 69,153	\$ 369,922	\$ 178,288	\$ 6,337,823	\$ 6,139,309	\$ 6,220,885
EVGL	\$ (11,377)	\$ 160	\$ (3,337)	\$ 9,773	\$ 2,952,586	\$ 2,488,860	\$ 2,461,058

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

CGPC and CGPC's subsidiaries

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Current assets	\$ 5,146,813	\$ 6,314,227	\$ 6,459,308
Non-current assets	7,170,014	6,909,868	6,662,723
Current liabilities	(1,724,644)	(2,107,698)	(2,099,448)
Non-current liabilities	<u>(2,145,934)</u>	<u>(2,305,293)</u>	<u>(2,311,154)</u>
Equity	<u>\$ 8,446,249</u>	<u>\$ 8,811,104</u>	<u>\$ 8,711,429</u>
Equity attributable to:			
Owners of CGPC	\$ 2,888,838	\$ 3,020,189	\$ 3,007,780
Non-controlling interests of CGPC	5,128,707	5,354,451	5,260,100
Non-controlling interests of CGPC's subsidiaries	<u>428,704</u>	<u>436,464</u>	<u>443,549</u>
	<u>\$ 8,446,249</u>	<u>\$ 8,811,104</u>	<u>\$ 8,711,429</u>
	<b>For the Three Months Ended September 30</b>	<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>
	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenue	<u>\$ 3,824,886</u>	<u>\$ 3,475,990</u>	<u>\$ 11,407,164</u>
Net profit from continuing operations	\$ 188,713	\$ 245,232	\$ 423,012
Net (loss) profit from discontinued operations	<u>(793)</u>	<u>2,298</u>	<u>3,604</u>
Profit for the period	187,920	247,530	426,616
Other comprehensive (loss) income for the period	<u>(14,729)</u>	<u>8,235</u>	<u>3,886</u>
Total comprehensive income for the period	<u>\$ 173,191</u>	<u>\$ 255,765</u>	<u>\$ 430,502</u>
Profit attributable to:			
Owners of CGPC	\$ 58,276	\$ 81,799	\$ 138,340
Non-controlling interests of CGPC	111,873	157,027	265,568
Non-controlling interests of CGPC's subsidiaries	<u>17,771</u>	<u>8,704</u>	<u>22,708</u>
	<u>\$ 187,920</u>	<u>\$ 247,530</u>	<u>\$ 426,616</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Total comprehensive income attributable to:				
Owners of CGPC	\$ 41,874	\$ 68,714	\$ 130,897	\$ 368,142
Non-controlling interests of CGPC	113,522	178,346	276,867	814,836
Non-controlling interests of CGPC's subsidiaries	<u>17,795</u>	<u>8,705</u>	<u>22,738</u>	<u>86,422</u>
	<u>\$ 173,191</u>	<u>\$ 255,765</u>	<u>\$ 430,502</u>	<u>\$ 1,269,400</u>
Net cash (outflow) inflow from:				
Operating activities			\$ 1,191,953	\$ 1,488,645
Investing activities			(494,435)	(398,621)
Financing activities			(911,744)	(820,716)
Effects of exchange rate changes			<u>1,469</u>	<u>678</u>
Net cash (outflow) inflow			<u>\$ (212,757)</u>	<u>\$ 269,986</u>
Dividends paid to non-controlling interests			<u>\$ 499,788</u>	<u>\$ 485,231</u> (Concluded)

TTC and TTC's subsidiaries

	September 30, 2019	December 31, 2018	September 30, 2018
Current assets	\$ 5,022,106	\$ 5,391,600	\$ 6,386,681
Non-current assets	3,271,072	3,335,946	3,365,643
Current liabilities	(2,648,933)	(3,316,710)	(4,131,523)
Non-current liabilities	<u>(1,430,397)</u>	<u>(1,418,879)</u>	<u>(1,429,403)</u>
Equity	<u>\$ 4,213,848</u>	<u>\$ 3,991,957</u>	<u>\$ 4,191,398</u>
Equity attributable to:			
Owners of TTC	\$ 1,583,770	\$ 1,497,691	\$ 1,586,372
Non-controlling interests of TTC	<u>2,630,078</u>	<u>2,494,266</u>	<u>2,605,026</u>
	<u>\$ 4,213,848</u>	<u>\$ 3,991,957</u>	<u>\$ 4,191,398</u>

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenue	<u>\$ 4,382,791</u>	<u>\$ 5,797,437</u>	<u>\$ 13,464,687</u>	<u>\$ 16,585,574</u>
Profit for the period	\$ 9,772	\$ 1,455	\$ 315,362	\$ 383,659
Other comprehensive loss for the period	<u>(30,913)</u>	<u>(65,346)</u>	<u>(24,896)</u>	<u>(100,504)</u>
Total comprehensive (loss) income for the period	<u>\$ (21,141)</u>	<u>\$ (63,891)</u>	<u>\$ 290,466</u>	<u>\$ 283,155</u>
Profit attributable to:				
Owners of TTC	\$ 3,583	\$ 395	\$ 115,652	\$ 140,699
Non-controlling interests of TTC	<u>6,189</u>	<u>1,060</u>	<u>199,710</u>	<u>242,960</u>
	<u>\$ 9,772</u>	<u>\$ 1,455</u>	<u>\$ 315,362</u>	<u>\$ 383,659</u>
Total comprehensive (loss) income attributable to:				
Owners of TTC				
Non-controlling interests of TTC	\$ (5,788)	\$ (26,385)	\$ 109,591	\$ 102,335
	<u>(15,353)</u>	<u>(37,506)</u>	<u>180,875</u>	<u>180,820</u>
	<u>\$ (21,141)</u>	<u>\$ (63,891)</u>	<u>\$ 290,466</u>	<u>\$ 283,155</u>
Net cash inflow from:				
Operating activities				
Investing activities			\$ 1,102,876	\$ (687,675)
Financing activities			46,555	(93,555)
Effects of exchange rate changes			(519,570)	1,054,396
			<u>(19,329)</u>	<u>10,750</u>
Net cash inflow			<u>\$ 610,532</u>	<u>\$ 283,916</u>
Dividends paid to non-controlling interest			<u>\$ 41,498</u>	<u>\$ -</u>

ACME and ACME's subsidiaries

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Current assets	\$ 1,816,579	\$ 1,898,959	\$ 1,958,462
Non-current assets	1,726,810	1,776,939	1,832,267
Current liabilities	(1,096,814)	(1,085,668)	(1,116,754)
Non-current liabilities	<u>(507,117)</u>	<u>(569,870)</u>	<u>(558,606)</u>
Equity	<u>\$ 1,939,458</u>	<u>\$ 2,020,360</u>	<u>\$ 2,115,369</u>

(Continued)

	September 30, 2019	December 31, 2018	September 30, 2018
Equity attributable to:			
Owners of ACME	\$ 595,666	\$ 623,461	\$ 650,593
Non-controlling interests of ACME	742,360	772,085	800,212
Non-controlling interests of ACME's subsidiaries	<u>601,432</u>	<u>624,814</u>	<u>664,564</u>
	<u>\$ 1,939,458</u>	<u>\$ 2,020,360</u>	<u>\$ 2,115,369</u> (Concluded)

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2019	2018	2019	2018
Revenue	<u>\$ 551,071</u>	<u>\$ 617,012</u>	<u>\$ 1,587,013</u>	<u>\$ 1,814,023</u>
(Loss) profit for the period	\$ (8,317)	\$ 16,011	\$ (57,118)	\$ 240,876
Other comprehensive loss for the period	<u>(48,113)</u>	<u>(68,934)</u>	<u>(27,834)</u>	<u>(47,139)</u>
Total comprehensive loss for the period	<u>\$ (56,430)</u>	<u>\$ (52,923)</u>	<u>\$ (84,952)</u>	<u>\$ 193,737</u>
(Loss) profit attributable to:				
Owners of ACME	\$ (1,994)	\$ 6,891	\$ (18,658)	\$ 52,869
Non-controlling interests of ACME	(2,499)	8,584	(23,259)	65,860
Non-controlling interests of ACME's subsidiaries	<u>(3,824)</u>	<u>536</u>	<u>(15,201)</u>	<u>122,147</u>
	<u>\$ (8,317)</u>	<u>\$ 16,011</u>	<u>\$ (57,118)</u>	<u>\$ 240,876</u>
Total comprehensive (loss) income attributable to:				
Owners of ACME	\$ (16,493)	\$ (13,135)	\$ (27,481)	\$ 39,066
Non-controlling interests of ACME	(20,658)	(16,360)	(34,363)	48,666
Non-controlling interests of ACME's subsidiaries	<u>(19,279)</u>	<u>(23,428)</u>	<u>(23,108)</u>	<u>106,005</u>
	<u>\$ (56,430)</u>	<u>\$ (52,923)</u>	<u>\$ (84,952)</u>	<u>\$ 193,737</u>
Net cash inflow from:				
Operating activities			\$ 265,111	\$ 119,559
Investing activities			(148,192)	188,484
Financing activities			33,666	(108,685)
Effects of exchange rate changes			<u>(13,966)</u>	<u>(27,130)</u>
Net cash inflow			<u>\$ 136,619</u>	<u>\$ 172,228</u>

APC and APC's subsidiaries

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Current assets	\$ 4,940,198	\$ 4,606,590	\$ 3,635,349
Non-current assets	12,023,728	10,991,153	11,272,937
Current liabilities	(2,757,360)	(2,603,655)	(1,854,725)
Non-current liabilities	<u>(4,233,903)</u>	<u>(3,389,652)</u>	<u>(3,191,086)</u>
Equity	<u>\$ 9,972,663</u>	<u>\$ 9,604,436</u>	<u>\$ 9,862,475</u>
Equity attributable to:			
Owners of APC	\$ 3,634,840	\$ 3,465,127	\$ 3,641,590
Non-controlling interests of APC	<u>6,337,823</u>	<u>6,139,309</u>	<u>6,220,885</u>
	<u>\$ 9,972,663</u>	<u>\$ 9,604,436</u>	<u>\$ 9,862,475</u>
	<b>For the Three Months Ended September 30</b>	<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>
	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenue	<u>\$ 1,645,365</u>	<u>\$ 1,527,557</u>	<u>\$ 5,040,677</u>
Profit for the period	\$ 205,791	\$ 102,218	\$ 546,801
Other comprehensive loss for the period	<u>(51,850)</u>	<u>(24,863)</u>	<u>(10,052)</u>
Total comprehensive income for the period	<u>\$ 153,941</u>	<u>\$ 77,355</u>	<u>\$ 536,749</u>
Profit attributable to:			
Owners of APC	\$ 66,570	\$ 33,065	\$ 176,879
Non-controlling interests of APC	<u>139,221</u>	<u>69,153</u>	<u>369,922</u>
	<u>\$ 205,791</u>	<u>\$ 102,218</u>	<u>\$ 546,801</u>
Total comprehensive income (loss) attributable to:			
Owners of APC	\$ 88,457	\$ 35,081	\$ 221,308
Non-controlling interests of APC	<u>65,484</u>	<u>42,274</u>	<u>315,441</u>
	<u>\$ 153,941</u>	<u>\$ 77,355</u>	<u>\$ 536,749</u>
Net cash outflow from:			
Operating activities		\$ 245,146	\$ 349,291
Investing activities		(1,121,755)	(1,648,838)
Financing activities		779,917	(100,144)
Effects of exchange rate changes		<u>(835)</u>	<u>635</u>
Net cash outflow		<u>\$ (97,527)</u>	<u>\$ (1,399,056)</u>
Dividends paid to non-controlling interests		<u>\$ 112,516</u>	<u>\$ 70,103</u>

EVGL and EVGL's subsidiaries

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>	
Current assets	\$ 1,218,161	\$ 722,214	\$ 5,794,337	
Non-current assets	15,214,244	10,338,945	5,138,594	
Current liabilities	<u>(11,590)</u>	<u>(12,378)</u>	<u>(7,571)</u>	
Equity	<u>\$ 16,420,815</u>	<u>\$ 11,048,781</u>	<u>\$ 10,925,360</u>	
Equity attributable to:				
Owners of EVGL	\$ 11,816,573	\$ 8,559,921	\$ 8,464,302	
Non-controlling interests of EVGL	2,952,586	2,488,860	2,461,058	
Non-controlling interests of EVGL's subsidiaries	<u>1,651,656</u>	<u>-</u>	<u>-</u>	
	<u>\$ 16,420,815</u>	<u>\$ 11,048,781</u>	<u>\$ 10,925,360</u>	
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
(Loss) profit for the period	\$ (63,019)	\$ 617	\$ (23,315)	\$ 30,558
Other comprehensive loss for the period	<u>(383,276)</u>	<u>(219,134)</u>	<u>(320,452)</u>	<u>(155,439)</u>
Total comprehensive loss for the period	<u>\$ (446,295)</u>	<u>\$ (218,517)</u>	<u>\$ (343,767)</u>	<u>\$ (124,881)</u>
(Loss) profit attributable to:				
Owners of EVGL	\$ (45,469)	\$ 457	\$ (15,811)	\$ 20,785
Non-controlling interests of EVGL	(11,377)	160	(3,337)	9,773
Non-controlling interests of EVGL's subsidiaries	<u>(6,173)</u>	<u>-</u>	<u>(4,167)</u>	<u>-</u>
	<u>\$ (63,109)</u>	<u>\$ 617</u>	<u>\$ (23,315)</u>	<u>\$ 30,558</u>
Total comprehensive loss attributable to:				
Owners of EVGL	\$ (314,280)	\$ (163,417)	\$ (230,806)	\$ (99,845)
Non-controlling interests of EVGL	(79,211)	(55,100)	(53,341)	(25,036)
Non-controlling interests of EVGL's subsidiaries	<u>(52,804)</u>	<u>-</u>	<u>(59,620)</u>	<u>-</u>
	<u>\$ (446,295)</u>	<u>\$ (218,517)</u>	<u>\$ (343,767)</u>	<u>\$ (124,881)</u>
Net cash inflow from:				
Operating activities			\$ (37,266)	\$ (5,125)
Investing activities			(5,161,581)	-
Financing activities			5,715,801	5,482,069
Effects of exchange rate changes			<u>(15,100)</u>	<u>(19,014)</u>
Net cash inflow			<u>\$ 501,854</u>	<u>\$ 5,457,930</u>

Please refer to Notes 20 and 37 for the information related to part of subsidiaries' shares pledged as collateral for long-term bank borrowings.

c. Disposal of subsidiary

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

1) Consideration received from disposal

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

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

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

3) Gain on disposal of subsidiary

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

4) Net cash inflow on disposal of subsidiary

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

#### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2019	December 31, 2018	September 30, 2018
Investments in joint ventures			
Associates that are individually material			
Fujian Gulei Petrochemical Co., Ltd.			
("Gulei")	\$ <u>15,214,244</u>	\$ <u>10,338,945</u>	\$ <u>5,138,594</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 September 30, 2019, December 31, 2018 and September 30, 2018. For more explanation, please refer to Note 39.

For the scope of business operations, the location and national information of Gulei's registry of joint venture, please refer to Table 8.

The summary of financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

	September 30, 2019	December 31, 2018	September 30, 2018
Cash	\$ <u>8,162,020</u>	\$ <u>15,407,527</u>	\$ <u>2,647,891</u>
Current assets	\$ 8,406,667	\$ 15,428,230	\$ 6,651,972
Non-current assets	31,298,887	7,332,940	5,653,564
Current liabilities	(9,248,298)	(2,066,576)	(2,011,640)
Non-current liabilities	<u>(28,767)</u>	<u>(16,704)</u>	<u>(16,708)</u>
Equity	30,428,489	20,677,890	10,277,188
Proportion of the Group's ownership	<u>50%</u>	<u>50%</u>	<u>50%</u>
Equity attributable to the Group	\$ <u>15,214,244</u>	\$ <u>10,338,945</u>	\$ <u>5,138,594</u>
Carrying amount	\$ <u>15,214,244</u>	\$ <u>10,338,945</u>	\$ <u>5,138,594</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Shares attributable to the Group				
Net (loss) profit of the period	\$ <u>(2,100)</u>	\$ <u>(794)</u>	\$ <u>19,070</u>	\$ <u>33,311</u>

Gulei had no significant operating income for the nine months ended September 30, 2019 and 2018.

For the nine months ended September 30, 2019 and 2018, investments in joint ventures accounted for using the equity method and the Group's share of profit and other comprehensive income were not reviewed by the auditors.

## 15. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2019	December 31, 2018	September 30, 2018
Freehold land	\$ 4,682,238	\$ 4,726,441	\$ 4,726,441
Land improvements	8,635	9,874	10,289
Building improvements	4,281,809	4,192,099	4,173,288
Machinery and equipment	12,419,789	10,897,308	10,986,670
Transportation equipment	48,716	49,452	47,394
Other equipment	303,493	320,209	250,679
Construction in progress and equipment under installation	<u>1,357,912</u>	<u>3,629,856</u>	<u>3,236,232</u>
	<u>\$ 23,102,592</u>	<u>\$ 23,825,239</u>	<u>\$ 23,430,993</u>

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

On March 21, 2013 the board of directors of the Company decided to invest \$1,000,000 thousand 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. As of September 30, 2019, the Company had paid \$1,827,232 thousand to CTCI. 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 September 30, 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 New Taipei City Government on November 7, 2018, the land and buildings in Linkou which were reported under property, plant and equipment are within the scope of "Linkou City Land Rezoning Area". Part of the land will be reclaimed and expected to be reissued as part of the replotted land in 2022. When the Company cooperates to redevelop the land, it will not be obliged to dismantle the existing buildings attached to the land and is also not being required to invest and set up a factory after the completion of land rezoning; however, the Company has an obligation to vacate the existing buildings. In addition, there is no obligation to perform any services or repay the compensation fees for future land acquisitions, automatic relocation incentives and compensations for business loss incurred after participating in the above-mentioned land rezoning policy.

As of September 30, 2019, the Company had received relief funds, subsidies and incentives from its participation amounted to \$154,764 thousand and \$38,230 thousand in the months of April and July, respectively, for a combined total of \$192,994 thousand. The Company had completed the obligation to relocate any objects within the land and concluded the policy-related matters with the New Taipei City Government. As there are no other obligations related to performance or repayment, the Company adjusted the compensation fees based on the costs of original land and buildings. In addition to the adjustment, an amount of \$155,710 thousand was recognized as compensation income.

The board of APC's directors passed an EVA capacity expansion in the Linyuan plant and authorized the chairman with full power on December 28, 2011. The total contract fee was \$2,608,911 thousand (including additional costs), which is paid monthly according to the progress of the project. The project was completed in 2018, and total fees and charges had been paid.

USIO recognized that machinery equipment and other equipment were uncollectable as of March 31, 2019 and recognized impairment loss of \$14,131 thousand. The impairment loss was reported in operating expenses of the consolidated statements of comprehensive income.

No impairment assessment was performed for the nine months ended September 30, 2019 and 2018 as there was no indication of impairment.

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

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

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 37.

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

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets - 2019

	<b>September 30, 2019</b>	
<u>Carrying amounts</u>		
Land		\$ 173,803
Land use right		457,348
Buildings		203,648
Machinery and equipment		5,795
Transportation equipment		<u>356</u>
		<u>\$ 840,950</u>
	<b>For the Three Months Ended September 30, 2019</b>	<b>For the Nine Months Ended September 30, 2019</b>
Depreciation charge for right-of-use assets		
Land	\$ 4,297	\$ 12,852
Land use right	3,744	11,554
Buildings	7,624	22,851
Machinery and equipment	598	1,826
Transportation equipment	<u>222</u>	<u>664</u>
	<u>\$ 16,485</u>	<u>\$ 49,747</u>

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

Right-of-use assets pledged as collateral for bank borrowings are set out in Notes 20 and 37.

b. Lease liabilities - 2019

	<b>September 30, 2019</b>
<u>Carrying amounts</u>	
Current	<u>\$ 64,608</u>
Non-current	<u>\$ 434,628</u>

Range of discount rate for lease liabilities was as follows:

	<b>September 30, 2019</b>
Lease land	1.04%-2.00%
Buildings	1.04%-2.00%
Machinery	1.04%-1.16%
Transportation equipment	1.06%-1.25%

c. Material lease-in activities and terms

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

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

d. Other lease information

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

2019

	<b>For the Three Months Ended September 30, 2019</b>	<b>For the Nine Months Ended September 30, 2019</b>
Expenses relating to short-term leases	<u>\$ 7,862</u>	<u>\$ 21,616</u>
Expenses relating to low-value asset leases	<u>\$ 217</u>	<u>\$ 650</u>
Expenses relating to variable lease payments not including in the measurement of lease liabilities	<u>\$ 9,057</u>	<u>\$ 36,604</u>
Total cash outflow for leases		<u>\$ (111,879)</u>

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

2018

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

	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Not later than 1 year	\$ 96,813	\$ 73,702
Later than 1 year and not later than 5 years	250,428	163,341
Later than 5 years	<u>233,007</u>	<u>157,763</u>
	<u>\$ 580,248</u>	<u>\$ 394,806</u>

## 17. INVESTMENT PROPERTIES

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Completed investment properties			
Land	\$ 115,053	\$ 90,971	\$ 90,971
Buildings	318,592	91,453	91,818
Right-of-use assets	<u>99,244</u>	<u>-</u>	<u>-</u>
	<u>\$ 532,889</u>	<u>\$ 182,424</u>	<u>\$ 182,789</u>

	<b>Land</b>	<b>Buildings</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<u>Cost</u>				
Balance at January 1, 2019	\$ 94,940	\$ 173,492	\$ -	\$ 268,432
Adjustments on initial application of IFRS 16	<u>-</u>	<u>-</u>	<u>110,452</u>	<u>110,452</u>
Balance at January 1, 2019 (restated)	94,940	173,492	110,452	378,884
Transfers from property, plant and equipment	24,082	257,285	-	281,367
Effect of foreign currency exchange differences	<u>-</u>	<u>997</u>	<u>-</u>	<u>997</u>
Balance at September 30, 2019	<u>\$ 119,022</u>	<u>\$ 431,774</u>	<u>\$ 110,452</u>	<u>\$ 661,248</u>

(Continued)

	<b>Land</b>	<b>Buildings</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2019	\$ 3,969	\$ 82,039	\$ -	\$ 86,008
Depreciation expenses	-	2,057	11,208	13,265
Transfers from property, plant and equipment	-	28,729	-	28,729
Effect of foreign currency exchange differences	<u>-</u>	<u>357</u>	<u>-</u>	<u>357</u>
Balance at September 30, 2019	<u>\$ 3,969</u>	<u>\$ 113,182</u>	<u>\$ 11,208</u>	<u>\$ 128,359</u>
Carrying amounts at September 30, 2019	<u>\$ 115,053</u>	<u>\$ 318,592</u>	<u>\$ 99,244</u>	<u>\$ 532,889</u>
<u>Cost</u>				
Balance at January 1, 2018	\$ 94,940	\$ 168,693	\$ -	\$ 263,633
Effects of foreign currency exchange differences	<u>-</u>	<u>4,216</u>	<u>-</u>	<u>4,216</u>
Balance at September 30, 2018	<u>\$ 94,940</u>	<u>\$ 172,909</u>	<u>\$ -</u>	<u>\$ 267,849</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2018	\$ 3,969	\$ 77,448	\$ -	\$ 81,417
Depreciation expenses	-	2,186	-	2,186
Effects of foreign currency exchange differences	<u>-</u>	<u>1,457</u>	<u>-</u>	<u>1,457</u>
Balance at September 30, 2018	<u>\$ 3,969</u>	<u>\$ 81,091</u>	<u>\$ -</u>	<u>\$ 85,060</u>
Carrying amounts at September 30, 2018	<u>\$ 90,971</u>	<u>\$ 91,818</u>	<u>\$ -</u>	<u>\$ 182,789</u>

(Concluded)

Right-of-use assets included in investment properties are units of office space located in Taipei and subleased under operating leases to other company. The investment properties were leased out for 1 to 5 years, with an option to extend. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. All of the Group's investment properties were held under freehold interests for the nine months ended September 30, 2018.

The maturity analysis of lease payments receivable under operating leases of investment properties as of September 30, 2019 was as follows:

	<b>September 30, 2019</b>
Year 1	\$ 44,335
Year 2	15,904
Year 3	15,561
Year 4	13,653
Year 5	7,712
Later than 5 years	<u>31,456</u>
	<u><u>\$ 128,621</u></u>

The future minimum lease payments of non-cancellable operating lease commitments as of December 31 and September 30, 2018 were as follows:

	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Not later than 1 year	\$ 39,617	\$ 20,507
Later than 1 year and not later than 5 years	64,793	23,012
Later than 5 years	<u>1,527</u>	<u>-</u>
	<u><u>\$ 105,937</u></u>	<u><u>\$ 43,519</u></u>

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

Part of the Group's investment properties are located in Linyuan Industrial District. Due to the characteristics of the district, the market for comparable properties is inactive and alternative reliable measurements of fair value were not available. Therefore, the Group determined that the fair value of its investment properties was not reliably measurable. The management of the Group used the valuation model that market participants would use in determining fair value, and the fair value was measured by using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The fair value of right-of-use assets is determined by adding back the amount of lease liabilities already recognized to the valuation result that reflects the expected lease income after deduction of expected payments.

The fair values of investment properties as of September 30, 2019, December 31, 2018 and September 30, 2018 were as follows:

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Fair value	<u>\$ 1,183,182</u>	<u>\$ 670,417</u>	<u>\$ 772,466</u>

The investment properties pledged as collateral for bank borrowings are set out in Note 37.

## 18. GOODWILL AND OTHER INTANGIBLE ASSETS

	September 30, 2019	December 31, 2018	September 30, 2018
Goodwill (a)	<u>\$ 269,026</u>	<u>\$ 269,026</u>	<u>\$ 269,026</u>
Other intangible assets (b)			
Technology royalties and patent right	\$ 8,775	\$ 14,517	\$ 45,201
Computer software	9,918	9,999	9,040
Others	<u>1,611</u>	<u>8,861</u>	<u>11,594</u>
	<u>\$ 20,304</u>	<u>\$ 33,377</u>	<u>\$ 65,835</u>

### a. Goodwill

No impairment assessment was performed periodically as there was no indication of impairment on September 30, 2019 and 2018.

### b. Other intangible assets

Except for the recognition of amortization expense, there were no significant addition, disposal and impairment on other intangible assets of the Group for the nine months ended September 30, 2019 and 2018.

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

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

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

## 19. PREPAYMENTS FOR LEASES - 2018

	December 31, 2018	September 30, 2018
Current assets (included in prepayments)	\$ 8,663	\$ 7,607
Non-current assets	<u>459,542</u>	<u>474,774</u>
	<u>\$ 468,205</u>	<u>\$ 482,381</u>

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

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

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

Part of the carrying amount of prepaid lease payments pledged as collateral for borrowings is disclosed in Notes 20 and 37.

## 20. BORROWINGS

### a. Short-term borrowings

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
<u>Secured borrowings</u>			
Bank loans	\$ -	\$ 153,239	\$ 152,626
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>5,006,670</u>	<u>6,573,615</u>	<u>3,633,808</u>
	<u>\$ 5,006,670</u>	<u>\$ 6,726,854</u>	<u>\$ 3,786,434</u>
Range of interest rates	0.83%-5.00%	0.83%-4.58%	0.83%-4.38%

### b. Short-term bills payable

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Commercial paper	\$ 1,679,000	\$ 1,515,000	\$ 3,598,000
Less: Unamortized discount on bills payable	<u>(278)</u>	<u>(216)</u>	<u>(885)</u>
	<u>\$ 1,678,722</u>	<u>\$ 1,514,784</u>	<u>\$ 3,597,115</u>
Range of interest rates	0.50%-1.29%	0.49%-1.18%	0.49%-1.25%

### c. Long-term borrowings

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Secured borrowings	\$ 2,696,200	\$ 2,393,200	\$ 4,355,000
Line of credit borrowings	<u>6,800,000</u>	<u>6,550,000</u>	<u>4,000,000</u>
	<u>9,496,200</u>	<u>8,943,200</u>	<u>8,355,000</u>
Commercial paper	200,000	200,000	200,000
Unamortized discount on bills payable	<u>(231)</u>	<u>(576)</u>	<u>(64)</u>
	<u>199,769</u>	<u>199,424</u>	<u>199,936</u>
	9,695,969	9,142,624	8,554,936
Less: Current portions	<u>(511,600)</u>	<u>(525,000)</u>	<u>(541,800)</u>
	<u>\$ 9,184,369</u>	<u>\$ 8,617,624</u>	<u>\$ 8,013,136</u>

(Continued)

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Range of interest rates			
Secured borrowings	0.98%-1.34%	1.04%-1.45%	0.99%-1.36%
Line of credit borrowings	1.04%-1.31%	0.98%-1.34%	0.99%-1.18%
Commercial paper	1.50%	1.618%	1.46%
			(Concluded)

The Company entered into medium- and long-term loan contracts with banks to increase working capital. The contracts will be effective up to August 2023 with a total credit limit of \$4,800,000 thousand, which is used cyclically during the validity period. As of September 30, 2019, the Company had borrowed \$1,953,000 thousand.

UPIIC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to December 2021 with a total credit limit of \$2,600,000 thousand, which is used cyclically during the validity period. As of September 30, 2019, UPIIC had borrowed \$1,150,000 thousand.

CGPCPOL entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to March 2022 with a total credit limit of \$1,400,000 thousand, which is used cyclically during the validity period. As of September 30, 2019, CGPCPOL had borrowed \$700,000 thousand.

TTC entered into medium- and long-term financing contracts with banks to increase working capital. The contract will be effective up to June 2022 with a total credit limit of \$1,600,000 thousand, which is used cyclically during the validity period. As of September 30, 2019, TTC had borrowed \$1,000,000 thousand.

APC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to August 2022 with a total credit limit of \$5,700,000 thousand, which is used cyclically during the validity period. As of September 30, 2019, APC had borrowed \$3,950,000 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 \$620,000 thousand, which is used cyclically during the validity period. As of September 30, 2019, ACME had borrowed \$340,000 thousand.

SPC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to November 2023 with a total credit limit of \$403,200 thousand, which is used cyclically during the validity period. As of September 30, 2019, SPC had borrowed \$403,200 thousand.

UPIIC had offered its 10,500 thousand shares in APC, 12,500 thousand shares in CGPC and 12,500 thousand shares in TTC as long-term loan collateral, each of which was endorsed by the Company.

According to the loan contracts of part of subsidiaries, the current ratio, bank loan ratio, debt ratio, and interest protection multiples should not be less than the specified percentage. The subsidiaries should provide improvements to the bank if the requirements were not met. As of September 30, 2019, the subsidiaries did not violate the requirements.

## 21. BONDS PAYABLE

	September 30, 2019	December 31, 2018	September 30, 2018
Domestic unsecured bonds 104-1A - issuance on February 12, 2015, 5 years, total amount \$1,000,000 thousand, coupon rate 1.55%, bullet repayment	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Domestic unsecured bonds 104-1B - issuance on February 12, 2015, 7 years, total amount \$1,000,000 thousand, coupon rate 1.90%, bullet repayment	1,000,000	1,000,000	1,000,000
Domestic unsecured bonds 105-1 - issuance on October 28, 2016, 5 years, total amount \$2,000,000 thousand, coupon rate 0.80%, bullet repayment	2,000,000	2,000,000	2,000,000
Domestic unsecured bonds 106-1 - issuance on October 27, 2017, 5 years, total amount \$2,000,000 thousand, coupon rate 1.10%, bullet repayment	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>-</u>	<u>-</u>
	8,000,000	6,000,000	6,000,000
Less: Discounts on bonds payable	<u>(9,551)</u>	<u>(7,396)</u>	<u>(8,007)</u>
	7,990,449	5,992,604	5,991,993
Less: Current portions	<u>(999,861)</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,990,588</u>	<u>\$ 5,992,604</u>	<u>\$ 5,991,993</u>

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

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

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

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

## 22. NOTES AND ACCOUNTS PAYABLE

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Operating</u>			
Notes payable	\$ 192	\$ 483	\$ 292
Accounts payable	<u>2,733,767</u>	<u>3,392,204</u>	<u>4,249,615</u>
	<u>\$ 2,733,959</u>	<u>\$ 3,392,687</u>	<u>\$ 4,249,907</u>

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

## 23. OTHER PAYABLES

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 722,165	\$ 745,236	\$ 715,275
Payables for water and electricity	209,910	181,003	211,861
Payables for purchases of equipment	200,161	189,420	124,598
Payables for fares	156,552	166,463	147,181
Payables for interests	71,893	43,068	59,146
Payables for VAT	42,550	37,247	17,475
Payables for insurance	24,573	28,335	26,637
Payables for dividends	23,756	20,176	26,920
Payables for professional service expenses	20,105	23,732	14,444
Payables for fuel fees	14,141	19,830	11,573
Others	<u>406,820</u>	<u>443,040</u>	<u>478,953</u>
	1,892,626	1,897,550	1,834,063
Other liabilities			
Refund liability	<u>24,499</u>	<u>30,034</u>	<u>34,976</u>
	<u>\$ 1,917,125</u>	<u>\$ 1,927,584</u>	<u>\$ 1,869,039</u>

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

## 24. PROVISIONS

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Non-current</u>			
Litigation provision	<u>\$ 136,375</u>	<u>\$ 136,375</u>	<u>\$ 136,064</u>

Litigation provision is a result of the first-instance judgment and reconciliation of the Kaohsiung gas explosion case on July 31, 2014 for which cash outflows may be recognized in the near future. Please refer to Note 38 for the explanation related to the provision.

## 25. RETIREMENT BENEFIT PLANS

Related retirement expenses of defined benefit plans for the nine months ended September 30, 2019 and 2018 were calculated based on the annual retirement cost rate for the respective years ended December 31, 2018 and 2017 and were recognized as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Operating cost	\$ 9,350	\$ 11,999	\$ 27,433	\$ 35,745
Selling and marketing expenses	989	1,468	3,010	4,095
General and administrative expenses	1,225	1,825	4,433	6,485
Research and development expenses	413	567	1,239	1,502
Other gains and losses	<u>61</u>	<u>88</u>	<u>205</u>	<u>250</u>
	<u>\$ 12,038</u>	<u>\$ 15,947</u>	<u>\$ 36,320</u>	<u>\$ 48,077</u>

## 26. GOVERNMENT GRANTS

Acme Electronics Corporation (Kunshan) reached an agreement with Kunshan Zhoushizhen People's Government in 2006 in which Acme Electronics Corporation (Kunshan) promised to relocate its new plant and raise its investment amount to US\$15,000 thousand; Zhoushizhen People's Government then promised to assist Acme Electronics Corporation (Kunshan) in acquiring land for a new plant. Furthermore, by applying the tax refund, Kunshan Zhoushizhen People's Government subsidized Acme Electronics Corporation (Kunshan)'s acquisition of the land for its new plant with a difference in price of over RMB50 thousand per acre. According to this agreement, Acme Electronics Corporation (Kunshan) raised the capital by cash and share dividends to meet its capital increase requirement for the relocation of the new plant. Acme Electronics Corporation (Kunshan) also recognized RMB10,591 thousand of the subsidy as long-term deferred revenue, which will be amortized along with the land use rights when the new plant is constructed. The related government subsidies were retrieved in January 2014. As stated in Note 19, Acme Electronics (Kunshan) Co., Ltd. also derecognized RMB1,983 thousand of deferred revenue related to the land use rights.

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

As of September 30, 2019, December 31, 2018 and September 30, 2018, the amounts of deferred income (accounted for as other non-current liabilities) that had not been amortized were RMB9,025 thousand (\$39,608 thousand), RMB9,423 thousand (\$42,170 thousand) and RMB9,555 thousand (\$42,399 thousand), respectively.

## 27. EQUITY

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Share capital	\$ 11,887,635	\$ 11,887,635	\$ 11,887,635
Capital surplus	268,630	253,738	258,605
Retained earnings	7,480,587	6,814,829	6,907,149
Other equity items	(520,032)	(293,443)	(123,463)
Treasury shares	(475,606)	(475,606)	(475,606)
Non-controlling interests	<u>20,383,390</u>	<u>18,267,556</u>	<u>18,194,494</u>
	<u>\$ 39,024,604</u>	<u>\$ 36,454,709</u>	<u>\$ 36,648,814</u>

### a. Share capital

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Number of shares authorized (in thousands)	<u>1,342,602</u>	<u>1,342,602</u>	<u>1,342,602</u>
Shares authorized	<u>\$ 13,426,024</u>	<u>\$ 13,426,024</u>	<u>\$ 13,426,024</u>
Number of shares issued and fully paid (in thousands)	<u>1,188,763</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.

On June 5, 2018, the Company's regular shareholders' meeting resolved to issue 23,309 thousand ordinary shares as share dividends appropriated from earnings, with a par value of \$10, which increased the share capital issued and fully paid to \$11,887,635 thousand. On July 6, 2018, this transaction was approved by the FSC, and the subscription base date was determined as at August 3, 2018 by the board of directors. The alteration of the registered amount of capital of the Company was completed on August 29, 2018.

### b. Capital surplus

The capital surplus generated from donations and the excess of the issuance price over the par value of share capital (including the shares issued from new capital, mergers and treasury shares) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or share dividends up to a certain percentage of the Company's paid-in capital. The capital surplus arising from investments accounted for using the equity method, employee share options and share warrants may not be used for any purpose.

### c. Retained earnings and dividends policy

In accordance with the dividends policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, please refer to "employees' compensation and remuneration of directors" in Note 29(f).

The industry that the Company operates in is in the maturity stage. Consequently, in order to take R&D needs and diversification into consideration, shareholders' dividends shall be no less than 10% of the distributable earnings in the current year, of which the cash dividends shall not be less than 10% of the total dividends. However, if the distributable earnings of the year are less than \$0.1 per share, it shall not be distributed.

The appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

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

The appropriations of earnings for 2018 and 2017 approved in the shareholders' meetings on June 12, 2019 and June 5, 2018, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>For the Years Ended</u>		<u>For the Years Ended</u>	
	<u>December 31</u>		<u>December 31</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Legal reserve	\$ 53,994	\$ 111,129		
Special reserve	55,399	-		
Cash dividends	356,629	349,636	\$0.3	\$0.3
Share dividends	<u>-</u>	<u>233,091</u>	-	0.2
	<u>\$ 466,022</u>	<u>\$ 693,856</u>		

d. Other equity items

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

	<u>For the Nine Months Ended</u>	
	<u>2019</u>	<u>2018</u>
Balance at January 1	\$ (208,307)	\$ (190,880)
Effect of tax rate changes	-	(1,948)
Recognized during the period		
Exchange differences on translating foreign operations	(181,592)	(134,824)
Related income tax	<u>36,786</u>	<u>23,608</u>
Balance at September 30	<u>\$ (353,113)</u>	<u>\$ (304,044)</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>
Balance at January 1	\$ (85,136)	\$ 190,426
Effect of tax rate changes	-	(22)
Recognized during the period		
Unrealized gain		
Equity instruments	(47,273)	69,446
Related income tax	424	(436)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposals	<u>(34,934)</u>	<u>(78,833)</u>
Balance at September 30	<u>\$ (166,919)</u>	<u>\$ 180,581</u>

e. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>
Balance at January 1	\$ 18,267,556	\$ 16,728,019
Adjustment on initial application of IFRS 16	<u>(4,490)</u>	<u>-</u>
Balance at January 1	18,263,066	16,728,019
Cash dividends of subsidiaries' shareholders	(705,440)	(615,849)
Share in profit for the period	860,396	1,381,806
Other comprehensive income (loss) in the period		
Effect of tax rate changes	-	7,785
Exchange difference on translating foreign operations	(213,607)	(162,097)
Income tax relating to exchange difference on translating foreign operations	21,129	21,831
Unrealized (loss) gain on financial assets at FVTOCI	(73,924)	132,859
Income tax relating to unrealized gain (loss) on financial assets at FVTOCI	908	(919)
Adjustments relating to changes accounted for using the equity method	(2,253)	(4,536)
Changes in non-controlling interests	<u>2,233,115</u>	<u>705,595</u>
Balance at September 30	<u>\$ 20,383,390</u>	<u>\$ 18,194,494</u>

f. Treasury shares

<b>Purpose of Buy-Back</b>	<b>Number of Shares at January 1 (In Thousands of Shares)</b>	<b>Increase During the Period</b>	<b>Decrease During the Period</b>	<b>Number of Shares at September 30 (In Thousands of Shares)</b>
<u>For the nine months ended September 30, 2019</u>				
Shares held by subsidiaries	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>
<u>For the nine months ended September 30, 2018</u>				
Shares held by subsidiaries	<u>114,182</u>	<u>2,284</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:

<b>Name of Subsidiary</b>	<b>Number of Shares Held (In Thousands of Shares)</b>	<b>Carrying Amount</b>	<b>Market Price</b>
<u>September 30, 2019</u>			
Asia Polymer Corporation ("APC")	101,356	\$ 1,377,381	\$ 1,307,488
Taita Chemical Company, Limited ("TTC")	15,110	<u>81,875</u>	<u>194,918</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,502,406</u>
<u>December 31, 2018</u>			
Asia Polymer Corporation ("APC")	101,356	\$ 1,377,381	\$ 1,206,132
Taita Chemical Company, Limited ("TTC")	15,110	<u>81,875</u>	<u>179,808</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,385,940</u>
<u>September 30, 2018</u>			
Asia Polymer Corporation ("APC")	101,356	\$ 1,377,381	\$ 1,418,979
Taita Chemical Company, Limited ("TTC")	15,110	<u>81,875</u>	<u>211,539</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,630,518</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 financial assets at FVTOCI and valued at the closing price of September 30, 2019, December 31, 2018 and September 30, 2018. The carrying amounts of investments accounted for using the equity method and the unrealized gain (loss) on financial assets at FVTOCI were reduced by \$18,842 thousand, \$(19,487) thousand and \$61,005 thousand, respectively.

## 28. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Product sales revenue				
Plastic materials	\$ 13,297,885	\$ 14,563,002	\$ 40,003,715	\$ 43,424,590
Electronic materials	551,071	617,012	1,587,013	1,814,023
Others	<u>141,538</u>	<u>135,989</u>	<u>394,372</u>	<u>409,869</u>
	<u>\$ 13,990,494</u>	<u>\$ 15,316,003</u>	<u>\$ 41,985,100</u>	<u>\$ 45,648,482</u>

Product sales revenue of the Group mainly comes from selling polyethylene plastic and other related products. For information about contract balances and the disaggregation of revenue, please refer to Notes 10 and 42.

## 29. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Owners of the Company	\$ 302,094	\$ 112,949	\$ 996,589	\$ 638,931
Non-controlling interests	<u>269,382</u>	<u>239,589</u>	<u>858,076</u>	<u>1,377,715</u>
	<u>\$ 571,476</u>	<u>\$ 352,538</u>	<u>\$ 1,854,665</u>	<u>\$ 2,016,646</u>

Net profit from continuing operations includes the following:

### a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Interest income				
Bank deposits	\$ 29,846	\$ 37,484	\$ 91,076	\$ 85,164
Financial assets at FVTPL	1,131	180	20,797	20,738
Financial assets at amortized cost	276	457	1,109	1,002
Others	<u>1,854</u>	<u>656</u>	<u>2,281</u>	<u>1,270</u>
	33,107	38,777	115,263	108,174
Dividend income	110,501	147,150	161,637	185,709
Rental income	15,854	19,870	43,644	37,993
Government grants income	-	-	155,710	-
Claims income	-	-	15,924	-
Grant income	905	2,974	11,136	30,751
Others	<u>42,945</u>	<u>34,877</u>	<u>140,400</u>	<u>139,101</u>
	<u>\$ 203,312</u>	<u>\$ 243,648</u>	<u>\$ 643,714</u>	<u>\$ 501,728</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Gain on disposal of biological assets	\$ -	\$ -	\$ -	\$ 13,735
Gain on disposal of land use rights	-	-	-	262,617
Gain on disposal of property, plant and equipment	923	13,518	37,722	18,997
Loss on disposal of property, plant and equipment	(4,486)	(837)	(6,206)	(10,488)
Net gain on disposal of financial instruments	8,420	11,321	15,476	29,619
Net foreign exchange loss	(132,016)	(117,371)	(27,433)	(51,155)
Net gain on financial assets at FVTPL	44,749	81,960	138,414	73,093
Net gain (loss) on financial liabilities at FVTPL	169	(35,680)	(25,140)	(39,034)
Loss on claims	-	(3,678)	(468)	(81,203)
Impairment losses (recognized) reserved on non-financial assets	(1,414)	17,728	(1,707)	13,423
Other losses	<u>(55,876)</u>	<u>(33,440)</u>	<u>(102,756)</u>	<u>(90,948)</u>
	<u>\$ (139,531)</u>	<u>\$ (66,479)</u>	<u>\$ 27,902</u>	<u>\$ 138,656</u>

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Interest on bank loans	\$ 46,812	\$ 51,118	\$ 157,035	\$ 142,937
Interest on bonds payable	23,856	18,736	65,028	56,201
Other interest expense	17	1,217	1,041	1,256
Interest on lease liabilities	1,935	-	5,941	-
Less: Capitalized interest (included in construction in progress)	<u>(2,633)</u>	<u>(6,762)</u>	<u>(16,875)</u>	<u>(19,707)</u>
	<u>\$ 69,987</u>	<u>\$ 64,309</u>	<u>\$ 212,170</u>	<u>\$ 180,687</u>

Information about capitalized interest is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Capitalized interest	\$ 2,633	\$ 6,762	\$ 16,875	\$ 19,707
Capitalization rate	0.62%-1.25%	0.85%-1.25%	0.62%-1.48%	0.85%-1.48%

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Property, plant and equipment	\$ 514,760	\$ 489,794	\$ 1,518,204	\$ 1,462,821
Right-of-use assets	15,640	-	47,172	-
Investment properties	4,406	352	13,265	2,186
Intangible assets	5,589	7,469	18,178	31,814
Others	<u>12,590</u>	<u>4,627</u>	<u>33,012</u>	<u>15,181</u>
	<u>\$ 552,985</u>	<u>\$ 502,242</u>	<u>\$ 1,629,831</u>	<u>\$ 1,512,002</u>
An analysis of depreciation by function				
Operating costs	\$ 492,654	\$ 463,031	\$ 1,454,163	\$ 1,379,445
Operating expenses	30,397	23,219	89,168	74,175
Other gains and losses	<u>11,755</u>	<u>3,896</u>	<u>35,310</u>	<u>11,387</u>
	<u>\$ 534,806</u>	<u>\$ 490,146</u>	<u>\$ 1,578,641</u>	<u>\$ 1,465,007</u>
An analysis of amortization by function				
Operating costs	\$ 12,596	\$ 9,029	\$ 33,457	\$ 22,121
Selling and marketing expenses	2,539	-	7,659	-
General and administrative expenses	1,377	1,400	5,073	15,402
Research and development expenses	<u>1,667</u>	<u>1,667</u>	<u>5,001</u>	<u>9,472</u>
	<u>\$ 18,179</u>	<u>\$ 12,096</u>	<u>\$ 51,190</u>	<u>\$ 46,995</u>

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Post-employment benefits (Note 25)				
Defined contribution plans	\$ 39,815	\$ 36,528	\$ 116,239	\$ 106,517
Defined benefit plans	<u>12,038</u>	<u>15,947</u>	<u>36,320</u>	<u>48,077</u>
	51,853	52,475	152,559	154,594
Other employee benefits	<u>1,161,986</u>	<u>986,399</u>	<u>3,238,074</u>	<u>3,081,904</u>
Total employee benefits expense	<u>\$ 1,213,839</u>	<u>\$ 1,038,874</u>	<u>\$ 3,390,633</u>	<u>\$ 3,236,498</u>

(Continued)

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
An analysis of employee benefits expense by function				
Operating costs	\$ 862,402	\$ 734,546	\$ 2,348,588	\$ 2,220,489
Operating expenses	347,219	299,953	1,029,294	1,002,432
Non-operating income and expenses	<u>4,218</u>	<u>4,375</u>	<u>12,751</u>	<u>13,577</u>
	<u>\$ 1,213,839</u>	<u>\$ 1,038,874</u>	<u>\$ 3,390,633</u>	<u>\$ 3,236,498</u>

(Concluded)

f. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rate of no less than 1% and no higher than 1%, respectively, of net profit before income tax. The employees' compensation and remuneration of directors for the three months ended September 30, 2019 and 2018 and for the nine months ended September 30, 2019 and 2018, which were accrued by the Company's board of directors as follows:

Accrual rate

	<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.35%	0.56%

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Employees' compensation	<u>\$ 3,435</u>	<u>\$ 1,075</u>	<u>\$ 11,635</u>	<u>\$ 7,335</u>
Remuneration of directors	<u>\$ 1,375</u>	<u>\$ 1,375</u>	<u>\$ 4,125</u>	<u>\$ 4,125</u>

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

The employees' compensation and remuneration of directors for the years ended December 31, 2018 and 2017, which were approved by the Company's board of directors on March 8, 2019 and March 13, 2018, respectively, were as follows:

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2018 and 2017.

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

g. Loss on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Foreign exchange gains	\$ 34,980	\$ 28,779	\$ 203,082	\$ 326,560
Foreign exchange losses	<u>(166,996)</u>	<u>(146,150)</u>	<u>(230,515)</u>	<u>(377,715)</u>
	<u>\$ (132,016)</u>	<u>\$ (117,371)</u>	<u>\$ (27,433)</u>	<u>\$ (51,155)</u>

### 30. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Current tax				
In respect of the current year	\$ 151,208	\$ 89,831	\$ 486,251	\$ 487,579
Adjustments for prior years	<u>(3,488)</u>	<u>(2,783)</u>	<u>(8,746)</u>	<u>775</u>
	<u>147,720</u>	<u>87,048</u>	<u>477,505</u>	<u>488,354</u>
Deferred tax				
In respect of the current year	8,932	14,658	107,560	192,633
Adjustments for prior years	400	972	1,435	5,752
Tax rates changes	<u>-</u>	<u>(10,861)</u>	<u>-</u>	<u>(64,499)</u>
	<u>9,332</u>	<u>4,769</u>	<u>108,995</u>	<u>133,886</u>
Income tax expense recognized in profit or loss	<u>\$ 157,052</u>	<u>\$ 91,817</u>	<u>\$ 586,500</u>	<u>\$ 622,240</u>

The Income Tax Act in the Republic of China ("ROC") was amended in 2018 and the corporate income tax rate was adjusted from 17% to 20% effective in 2018. The effect of the change in tax rate on deferred tax income to be recognized in profit or loss is recognized in full in the period in which the change in tax rate occurs. In addition, the rate of the corporate surtax applicable to 2018 unappropriated earnings had been reduced from 10% to 5%. The income tax rate of subsidiaries in China is 25%. The tax amount generate by other jurisdictions is calculated based on the applicable tax rate in each relevant jurisdictions.

In July 2019, the President of the ROC approved the announcement of the amendments to the Statute of Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in certain assets or technologies above a specific amount are allowed as deduction when computing the income tax on unappropriated earnings. However, the related implementation rules are yet to be issued by the Ministry of Finance; thus, the Company could not estimate the effect on the current income tax.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>Deferred tax</u>				
Effect of tax rate changes In respect of the current year	\$ -	\$ (482)	\$ -	\$ (15,761)
Translation of foreign operations	(80,592)	(68,637)	(57,915)	(45,439)
Fair value changes of financial assets at FVTOCI	<u>(658)</u>	<u>(717)</u>	<u>(1,332)</u>	<u>1,355</u>
Total income tax recognized in other comprehensive income	<u>\$ (81,250)</u>	<u>\$ (69,836)</u>	<u>\$ (59,247)</u>	<u>\$ (59,845)</u>

c. Income tax assessments

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

### 31. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Basic and diluted earnings per share				
From continuing operations and discontinued operations	\$ 0.28	\$ 0.11	\$ 0.93	\$ 0.60
From discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
From continuing operations	<u>\$ 0.28</u>	<u>\$ 0.11</u>	<u>\$ 0.93</u>	<u>\$ 0.60</u>

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

**Net Profit for the Period**

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Profit for the period attributable to owners of the Company (earnings used in the computation of basic and diluted earnings per share)	\$ 301,812	\$ 113,765	\$ 997,873	\$ 641,195
Add: Loss (gain) for the period from discounted operations used in computation of basic earnings per share from discounted operations	<u>282</u>	<u>(820)</u>	<u>(1,284)</u>	<u>(2,269)</u>
Earnings used in the computation of basic and diluted earnings per share from continuing operations	<u>\$ 302,094</u>	<u>\$ 112,945</u>	<u>\$ 996,589</u>	<u>\$ 638,926</u>

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

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
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>902</u>	<u>524</u>	<u>1,029</u>	<u>733</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,073,200</u>	<u>1,072,822</u>	<u>1,073,327</u>	<u>1,073,031</u>

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

### 32. SHARE-BASED PAYMENT ARRANGEMENTS

ACME did not issue employee share options for the nine months ended September 30, 2019 and 2018.

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

	For the Nine Months Ended September 30			
	2019		2018	
	Number of Options	Weighted-average Exercise Price (NT\$)	Number of Options	Weighted-average Exercise Price (NT\$)
Balance at January 1	563	\$ 8.2	563	\$ 8.2
Options exercised	<u>(563)</u>	8.2	<u>-</u>	-
Balance at September 30	<u>-</u>	-	<u>563</u>	8.2
Options exercisable, end of period	<u>-</u>	-	<u>563</u>	8.2

The weighted-average share price of ACME on the exercise date of the share options for the nine months ended September 30, 2019 was \$14.1.

USIO did not issue employee share options for the nine months ended September 30, 2019 and 2018.

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

	For the Nine Months Ended September 30			
	2019		2018	
	Number of Options	Weighted-average Exercise Price (NT\$)	Number of Options	Weighted-average Exercise Price (NT\$)
Balance at January 1	167	\$10.8	194	\$10.8
Options expired	<u>(34)</u>	10.8	<u>(27)</u>	10.8
Balance at September 30	<u>133</u>	10.8	<u>167</u>	10.8
Options exercisable, end of year	<u>133</u>	10.8	<u>167</u>	10.8

### 33. CASH FLOW INFORMATION

#### a. Non-cash transactions

For the nine months ended September 30, 2019 and 2018, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows:

- 1) As of September 30, 2019, December 31, 2018 and September 30 2018 the amounts of payables for purchases of equipment were \$200,161 thousand, \$189,420 thousand and \$124,598 thousand, respectively.

- 2) As of September 30, 2019, December 31, 2018 and September 30, 2018 the amounts of payables for dividends declared but not issued were \$20,756 thousand, \$20,176 thousand and \$26,920 thousand, respectively.

b. Changes in liabilities arising from financing activities

	January 1, 2019	Cash Flows	Non-cash Changes				September 30, 2019
			New Leases	Allocated Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Short-term borrowings	\$ 6,726,854	\$ (1,720,184)	\$ -	\$ -	\$ -	\$ -	\$ 5,006,670
Short-term bills payable	1,514,784	164,000	-	-	-	(62)	1,678,722
Bonds payable	5,992,604	1,995,630	-	2,215	-	(999,861)	6,990,588
Long-term borrowings (including current portions)	9,142,624	553,345	-	-	-	999,861	10,695,830
Guarantee deposits received	26,662	1,254	-	-	-	-	27,916
Lease liabilities (Note 3)	-	(47,068)	546,116	5,941	188	(5,941)	499,236
	<u>\$ 23,403,528</u>	<u>\$ 946,977</u>	<u>\$ 546,116</u>	<u>\$ 8,156</u>	<u>\$ 188</u>	<u>\$ (6,003)</u>	<u>\$ 24,898,962</u>

### 34. CAPITAL MANAGEMENT

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

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

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

### 35. FINANCIAL INSTRUMENTS

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

September 30, 2019

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	<u>\$ 7,990,449</u>	<u>\$ -</u>	<u>\$ 8,023,400</u>	<u>\$ -</u>	<u>\$ 8,023,400</u>

December 31, 2018

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

September 30, 2018

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	\$ 5,991,993	\$ -	\$ 6,029,259	\$ -	\$ 6,029,259

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

September 30, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 23,958	\$ -	\$ 23,958
Domestic listed shares and over-the-counter shares	161,044	-	-	161,044
Mutual funds	4,539,622	-	-	4,539,622
Beneficiary certificates	1,015,424	-	-	1,015,424
Foreign listed shares	751	-	-	751
	<u>\$ 5,716,841</u>	<u>\$ 23,958</u>	<u>\$ -</u>	<u>\$ 5,740,799</u>
Financial assets at FVTOCI				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,664,220	\$ -	\$ -	\$ 1,664,220
Domestic emerging market shares	-	-	20,608	20,608
Domestic unlisted shares	-	-	639,287	639,287
Foreign listed shares and over-the-counter shares	6,090	-	-	6,090
Foreign unlisted shares	-	-	101,397	101,397
	<u>\$ 1,670,310</u>	<u>\$ -</u>	<u>\$ 761,292</u>	<u>\$ 2,431,602</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 2,144	\$ -	\$ 2,144

December 31, 2018

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

(Continued)

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

(Concluded)

### September 30, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 9,105	\$ -	\$ 9,105
Domestic listed shares and over-the-counter shares	205,745	-	-	205,745
Mutual funds	3,193,471	-	-	3,193,471
Beneficiary certificates	941,673	-	-	941,673
Foreign listed shares	820	-	-	820
	<u>\$ 4,341,709</u>	<u>\$ 9,105</u>	<u>\$ -</u>	<u>\$ 4,350,814</u>
Financial assets at FVTOCI				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 2,052,639	\$ -	\$ -	\$ 2,052,639
Domestic emerging market shares	-	-	15,337	15,337
Domestic unlisted shares	-	-	662,125	662,125
Foreign listed shares and over-the-counter shares	6,683	-	-	6,683
Foreign unlisted shares	-	-	172,549	172,549
	<u>\$ 2,059,322</u>	<u>\$ -</u>	<u>\$ 850,011</u>	<u>\$ 2,909,333</u>
Financial liabilities at FVTPL				
Derivatives financial liabilities	<u>\$ -</u>	<u>\$ 2,107</u>	<u>\$ -</u>	<u>\$ 2,107</u>

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

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>
<u>Financial assets at FVTOCI</u>		
Balance at January 1	\$ 845,179	\$ 779,889
Recognized in other comprehensive income (included in unrealized loss on financial assets at FVTOCI)	(31,464)	114,770
Return of capital	<u>(52,423)</u>	<u>(44,648)</u>
Balance at September 30	<u>\$ 761,292</u>	<u>\$ 850,011</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 parties, the Group keeps the results close to the market value 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. When other inputs remain unchanged, the fair value will decrease/increase by \$76,129 thousand and \$85,001 thousand, for the nine months ended September 30, 2019 and 2018, if the discount for lack of marketability increases/decreases by 10%, respectively.

c. Categories of financial instruments

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
<u>Financial assets</u>			
Financial assets at FVTPL			
Financial assets mandatory at FVTPL	\$ 5,740,799	\$ 5,084,305	\$ 4,350,814
Financial assets at amortized cost			
Cash and cash equivalents	8,416,958	8,123,304	12,284,181
Debt investments with no active market	662,074	750,893	735,519
Notes receivable	785,404	1,015,882	1,189,072
Accounts receivable	6,770,998	7,532,851	6,587,464
Other receivables (including related parties)	307,483	279,612	373,916
Refundable deposits	154,807	160,228	152,393
Financial assets at FVTOCI - equity instrument investments	2,431,602	2,680,457	2,909,333
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	2,144	11,135	2,107
Financial liabilities measured at amortized cost			
Short-term borrowings	5,006,670	6,726,854	3,786,434
Short-term bills payable	1,678,722	1,514,784	3,597,115

(Continued)

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Notes payable and accounts payable	\$ 2,733,959	\$ 3,392,687	\$ 4,249,907
Other payables (including related parties)	1,892,626	1,897,550	1,834,063
Current portion of long-term borrowings	1,511,461	525,000	541,800
Bonds payable	6,990,588	5,992,604	5,991,993
Long-term borrowings	9,184,369	8,617,624	8,013,136
Guarantee deposits received	27,916	26,662	28,059
			(Concluded)

d. Financial risk management objectives and policies

The Group's risk control and hedging strategy are influenced by the operational environment. The Group properly monitors and manages the risks related to business nature in accordance with the principle of risk diversification. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

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

a) Foreign currency risk

The Group had conducted foreign currency sales and purchases, which exposed the Group to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Group used foreign exchange forward contracts to eliminate foreign currency exposure and thus mitigate the impact of the risk. The use of foreign exchange forward contracts was governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group did not enter into or traded foreign exchange contracts for speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 40 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 nine months ended September 30, 2019 will decrease/increase by \$115,588 thousand; the profit before tax for the nine months ended September 30, 2018 will decrease/increase by \$66,088 thousand.

Because this sensitivity analysis is based on the computation of foreign currency exposure at balance sheet date, the management concedes that this analysis cannot properly reflect the mid-year exposures.

b) Interest rate risk

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

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Fair value interest rate risk			
Financial assets	\$ 4,839,303	\$ 5,347,257	\$ 10,580,662
Financial liabilities	16,832,048	12,766,926	13,280,220
Cash flow interest rate risk			
Financial assets	3,762,701	3,422,707	2,130,379
Financial liabilities	8,038,998	10,609,940	8,650,258

Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Group's computation was based on financial assets and financial liabilities with cash flow interest rate risk. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the nine months ended September 30, 2019 and 2018 would have decreased/increased by \$16,036 thousand and \$24,450 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities listed in the ROC and beneficiary certificates. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk.

Sensitivity analysis

The analysis below was determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices fluctuates by 5%, the pre-tax profit for the nine months ended September 30, 2019 and 2018 would have increased/decreased by \$285,842 thousand and \$217,085 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 nine months ended September 30, 2019 and 2018 would have increased/decreased by \$121,580 thousand and \$145,467 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The counterparties of the Group's trade receivable included numerous clients distributed over a variety of areas, and not centered on a single client or location. Besides this, ongoing credit evaluations are performed on the financial conditions of trade receivables, so the Group's credit risk is limited. At balance sheet date, the Group's maximum exposure to credit risk approximates the carrying amounts of the respective recognized financial assets as stated in the consolidated balance sheet.

## 3) Liquidity risk

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

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest repayment dates.

#### September 30, 2019

	<b>Weighted Average Interest Rate (%)</b>	<b>On Demand or Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 4,626,585	\$ -	\$ -
Lease liabilities	1.04-2.00	70,818	267,106	196,199
Floating interest rate liabilities	0.83-5.00	854,628	7,184,600	-
Fixed interest rate liabilities	0.50-3.15	<u>7,342,642</u>	<u>9,000,000</u>	<u>-</u>
		<u>\$ 12,894,673</u>	<u>\$ 16,451,706</u>	<u>\$ 196,199</u>

#### Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>
Lease liabilities	<u>\$ 70,818</u>	<u>\$ 267,106</u>	<u>\$ 98,496</u>	<u>\$ 50,453</u>	<u>\$ 47,250</u>

#### December 31, 2018

	<b>Weighted Average Interest Rate (%)</b>	<b>On Demand or Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 5,290,237	\$ -	\$ -
Floating interest rate liabilities	0.83-4.58	3,042,315	7,567,625	-
Fixed interest rate liabilities	0.49-3.65	<u>5,724,539</u>	<u>7,050,575</u>	<u>-</u>
		<u>\$ 14,057,091</u>	<u>\$ 14,618,200</u>	<u>\$ -</u>

September 30, 2018

	<b>Weighted Average Interest Rate (%)</b>	<b>On Demand or Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 6,083,970	\$ -	\$ -
Floating interest rate liabilities	0.83-4.38	3,330,753	5,320,000	-
Fixed interest rate liabilities	0.75-1.90	<u>4,595,481</u>	<u>8,693,200</u>	-
		<u>\$ 14,010,204</u>	<u>\$ 14,013,200</u>	<u>\$ -</u>

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

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

September 30, 2019

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 1,253,417	\$ 1,381,998	\$ 36,159
Outflows	<u>(1,242,662)</u>	<u>(1,389,275)</u>	<u>(37,733)</u>
	<u>\$ 10,755</u>	<u>\$ (7,277)</u>	<u>\$ (1,574)</u>

December 31, 2018

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

September 30, 2018

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 576,735	\$ 1,169,327	\$ 26,146
Outflows	<u>(575,015)</u>	<u>(1,168,422)</u>	<u>(27,473)</u>
	<u>\$ 1,720</u>	<u>\$ 905</u>	<u>\$ (1,327)</u>

c) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of September 30, 2019, December 31, 2018 and September 30, 2018, the unused amounts of bank loan facilities were as follows:

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Bank loan facilities			
Amount unused	<u>\$ 27,031,040</u>	<u>\$ 20,493,587</u>	<u>\$ 22,034,231</u>

### 36. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries (which are related parties of the Company) have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties' names and their relationships

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

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

<b>Related Party Category/Name</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Other related party				
USI Education Foundation	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 8,500</u>	<u>\$ 7,500</u>

c. Management services income (classified as other income)

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Joint venture	\$ 7,581	\$ 5,096	\$ 21,045	\$ 18,326

d. Other receivables

Related Party Category/Name	September 30, 2019	December 31, 2018	September 30, 2018
Joint venture	\$ 6,810	\$ 12,768	\$ 4,910

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 September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Short-term employee benefits	\$ 10,152	\$ 9,002	\$ 29,693	\$ 30,858
Post-employment benefits	81	81	243	243
	<u>\$ 10,233</u>	<u>\$ 9,083</u>	<u>\$ 29,936</u>	<u>\$ 31,101</u>

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

### 37. ASSETS PLEDGED AS COLLATERAL

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

	September 30, 2019	December 31, 2018	September 30, 2018
Pledged time deposits (classified as financial assets measured at amortized cost)	\$ 662,074	\$ 750,893	\$ 735,519
Equity shares	543,850	970,370	1,637,625
Property, plant and equipment	6,837,369	4,082,108	3,578,927
Investment properties, net	108,178	108,178	108,178
Land use rights (classified as long-term prepayments for leases)	-	78,189	71,901
Land use rights (classified as right-of-use assets)	76,370	-	-
Refundable deposits (classified as other non-current assets)	<u>69,267</u>	<u>53,535</u>	<u>53,283</u>
	<u>\$ 8,297,108</u>	<u>\$ 6,043,273</u>	<u>\$ 6,185,433</u>

### **38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENT**

- a. As of September 30, 2019, December 31, 2018 and September 30, 2018, the Group's unused letter of credit amounted to \$2,436,270 thousand, \$3,857,537 thousand and \$4,116,941 thousand, respectively.
- b. The following is regarding the subsidiary, CGTD, who was commissioned to operate LCY Chemical Corp.'s propene pipeline resulting in a gas explosion on July 31, 2014 and the first instance judgment of criminal procedures was reached on May 11, 2018, whereby three employees of CGTD were each sentenced to four years and six months of imprisonment, and CGTD had assisted the employees in appealing against the judgment.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, to pledge certificates of bank deposits of \$227,258 thousand, included interest, to the Kaohsiung City Government as collateral for the losses caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. At the end of October 31, 2019, the provisionally attached properties were worth \$142,657 thousand.

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

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims' families on October 25, 2017. The compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of October 31, 2019, the victims and victims' families had written letters or filed civil procedures (and criminal procedures) against CGTD, LCY Chemical Corp. and CPC for compensation claims. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim for \$25,719 thousand, and the amount of the settlement was \$3,939 thousand. The accumulated settlement amount for an agreement to settle the litigation case with the victims in the abovementioned compensation was \$3,877,405 thousand. The first-instance judgments of some of the abovementioned civil cases (with a total amount of compensation of approximately \$1,196,979 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault-based liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most of case judgments. The total amount that CGTD, LCY Chemical Corp. and the other defendants should compensate was about \$388,530 thousand, of which the court ruled an exemption for CGTD in the amount of \$6,194 thousand, but was required to pay \$191,168 thousand, for the estimated portion of compensation that CGTD should pay at the moment according to the judgment of the first instance. CGTD had filed an appeal in those civil cases which were announced but not yet settled and entered into the second-instance trials. In addition, with regard to the abovementioned compensation, CGTD estimated and recognized an amount of \$136,375 thousand based on its fault-based liability proportion in the first-instance judgment. The actual liability of CGTD depends on the future judgments of the remaining civil cases.

### 39. SIGNIFICANT CONTRACT

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

The Company and APC entered into a joint venture contract for an investment of Fujian Gulei Petrochemical Co., Ltd. on April 17, 2014. The related entities of the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, HsinTay Petroleum Company Limited, Chenery Global Corporation and Lien Hwa Industrial Corporation. The main contents of the contract and commitments include: (1) the shareholders shall establish Ever Victory Global Limited (hereinafter referred to as the “Joint Venture”) and agree to pass the establishment of the 100%-owned company named Dynamic Ever Investments Limited in Hong Kong, which purpose is to build oil refineries and produce ethylene as well as seven other products on the Gulei Peninsula in Zhangzhou, Fujian Province, as approved by the Investment Commission of Taiwan’s Ministry of Economic Affairs and according to the business operation permitted by the Joint Venture’s board of directors; and (2) Dynamic Ever Investments Limited will establish a joint venture company in accordance with the laws of the People’s Republic of China with Fujian Refining and Chemical Co., at Gulei Park located in Zhangzhou Fujian Province (“Gulei Company”) and acquire 50% interest of Gulei Company for cooperative investment.

The Company and APC invested US\$3,131 thousand (approximately \$94,221 thousand) and US\$2,171 thousand (approximately \$65,202 thousand), respectively, to establish Ever Conquest Global Limited in order to invest in Ever Victory Global Limited via the third party, and the shareholding ratio of the joint venture was 31.75%. Dynamic Ever Investments Limited and Fujian Refining and Chemical Co. signed “Fujian Gulei Petrochemical Corporation Limited Joint Venture Contract” which stipulated an increase in the investment amount, and this contract led to part of the original related contract entities being unable to keep their respective investment ratios as provided by the original contract or to participate in the subsequent capital increase procedures. In order to meet the business requirement of the original contract, the Company and APC re-signed the joint venture contract on September 30, 2016 and added a new contractually promised related entity, CTCI Corp.

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

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

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

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.

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 which was approved by the board of directors on June 5, 2019. According to the contract, DOR PO will invest US\$109,215 thousand in Dynamic Ever Investment Limited in 2019. As of September 30, 2019, DOR PO had invested US\$54,608 thousand and held 10.1% ownership interest in Dynamic Ever Investment Limited.

c. Significant operating contract

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

<u>Commissioned Company</u>	<u>Operation Contract Period</u>
Taita Chemical Company, Ltd.	2017.01.01-2019.12.31
Taiwan VCM Corporation	2017.01.01-2019.12.31
USI Corporation	2019.01.01-2019.12.31
Asia Polymer Corporation	2019.01.01-2019.12.31
Formosa Plastic Corporation	2019.01.01-2019.12.31
Oriental Union Chemical Corporation	2019.01.01-2019.12.31
LCY Chemical Corporation	2017.01.01-2019.12.31
Taiwan Styrene Monomer Corporation	2017.01.01-2019.12.31
Transformational Chemistry Corporation	2017.01.01-2019.12.31
NANTEX Industry Co., Ltd.	2017.01.01-2019.12.31
En Chuan Chemical Industries Co., Ltd.	2017.01.01-2019.12.31
Xin Long Guang Plastics Co., Ltd.	2017.01.01-2019.12.31

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

#### 40. 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

	September 30, 2019					
	Foreign Currency	Exchange Rate (In Single Dollars)			Functional Currency	NTD
<u>Foreign currency assets</u>						
Monetary items						
USD	\$ 153,549	31.04	(USD:NTD)	\$ 4,766,151	\$ 4,766,151	
USD	4,199	7.07	(USD:RMB)	29,706	130,366	
USD	3,550	4.36	(USD:MYR)	15,471	110,184	
RMB	342,970	4.39	(RMB:NTD)	1,505,161	1,505,161	
RMB	3,172	0.14	(RMB:USD)	448	13,918	
HKD	6,884	3.96	(HKD:NTD)	27,249	27,249	
AUD	677	20.97	(AUD:NTD)	14,186	14,186	
EUR	502	33.95	(EUR:NTD)	17,068	17,068	
Non-monetary items						
Joint ventures accounted for using the equity method						
RMB	3,466,779	0.14	(RMB:USD)	490,150	15,214,244	
Derivative instruments						
USD sell	20,070	31.04	(USD:NTD)	4,370	4,370	
USD sell	1,200	4.36	(USD:MYR)	51	360	
RMB sell	242,500	4.39	(RMB:NTD)	18,823	18,823	
EUR sell	197	4.77	(EUR:MYR)	39	276	
JPY buy	50,000	0.01	(JPY:USD)	4	129	
<u>Foreign currency liabilities</u>						
Monetary items						
USD	24,121	31.04	(USD:NTD)	748,747	748,747	
USD	13,048	7.07	(USD:RMB)	92,287	405,014	
RMB	52,682	4.39	(RMB:NTD)	231,200	231,200	
Non-monetary items						
Derivative instruments						
USD sell	24,690	31.04	(USD:NTD)	1,679	1,679	
USD buy	2,140	31.04	(USD:NTD)	372	372	
RMB sell	17,900	4.39	(RMB:NTD)	42	42	
USD sell	400	4.36	(USD:MYR)	7	51	

**December 31, 2018**

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

**September 30, 2018**

	<b>Foreign Currency</b>	<b>Exchange Rate (In Single Dollars)</b>		<b>Functional Currency</b>	<b>NTD</b>
<u>Foreign currency assets</u>					
Monetary items					
USD	\$ 148,246	30.53	(USD:NTD)	\$ 4,525,196	\$ 4,525,196
USD	7,648	6.88	(USD:RMB)	52,613	233,460
USD	3,049	4.30	(USD:MYR)	13,110	93,065
RMB	242,037	4.44	(RMB:NTD)	1,073,992	1,073,992
AUD	893	22.04	(AUD:NTD)	19,683	19,683
EUR	640	35.48	(EUR:NTD)	22,736	22,736
(Continued)					

September 30, 2018					
	Foreign Currency	Exchange Rate (In Single Dollars)		Functional Currency	NTD
Non-monetary items					
Joint ventures accounted for using the equity method					
RMB	\$ 1,158,048	0.15	(RMB:USD)	\$ 168,341	\$ 5,138,594
Derivative instruments					
USD buy	1,570	30.53	(USD:NTD)	18	18
USD sell	14,850	30.53	(USD:NTD)	3,048	3,048
USD sell	700	4.30	(USD:MYR)	17	123
RMB sell	137,200	4.44	(RMB:NTD)	5,835	5,835
EUR sell	127	5.00	(EUR:MYR)	11	81
<u>Foreign currency liabilities</u>					
Monetary items					
USD	48,803	30.53	(USD:NTD)	1,489,692	1,489,692
USD	37,972	6.88	(USD:RMB)	261,215	1,159,091
RMB	48,807	4.44	(RMB:NTD)	216,571	216,571
Non-monetary items					
Derivative instruments					
USD buy	7,750	30.53	(USD:NTD)	1,661	1,661
USD sell	11,390	30.53	(USD:NTD)	334	334
USD sell	200	4.30	(USD:MYR)	5	34
RMB sell	9,800	4.44	(RMB:NTD)	78	78
					(Concluded)

For the three months ended September 30, 2019 and 2018, realized and unrealized net foreign exchange losses were \$132,016 thousand, \$117,371 thousand, respectively, and for the nine months ended September 30, 2019 and 2018 were \$27,433 thousand and \$51,155 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

#### 41. SEPARATELY DISCLOSED ITEMS

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

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

- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
  - 9) Trading in derivative instruments. (Notes 7 and 35)
  - 10) Intercompany relationships and significant intercompany transactions. (Table 9)
  - 11) Information on investees. (Table 7)
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (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)

## 42. 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 Nine Months Ended September 30, 2019						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	\$ 8,303,904	\$ 11,407,164	\$ 13,464,687	\$ 1,587,013	\$ 5,040,677	\$ 3,547,356	\$ 43,350,801
Interest income	12,479	12,155	18,009	8,612	10,854	53,154	115,263
Finance costs	(91,099)	(9,188)	(39,739)	(15,642)	(41,319)	(34,904)	(231,891)
Depreciation and amortization	(362,465)	(476,887)	(157,992)	(159,811)	(227,011)	(299,183)	(1,683,349)
Impairment loss	-	-	-	-	(1,707)	(14,131)	(15,838)
Reportable segment profit (loss) before tax	1,147,778	520,970	435,907	(42,613)	652,163	543,885	3,258,090
Reportable segment tax expense	(149,905)	(97,958)	(120,545)	(14,505)	(105,362)	(98,225)	(586,500)
Reportable segment net profit (loss)	997,873	423,012	315,362	(57,118)	546,801	445,660	2,671,590

  

	For the Nine Months Ended September 30, 2018						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	\$ 8,807,937	\$ 11,298,548	\$ 16,585,574	\$ 1,814,023	\$ 4,488,953	\$ 3,923,494	\$ 46,918,529
Interest income	14,033	11,251	9,765	11,420	15,024	46,681	108,174
Finance costs	(60,688)	(7,733)	(41,133)	(18,239)	(29,962)	(42,639)	(200,394)
Depreciation and amortization	(324,063)	(392,561)	(147,228)	(161,635)	(219,398)	(276,794)	(1,521,679)
Impairment losses reserved	-	-	-	-	13,423	-	13,423
Reportable segment profit before tax	722,019	1,527,297	520,625	273,207	287,689	442,326	3,773,163
Reportable segment tax expense	(80,824)	(284,178)	(136,966)	(32,331)	(24,153)	(63,788)	(622,240)
Reportable segment net profit	641,195	1,243,119	383,659	240,876	263,536	378,538	3,150,923

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

#### 1) Segment income and operating results

	For the Nine Months Ended September 30	
	2019	2018
Reportable segment net profit before tax	\$ 2,714,205	\$ 3,330,837
Reportable segment tax expense	(488,275)	(558,452)
Reportable segment profit after tax	2,225,930	2,772,385
Other non-reportable segment profit	445,660	378,538
Less: Profit between segments	(816,925)	(1,134,277)
Profit from continuing operations	1,854,665	2,016,646
Profit from discontinued operations	3,604	6,355
Net profit after tax	\$ 1,858,269	\$ 2,023,001

## 2) Other significant items reconciliation

For the Nine Months Ended September 30, 2019								
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	Total
Interest income	\$ 12,479	\$ 12,155	\$ 18,009	\$ 8,612	\$ 10,854	\$ 53,154	\$ -	\$ 115,263
Finance costs	(91,099)	(9,188)	(39,739)	(15,642)	(41,319)	(34,904)	2,846	(229,045)
Depreciation and amortization	(362,465)	(476,887)	(157,992)	(159,811)	(227,011)	(299,183)	41,941	(1,641,408)
Impairment loss	-	-	-	-	(1,707)	(14,131)	-	(15,838)

  

For the Nine Months Ended September 30, 2018								
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	Total
Interest income	\$ 14,033	\$ 11,251	\$ 9,765	\$ 11,420	\$ 15,024	\$ 46,681	\$ -	\$ 108,174
Finance costs	(60,688)	(7,733)	(41,133)	(18,239)	(29,962)	(42,639)	-	(200,394)
Depreciation and amortization	(324,063)	(392,561)	(147,228)	(161,635)	(219,398)	(276,794)	668	(1,521,011)
Impairment loss reserved	-	-	-	-	13,423	-	-	13,423

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

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

**FINANCING PROVIDED TO OTHERS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance (Notes 2 and 4)	Actual Borrowing Amount (Notes 2 and 4)	Interest Rate	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	Acme Electronics Corporation	Golden Amber Enterprises Ltd.	Other receivables - related parties	Yes	\$ 25,280 (US\$ 800 thousand)	\$ 24,832 (US\$ 800 thousand)	\$ 24,832 (US\$ 800 thousand)	3.24814%- 3.63263%	2	\$ -	Business turnover	\$ -	-	-	\$ 535,210	\$ 535,210
		ACME Electronics (Cayman) Corp.	Other receivables - related parties	Yes	251,120 (US\$ 8,000 thousand)	248,320 (US\$ 8,000 thousand)	186,240 (US\$ 6,000 thousand)	2.95625%- 3.70663%	2	-	Business turnover	-	-	-	535,210	535,210
		Acme Electronics (Kunshan) Co., Ltd.	Other receivables - related parties	Yes	91,986 (RMB 20,000 thousand)	-	-	-	2	-	Business turnover	-	-	-	535,210	535,210

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 September 30, 2019.

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

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

Note 3: The amount was calculated using the spot exchange rate as of September 30, 2019.

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

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

**FINANCING PROVIDED TO OTHERS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance (Note 4)	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
1	Forever Young Company Limited	Swanson International Ltd.	Other receivables - related parties	Yes	\$ 98,118	\$ 96,379	\$ 96,379	-	2	\$ -	Business turnover	\$ -	-	-	\$ 124,977	\$ 187,466
		A.S. Holding (UK) Limited	Long-term receivables - related parties	Yes	9,445	-	-	-	1	-	-	-	-	-	-	124,977
2	ASK-Swanson (Kunshan) Co., Ltd	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	232,596	232,596	179,933	4.35%-4.43%	2	-	Business turnover	-	-	-	512,767	512,767
3	Swanson Plastics (Singapore) Private Limited	Swanson Plastics (India) Private Limited	Other receivables - related parties	Yes	112,180	110,192	110,192	-	1	-	-	-	-	-	380,163	380,163

Note 1: The limits of financing provided to others shall not exceed 40% of lender's net value.

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

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

Note 3: The foreign currency amount was calculated using the spot exchange rate as of September 30, 2019.

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

**USI CORPORATION AND SUBSIDIARIES**

(Taita Chemical Company, Ltd. (TTC))

**FINANCING PROVIDED TO OTHERS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Note 4)	Actual Borrowing Amount (Notes 4 and 5)	Interest Rate	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2 and 4)	Aggregate Financing Limit (Notes 1, 2 and 4)
													Item	Value		
1	Taita Chemical (Zhongsan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	\$ 877,720 (RMB 200,000 thousand)	\$ 438,860 (RMB 100,000 thousand)	\$ 87,772 (RMB 20,000 thousand)	5.22%	2	\$ -	Business turnover	\$ -	-	\$ -	\$ 2,256,671	\$ 2,256,671

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 September 30, 2019, TTC didn't loan funds to anyone.

Note 2: The total amount of lending to a company for funding of short-term period shall not exceed 40% of the audited net worth of Taita Chemical (Zhongsan) Co., Ltd. The restriction does not apply to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by TTC. As September 30, 2019, the audited net worth of Taita Chemical (Zhongsan) Co., Ltd. was RMB514,214 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 September 30, 2019.

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

## USI CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	USI Corporation	Union Polymer Int'l Investment Corp.	Subsidiary which directly held more than 50% of ordinary shares	\$ 11,184,728	\$ 3,700,000	\$ 3,700,000	\$ 1,429,000	\$ -	19.85	\$ 11,184,728	Yes	No	No
		Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	11,184,728	330,400 (US\$ 10,000 thousand) (NT\$ 20,000 thousand)	330,400 (US\$ 10,000 thousand) (NT\$ 20,000 thousand)	50,451	-	1.77	11,184,728	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 September 30, 2019.

Note 2: The amount was calculated using the spot exchange rate as of September 30, 2019.

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

**ENDORSEMENTS/GUARANTEES PROVIDED**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	\$ 2,676,052	\$ 368,820 (US\$ 12,000 thousand)	\$ 279,360 (US\$ 9,000 thousand)	\$ 108,640 (US\$ 3,500 thousand)	\$ -	20.88	\$ 2,676,052	No	No	Yes
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	2,676,052	158,000 (US\$ 5,000 thousand)	155,200 (US\$ 5,000 thousand)	-	-	11.60	2,676,052	No	No	Yes

Note 1: The rate was calculated by the ending balance of equity of the endorser/guarantor as of September 30, 2019.

Note 2: The maximum amount of total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of the endorser/guarantor. The maximum amount of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of September 30, 2019.

Note 3: The amount was calculated based on the spot exchange rate as of September 30, 2019.

**USI CORPORATION AND SUBSIDIARIES**

(Swanson Plastics Corporation (SPC))

**ENDORSEMENTS/GUARANTEES PROVIDED**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount (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
		Name	Relationship										
0	Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	Subsidiary	\$ 6,180,745	\$ 85,658	\$ 55,468	\$ -	\$ -	2.24	\$ 6,180,745	No	No	No
		Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsidiary	6,180,745	37,920	37,248	-	-	1.51	6,180,745	No	No	No
		Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsidiary	6,180,745	126,400	124,160	-	-	5.02	6,180,745	No	No	Yes
		Swanson Technologies Corporation	Subsidiary	6,180,745	142,160	140,704	106,180	-	5.69	6,180,745	No	No	No
		Swanson Plastic (Tianjin) Co., Ltd.	Sub-subsidiary	6,180,745	63,200	62,080	-	-	2.51	6,180,745	No	No	Yes
		PT. Swanson Plastics Indonesia Ltd.	Subsidiary	6,180,745	63,200	62,080	-	-	2.51	6,180,745	No	No	No
		Forever Young Company Limited	Subsidiary	6,180,745	2,381,593	1,997,216	248,320	-	80.78	6,180,745	No	No	No

Note 1: The amount of endorsements/guarantees for an individual entity shall not exceed 250% of SPC's equity as of September 30, 2019.

Note 2: The amount was calculated based on the spot exchange rate as of September 30, 2019.

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

**ENDORSEMENTS/GUARANTEES PROVIDED**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 8,017,545	\$ 2,910,400	\$ 2,300,000	\$ 215,520	\$ -	28.69	\$ 8,017,545	No	No	No

Note 1: The ratio was calculated by the ending balance of equity of CGPC as of September 30, 2019.

Note 2: The total amount of guarantee that may be provided by CGPC to any individual entity shall not exceed one hundred percent (100%) of CGPC's net worth.

**USI CORPORATION AND SUBSIDIARIES**  
(Taita Chemical Company, Ltd. (TTC))

**ENDORSEMENTS/GUARANTEES PROVIDED**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 1)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 1)	Actual Borrowing Amount (Note 1)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Taita Chemical Company, Ltd.	Taita (BVI) Holding Co., Ltd.	Subsidiary which directly held 100% ordinary shares	\$ 6,320,772	\$ 1,624,320 (US\$ 33,000 thousand) (NT\$ 600,000 thousand)	\$ 1,624,320 (US\$ 33,000 thousand) (NT\$ 600,000 thousand)	\$ 792,141	\$ -	38.55	\$ 6,320,772	No	No	No
		Taita Chemical (Zhongshan) Co., Ltd.	100% voting shares directly owned by TTC	6,320,772	219,430 (RMB 50,000 thousand)	219,430 (RMB 50,000 thousand)	4,389	-	5.21	6,320,772	No	No	Yes
		Taita Chemical (Tianjin) Co., Ltd.	100% voting shares directly owned by TTC	6,320,772	465,600 (US\$ 15,000 thousand)	-	-	-	-	6,320,772	No	No	Yes

Note 1: The amount was calculated at the spot exchange rate as of September 30, 2019.

Note 2: The ceilings to TTC on the aggregate amounts of endorsements/guarantees permitted shall not exceed 150% of total equity of TTC. The ceilings on the aggregate amounts of endorsements/guarantees permitted shall not exceed 200% of total equity of TTC.

## USI CORPORATION AND SUBSIDIARIES

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

SEPTEMBER 30, 2019

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Corporation	<u>Shares</u>							
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income - non-current	15,130,656	\$ 630,948	1.98	\$ 630,948	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	15,329,223	237,090	11.90	237,090	
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	8,514,006	66,920	0.09	66,920	
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	310,000	2,610	0.45	2,610	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	1,664,722	21,641	-	21,641	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	500,000	28,300	-	28,300	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss - current	229,127	1,874	-	1,874	
	Teratech Corp.	-	Financial assets at fair value through profit or loss - non-current	110,000	-	-	-	Note 2
	<u>Beneficiary certificates</u>							
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,933,652	250,608	-	250,608	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	16,833,145	250,061	-	250,061	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	18,384,950	249,381	-	249,381	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,104,036	185,689	-	185,689	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,415,458	137,570	-	137,570	
	CTBC Hwa Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,870,520	86,951	-	86,951	
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,600,579	55,427	-	55,427	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Franklin Templeton SinoAm Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,857,576	\$ 50,344	-	\$ 50,344	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,995,555	50,188	-	50,188	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,162,215	50,149	-	50,149	
	Eastspring Investments Well Poll Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,622,210	49,399	-	49,399	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,455,845	49,216	-	49,216	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,920,509	47,239	-	47,239	
	Hua Nan Phonenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,862,077	46,644	-	46,644	
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,914,407	31,314	-	31,314	
	SinoPac TWD Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,261,378	17,604	-	17,604	
	<u>Beneficiary certificates (REIT)</u>							
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	7,980,000	106,852	-	106,852	
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	3,000,000	51,750	-	51,750	
	Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,900,000	78,449	-	78,449	
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	41,025	-	41,025	
Union Polymer Int'l Investment Corp.	<u>Shares</u> Asia Polymer Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	20,711,939	309,643	3.74	309,643	
	China General Plastics Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	4,053,793	80,468	0.77	80,468	
	Taita Chemical Company, Ltd.	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	383,520	4,257	0.11	4,257	
Swanlake Traders Ltd.	<u>Shares</u> SOHWARE 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	3,282 (US\$ 136 thousand)	0.70	3,282	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USIFE Investment Co., Ltd.	<u>Shares</u>							
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - current	1,266,061	\$ 9,951	0.01	\$ 9,951	
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	1,266,061	9,951	0.01	9,951	
	Wafer Works Corporation	-	Financial assets at fair value through other comprehensive income - non-current	3,001,655	101,006	0.59	101,006	
	Solargiga Energy Holdings Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	11,876,111	4,559	0.37	4,559	
	Dah Chung Bills Finance Corporation	-	Financial assets at fair value through other comprehensive income - non-current	470,914	6,649	0.10	6,649	
	Swanson Plastics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	575,792	7,980	0.37	7,980	
	USI Optronics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	165,279	481	0.25	481	
	Digimax, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	23,234	115	0.05	115	
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	712,000	5,995	1.03	5,995	
	Silicon Technology Investment (Cayman) Corp.	-	Financial assets at fair value through other comprehensive income - non-current	911,849	43,596	1.77	43,596	
	Boldworks Inc.	-	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	Note 2
	TGF Linux Communication, Inc.	-	Financial assets at fair value through profit or loss - non-current	200,000	-	-	-	Note 2
	!Hey Inc.	-	Financial assets at fair value through profit or loss - non-current	557,661	-	-	-	Note 2
	SOHWARE Ordinary	-	Financial assets at fair value through profit or loss - non-current	9,000,000	-	8.19	-	Note 2
	SOHWARE Preferred A	-	Financial assets at fair value through profit or loss - non-current	4,950,000	-	4.51	-	Note 2
	SOHWARE Preferred D	-	Financial assets at fair value through profit or loss - non-current	7,725,000	-	7.03	-	Note 2
	SOHWARE Convertible	-	Financial assets at fair value through profit or loss - non-current	-	-	-	-	Note 2
	China General Plastics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	472,511	9,379	0.09	9,379	
Asia Polymer Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,577,809	23,588	0.28	23,588		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	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	\$ 12,912	0.35	\$ 12,912	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	100,000	5,660	-	5,660	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	554,907	7,214	0.01	7,214	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss - current	2,465,005	20,164	0.10	20,164	
	Acme Electronics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	500,000	6,300	0.27	6,300	
	Superactive Group Company Limited	-	Financial assets at fair value through profit or loss - current	678,000	751	-	751	
	<u>Beneficiary certificates</u> Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,560,710	54,062	-	54,062	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,870,081	30,571	-	30,571	
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	4,223,969	61,132	-	61,132	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,151,207	64,244	-	64,244	
	<u>Beneficiary certificates (REIT)</u> Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	750,000	12,308	-	12,308	
Taiwan United Venture Capital Corp.	<u>Beneficiary certificates</u> Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	3,399,556	49,200	-	49,200	
	<u>Shares</u> 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
	Intergrafx, Inc.	-	Financial assets at fair value through profit or loss - non-current	167,000	-	1.20	-	Note 2
	SOHOWare Inc.	-	Financial assets at fair value through profit or loss - non-current	750,000	-	0.68	-	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	TGF Linux Communications Inc.	-	Financial assets at fair value through profit or loss - non-current	600,000	\$ -	4.26	\$ -	Note 2
	B4 Composites, Inc.	-	Financial assets at fair value through profit or loss - non-current	4,000	-	4.00	-	Note 2
	IWICS, Inc.	-	Financial assets at fair value through profit or loss - non-current	500,000	-	0.40	-	Note 2
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	4,593,286	37,573	0.18	37,573	
	Mitac Holdings Corp.	-	Financial assets at fair value through other comprehensive income - current	1,841,072	48,144	0.17	48,144	
	Chitec Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	381,906	20,608	1.37	20,608	
	Leadwell Cnc Machines Mfg., Corp.	-	Financial assets at fair value through other comprehensive income - non-current	419,753	9,554	0.68	9,554	
	Digimax, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	518,898	2,569	1.18	2,569	
	Orgchem Technology, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	594,594	9,644	1.09	9,644	
	Hexawave, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	109,109	913	0.27	913	
	Global BioPharma, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	712,000	5,995	1.03	5,995	
	Uranus Chemicals Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	12,610	334	0.03	334	
	<u>Preference shares</u> Neurosky Inc. Preferred A	-	Financial assets at fair value through other comprehensive income - non-current	10,000,000	-	1.42	-	Note 2
	Neurosky Inc. Preferred B	-	Financial assets at fair value through other comprehensive income - non-current	12,595,523	-	1.78	-	Note 2
	Neurosky 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.	<u>Beneficiary certificates</u> Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	91,730	1,328	-	1,328	
	<u>Shares</u> Sohoware Inc. Preferred B2	-	Financial assets at fair value through profit or loss - non-current	5,277,560	-	4.80	-	Note 2
	Sohoware Inc. Preferred C	-	Financial assets at fair value through profit or loss - non-current	1,250,458	-	1.14	-	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Thintec Materials Corporation	<u>Beneficiary certificates</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	930,329	\$ 12,619	-	\$ 12,619	
Inoma Corporation	<u>Beneficiary certificates</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,057,290	14,341	-	14,341	
USI Optronics Corporation	<u>Beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	680,402	10,108	-	10,108	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	496,715	7,074	-	7,074	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,703,082	23,101	-	23,101	
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,412,688	17,020	-	17,020	
USI Management Consulting Corp.	<u>Beneficiary certificates</u> Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,200,688	30,013	-	30,013	

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.

(Concluded)

## USI CORPORATION AND SUBSIDIARIES

(China General Plastics Corporation (CGPC))

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

SEPTEMBER 30, 2019

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Plastics Corporation	<u>Closed-end fund beneficiary certificates</u> Cathay No. 1 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	4,268,000	\$ 68,331	-	\$ 68,331	1
	Fubon No. 2 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	4,980,000	66,682	-	66,682	1
	Shin Kong No. 1 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	3,000,000	51,750	-	51,750	1
	Cathay No. 2 Real Estate Investment Trust	-	Financial assets at fair value through profit or loss - current	2,500,000	41,025	-	41,025	1
	<u>Open-end fund beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,548,269	23,000	-	23,000	1
	<u>Ordinary shares</u> KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	7,664,611	118,573	5.95	118,573	1
	Taiwan VCM Corporation (TVCM)	<u>Open-end fund beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,366,391	50,009	-	50,009
UPAMC James Bond Money Market Fund		-	Financial assets at fair value through profit or loss - current	1,373,036	23,004	-	23,004	1
<u>Ordinary shares</u> Asia Polymer Corporation		The major shareholders are the same as the those of CGPC	Financial assets at fair value through other comprehensive income - non-current	121,611	1,818	0.02	1,818	1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
CGPC Polymer Corporation	<u>Open-end fund beneficiary certificates</u> Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,335,992	\$ 99,508	-	\$ 99,508	1
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,059,965	90,023	-	90,023	1
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,741,904	42,064	-	42,064	1
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	156,778	28,041	-	28,041	1
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,198,141	19,001	-	19,001	1
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,053,312	15,000	-	15,000	1
CGPC (BVI) Holding Co., Ltd.	<u>Shares</u> Teratech Corporation - ordinary shares	-	Financial assets at fair value through profit or loss - non-current	112,000	-	0.67	-	1 and 3
	Sohoware, Inc. - preference shares	-	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	1, 2 and 3

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

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

Note 3: As of September 30, 2019, 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.

(Concluded)

**USI CORPORATION AND SUBSIDIARIES**

(Taita Chemical Company, Ltd. (TTC))

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

SEPTEMBER 30, 2019

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	<u>Ordinary shares</u> USI Corporation	Parent company	Financial assets at fair value through other comprehensive income - non-current	15,109,901	\$ 194,918	1.27	\$ 194,918	1
	Harbinger Venture Capital	-	Financial assets at fair value through other comprehensive income - non-current	990	28	0.50	28	2 and 4
	<u>Beneficiary securities</u> Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,900,000	78,449	-	78,449	1
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	41,025	-	41,025	1
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,000,000	69,000	-	69,000	1
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	6,580,000	88,106	-	88,106	1
	Taita (BVI) Holding Co., Ltd.	<u>Shares</u> Budworth Investment Ltd. - ordinary shares	-	Financial assets at fair value through other comprehensive income - non-current	20,219	6 (US\$ - thousand)	2.22	6 (US\$ - thousand)
Teratech Corporation - ordinary shares		-	Financial assets at fair value through profit or loss - non-current	112,000	-	0.72	-	2 and 4
Sohoware Inc. - preference shares		-	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	3

Note 1: Fair value was based on closing price of the Taiwan Stock Exchange as of September 30, 2019.

Note 2: 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 3: As of September 30, 2019, TTC evaluated the fair value of equity instruments as \$0.

Note 4: The investee, Harbinger Venture Capital and Budworth Investment Ltd., announced a reduction of capital by returning cash in January 2019, and TTC received \$505 thousand and \$3,322 thousand according to its ownership percentage, respectively.

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 (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)**

SEPTEMBER 30, 2019

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	<u>Ordinary shares</u>							
	Harbinger Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,377	\$ 67	1.20	\$ 67	
	Riselink Venture Capital	-	Financial assets at fair value through other comprehensive income - non-current	131,587	2,009	1.67	2,009	
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	15,329,223	237,143	11.9	237,143	
	USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	101,355,673	1,307,488	8.53	1,307,488	
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income - non-current	14,446,107	602,403	1.89	602,403	
	AU Optronic Corporation	-	Financial assets at fair value through other comprehensive income - non-current	9,618,516	75,602	0.10	75,602	
	Wafer Works Corporation	-	Financial assets at fair value through other comprehensive income - current	2,017,946	67,904	0.39	67,904	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss - current	229,127	1,874	0.01	1,874	
	Evergreen Marine Corp.	-	Financial assets at fair value through profit or loss - current	1,664,722	21,641	0.04	21,641	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	500,000	28,300	0.01	28,300	
	<u>Beneficiary securities</u>							
	Cathay No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,901,000	78,465	-	78,465	
	Cathay No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,500,000	41,025	-	41,025	
	Shin Kong No. 1 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	2,000,000	34,500	-	34,500	
	Fubon No. 2 Real Estate Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	4,980,000	66,682	-	66,682	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	<u>Beneficiary certificates</u>							
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,951,815	\$ 250,836	-	\$ 250,836	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,093,667	50,040	-	50,040	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,554,630	290,490	-	290,490	
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,835,020	30,015	-	30,015	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,183,308	50,483	-	50,483	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,986,943	50,044	-	50,044	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	18,356,835	249,000	-	249,000	
	CTBC Hwa Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,311,519	113,919	-	113,919	
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,341,921	47,593	-	47,593	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,310,470	54,117	-	54,117	
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,053,877	188,496	-	188,496	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	11,321,438	173,683	-	173,683	
	Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,830,587	58,198	-	58,198	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,088,456	80,010	-	80,010	
	Eastspring Investments Well Pool Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,678,120	50,162	-	50,162	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,589,916	100,054	-	100,054	
	Shin Kong Chi-Shi Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,930,774	61,017	-	61,017	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,416,555	80,025	-	80,025	
	Fuh Hwa Money Market Fund	-	Financial assets at fair value through profit or loss - current	345,621	5,002	-	5,002	
	TCB Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,535,933	97,122	-	97,122	
	SinoPac TWD Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,510,418	35,035	-	35,035	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	<u>Shares</u> Budworth Investment Ltd. - ordinary shares	-	Financial assets at fair value through other comprehensive income - non-current	40,467	\$ 15	4.45	\$ 15	
	Silicon Technology Investment (Cayman) Corp. - preference shares	-	Financial assets at fair value through other comprehensive income - non-current	1,139,776	54,498	2.19	54,498	
	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	6,090	0.49	6,090	
	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	<u>Ordinary shares</u> USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	578	-	578
Evergreen Marine Corp.		-	Financial assets at fair value through profit or loss - current	554,907	7,214	0.01	7,214	
Quanta Computer Inc.		-	Financial assets at fair value through profit or loss - current	100,000	5,660	-	5,660	
<u>Beneficiary securities</u> Yuanta Wan Tai Money Market Fund		-	Financial assets at fair value through profit or loss - current	1,784,986	27,101	-	27,101	
Cathay Taiwan Money Market Fund		-	Financial assets at fair value through profit or loss - current	1,999,525	24,937	-	24,937	
<u>Ordinary shares</u> United Renewable Energy Co., Ltd.		-	Financial assets at fair value through other comprehensive income - non-current	1,131,920	9,259	0.05	9,259	

Note 1: As of September 30, 2019, APC evaluated the fair value of equity instruments as \$0.

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

(Concluded)

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

**MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND AFFILIATED COMPANIES)**  
**SEPTEMBER 30, 2019**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Terminal & Distribution Co.	<u>Shares</u> Asia Polymer Corporation	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	4,939,760	\$ 73,849	0.89	\$ 73,849	Note 2
	China General Plastics Corporation	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	2,667,382	52,948	0.51	52,948	Note 1
	Taita Chemical Company, Ltd.	Equity-method investor	Financial assets at fair value through other comprehensive income - non-current	1,915,033	21,257	0.57	21,257	Note 1
	China Steel Corporation	-	Financial assets at fair value through profit or loss - current	499,552	11,490	-	11,490	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 AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Relationship	Beginning Balance (Notes 1 and 2)		Acquisition		Disposal				Ending Balance (Notes 1 and 2)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
USI Corporation	Open-end fund beneficiary certificates													
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	15,428,541	\$ 208,100	26,156,381	\$ 354,300	23,199,972	\$ 314,383	\$ 313,200	\$ 1,183	18,384,950	\$ 249,200
	Ordinary shares													
	Ever Conquest Global Limited	Investment accounted for using the equity method	-	Subsidiary	176,268,000	5,408,533	70,402,000	2,203,645	-	-	-	-	246,670,000	7,468,409
Ever Conquest Global Limited	Ordinary shares													
	Ever Victory Global Limited	Investment accounted for using the equity method	-	Subsidiary	279,508,000	8,576,305	111,322,000	3,484,364	-	-	-	-	390,830,000	11,833,130
Ever Victory Global Limited	Ordinary shares													
	Dynamic Ever Investments Limited	Investment accounted for using the equity method	-	Subsidiary	360,577,000	11,046,947	127,709,000	3,997,273	-	-	-	-	488,286,000	14,768,678
Dynamic Ever Investments Limited	Ordinary shares													
	Fujian Gulei Petrochemical Co., Ltd.	Investment accounted for using the equity method	-	Joint venture	(Note 3)	10,338,945	(Note 3)	5,161,581	-	-	-	-	(Note 3)	15,214,244

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

Note 2: The amount as of September 30, 2019 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 AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Relationship	Beginning Balance (Note)		Acquisition		Disposal			Ending Balance (Note)		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
China General Plastics Corporation	Open-end fund beneficiary certificates													
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,702,173	\$ 50,000	52,363,029	\$ 709,000	56,065,202	\$ 759,232	\$ 759,000	\$ 232	-	\$ -
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,143,272	46,500	41,399,262	614,000	42,994,265	637,639	637,500	139	1,548,269	23,000
Taiwan VCM Corporation	Open-end fund beneficiary certificates													
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	12,193,440	180,000	20,241,420	300,000	29,068,469	430,483	430,000	483	3,366,391	50,000
CGPC Polymer Corporation	Open-end fund beneficiary certificates													
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,355,891	49,500	60,745,304	901,000	58,041,230	861,001	860,499	502	6,059,965	90,001
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,670,905	76,500	53,640,890	726,500	51,975,803	703,948	703,500	448	7,335,992	99,500

Note: The amount as of September 30, 2019 was calculated at the original investment cost.

**USI CORPORATION AND SUBSIDIARIES**

(Taita Chemical Company, Ltd.)

**MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019****(In Thousands of New Taiwan Dollars)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Relationship	Beginning Balance		Acquisition (Note)		Disposal				Ending Balance (Note)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Taita Chemical Company, Ltd.	Open-end fund beneficiary certificates													
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,379,863	\$ 50,000	41,953,526	\$ 622,000	45,333,389	\$ 672,097	\$ 672,000	\$ 97	-	\$ -
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	29,317,789	397,000	29,317,789	397,000	397,000	78	-	-

Note: The amount as of September 30, 2019 was calculated at the original investment cost.

**USI CORPORATION AND SUBSIDIARIES**

(Asia Polymer Corporation)

**MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019****(In Thousands of New Taiwan Dollars)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Asia Polymer Corporation	<u>Ordinary shares</u> Ever Conquest Global Limited	Investment accounted for using the equity method	-	Equity method investee	103,240,000	\$ 3,167,773	40,920,000	\$ 1,280,719	-	\$ -	\$ -	\$ -	144,160,000	\$ 4,364,721 (Note 1)
	<u>Fund</u> Fubon Chi-Hsiang Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	3,192,114	50,000	21,020,187	330,000	19,123,845	300,352	300,000	352	5,088,456	80,010 (Note 2)

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

Note 2: The amount of ending balance \$80,010 thousand includes investment cost \$80,000 thousand and adjustments \$10 thousand.

## 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 NINE MONTHS ENDED SEPTEMBER 30, 2019  
(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	\$ 640,284	10.84	Payments within 60 days after purchasing on credit	No significant difference	No significant difference	\$ (149,599)	(15.88)	
	Forever Young Company Limited	Subsidiary	Sale	(135,429)	1.63	Within 60 days after selling on credit	No significant difference	No significant difference	18,259	1.25	
	USI Far East (HK) Co., Ltd.	Subsidiary	Sale	(124,802)	1.50	Within 60 days after selling on credit	No significant difference	No significant difference	23,936	1.64	
USI Far East (HK) Co., Ltd.	USI Corporation	Parent company	Purchase	124,802	2.11	Payments within 60 days after purchasing on credit	No significant difference	No significant difference	(23,936)	(2.54)	

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

**USI CORPORATION AND SUBSIDIARIES**

(Acme Electronics Corporation)

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
(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	
Acme Electronics Corporation	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Purchase (includes processing fees)	\$ 264,672	58	55 days	No significant difference	No significant difference	\$ (229,538)	87	
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Sale (includes processing fees)	(264,672)	40	55 days	No significant difference	No significant difference	229,538	62	

Note: All the transactions were written-off when preparing 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 NINE MONTHS ENDED SEPTEMBER 30, 2019  
(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		
Swanson Plastics (Singapore) Private Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	\$ 200,847	80	90 days	No significant difference	No significant difference	Accounts payable to related parties	\$ (22,702)	82	
Forever Young Company Limited	USI Corporation	Ultimate parent company	Purchase	138,088	14	75 days	No significant difference	No significant difference	Accounts payable to related parties	(18,259)	10	
	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(290,295)	29	90 days	No significant difference	No significant difference	Accounts receivable from related parties	87,863	24	
Forever Yong Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Purchase	154,117	16	90 days	No significant difference	No significant difference	Accounts payable to related parties	(6,374)	4	
	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	(340,276)	34	90 days	No significant difference	No significant difference	Accounts receivable from related parties	40,294	11	
	PT. Swanson Plastics Indonesia	Have the same ultimate parent company	Sale	(175,366)	17	90 days	No significant difference	No significant difference	Accounts receivable from related parties	49,352	13	
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	290,295	39	90 days	No significant difference	No significant difference	Accounts payable to related parties	(87,863)	55	
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Yong Company Limited	Have the same ultimate parent company	Sale	(154,117)	19	90 days	No significant difference	No significant difference	Accounts receivable from related parties	6,374	5	
	Forever Yong Company Limited	Have the same ultimate parent company	Purchase	340,276	50	90 days	No significant difference	No significant difference	Accounts payable to related parties	(40,294)	52	
	Swanson Plastics (Singapore) Private Limited	Parent company	Sale	(200,847)	25	90 days	No significant difference	No significant difference	Accounts receivable from related parties	22,702	17	
PT. Swanson Plastics Indonesia	Forever Young Company Limited	Have the same ultimate parent company	Purchase	175,366	71	90 days	No significant difference	No significant difference	Accounts payable to related parties	(49,352)	90	

Note: All the transactions were written-off when preparing 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 NINE MONTHS ENDED SEPTEMBER 30, 2019**  
(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	\$ 3,351,739	74	45 days	No significant difference	No significant difference	Accounts payable to related parties	\$ (722,876)	(76)	
	CGPC America Corporation	Subsidiary	Sale	(310,774)	(5)	90 days	No significant difference	No significant difference	Accounts receivable from related parties	119,335	11	
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(3,351,739)	(45)	45 days	No significant difference	No significant difference	Accounts receivable from related parties	722,876	45	
	CGPC Polymer Corporation	Fellow subsidiary	Sale	(3,351,722)	(45)	45 days	No significant difference	No significant difference	Accounts receivable from related parties	760,962	48	
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchase	3,351,722	96	45 days	No significant difference	No significant difference	Accounts payable to related parties	(760,962)	(97)	
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchase	310,774	85	90 days	No significant difference	No significant difference	Accounts payable to related parties	(119,335)	(94)	

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

**USI CORPORATION AND SUBSIDIARIES**

(Taita Chemical Company, Ltd.)

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
**(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-subsiary	Sale	\$ (644,196) (US\$ 20,787 thousand)	(6.93)	30 days	No significant difference	No significant difference	\$ -	-	
Taita Chemical (Zhongshan) Co., Ltd.	Taita Chemical Company, Ltd.	Sub-subsiary	Purchase	644,196	6.93	30 days	No significant difference	No significant difference	-	-	

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

**USI CORPORATION AND SUBSIDIARIES**

(Asia Polymer Corporation)

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
**(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	
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Sale	\$ (640,283)	(12.70)	60 days	No significant difference	No significant difference	Accounts receivable from related parties \$ 152,943	20.82	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Ultimate parent company	Sale	(320)	(0.01)	30 days	No significant difference	No significant difference	Accounts receivable from related parties -	-	
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Purchase	115,079	3.77	30 days	No significant difference	No significant difference	Accounts receivable from related parties -	-	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Ultimate parent company	Purchase	95,657	3.14	30 days	No significant difference	No significant difference	Accounts receivable from related parties (24,355)	(7.98)	

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

**USI CORPORATION AND SUBSIDIARIES**

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

**SEPTEMBER 30, 2019**

**(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	Asia Polymer Corporation Taiwan VCM Corporation	Subsidiary of the Company Subsidiary of the Company	Other receivables - related parties	\$ 75,112	-	\$ -	-	\$ 52,445	Note 1
			Other receivables - related parties	136,126	-	-	-	98,347	Note 1

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

Note 2: The subsequent period is between October 1, 2019 and November 6, 2019.

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

**USI CORPORATION AND SUBSIDIARIES**

(Acme Electronics Corporation)

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

**SEPTEMBER 30, 2019**

**(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 \$ 187,916	-	\$ -	-	\$ 61,949	Note 1
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Accounts receivable - related parties 229,538	2.41	-	-	150,751	Note 1

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

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

**USI CORPORATION AND SUBSIDIARIES**

(Swanson Plastics Corporation (SWANSON))

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

**SEPTEMBER 30, 2019**

**(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		
Forever Young Company Limited	Swanson Plastics (India) Private Ltd.	Ultimate parent company	Accounts receivable - related parties \$ 180,796 (US\$ 5,825 thousand)	-	\$ -	-	\$ 170,241 (US\$ 5,485 thousand)	Note 1
Swanson Plastics (Singapore) Private Limited	Swanson Plastics (India) Private Ltd.	Subsidiary	Accounts receivable - related parties 110,192 (US\$ 3,550 thousand)	-	-	-	-	Note 1
API-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Fellow subsidiary	Other receivable - related parties 186,865 (RMB 42,580 thousand)	-	-	-	45,896 (RMB 10,458 thousand)	Note 1

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

Note 2: The subsequent period refers to the period between October 1, 2019 and November 6, 2019.

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

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

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**SEPTEMBER 30, 2019**  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 2)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss	
					Amount	Actions Taken			
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Accounts receivable from related parties	\$ <u>119,335</u>	3.76	\$ -	-	\$ 33,698	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable from related parties	\$ <u>722,876</u>	5.97	-	-	423,734	Note 1
	CGPC Polymer Corporation	Fellow subsidiary	Accounts receivable from related parties	\$ <u>760,962</u>	5.81	-	-	399,809	Note 1

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

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

**USI CORPORATION AND SUBSIDIARIES**

(Taita Chemical Company, Ltd.)

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

SEPTEMBER 30, 2019

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 4)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 3)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Sub-subsiary	Other receivables \$ 289,201 (US\$ 9,317 thousand) (Note 1)	-	\$ -	-	\$ -	\$ -
Taita Chemical (Zhongsan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Fellow subsidiary	Other receivables 88,867 (US\$ 22,249 thousand) (Note 2)	-	-	-	-	-

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

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

Note 3: The subsequent period is between October 1, 2019 and November 12, 2019

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

**USI CORPORATION AND SUBSIDIARIES**

(Asia Polymer Corporation (APC))

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

**SEPTEMBER 30, 2019**

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss	
					Amount	Actions Taken			
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Accounts receivable - related parties	\$ 152,943	5.42	\$ -	-	\$ 82,713	Note 1
	USI Corporation	Ultimate parent company	Other receivables - related parties	549	-	-	-	549	Note 1

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

Note 2: The subsequent period is between October 1, 2019 and November 12, 2019.

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

## USI CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
USI Corporation	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focus on "product, transportation, storage, building, bank, securities investment and trading industry")	\$ 550,000	\$ 550,000	87,250,800	100.00	\$ 705,091	\$ 7,901	\$ 7,901	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	1,381,971	21,829	21,829	Subsidiary
	USI Far East (HK) Co., Ltd.	6/F., Caltex House, 258 Hennessy Road, Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	132,809	(683)	(683)	Subsidiary
	Union Polymer Int'l Investment Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focus on "product and service industry")	3,490,255	3,490,255	565,276,555	100.00	5,830,633	385,200	373,695	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Venture capital (focus on "high technology industry")	471,800	471,800	32,900,000	70.00	173,193	(1,275)	(893)	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Engaging in import and export trade	28,323	28,323	4,358,183	99.93	53,389	8,893	9,042	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	1,015,700	84,088	34,121	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	344,775	(41,916)	(11,311)	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Engaging in optical products and fireproof materials	250,354	250,354	9,126,786	93.18	33,397	(11,681)	(10,884)	Subsidiary
	USI Management Consulting Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Providing management services	1,000	1,000	671,400	100.00	(1,202)	108	108	Subsidiary (Note 1)
	Cypress Epoch Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	150,540	150,540	5,000,000	100.00	130,690	3,607	3,607	Subsidiary
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Reinforced plastic products manufacturing	36,250	36,250	1,825,000	30.42	4,393	(72)	(22)	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	7,645,980	5,442,335	246,670,000	63.11	7,468,409	(15,811)	(9,986)	Subsidiary
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of sapphire crystal	330,000	330,000	33,000,000	50.85	112,963	(87,666)	(44,575)	Subsidiary
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	12,131,363 (US\$ 390,830 thousand)	8,675,928 (US\$ 279,508 thousand)	390,830,000	80.01	11,833,130 (US\$ 381,222 thousand)	(19,241) (US\$ -610 thousand)		Subsidiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investment	15,156,397 (US\$ 488,286 thousand)	11,192,310 (US\$ 360,577 thousand)	488,286,000	89.94	14,768,678 (US\$ 475,795 thousand)	(22,032) (US\$ -700 thousand)		Sub-subsiidiary
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	1,758,343	315,362		Sub-subsiidiary
	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	32.25	3,725,415	546,801		Sub-subsiidiary
	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	127,537,352	24.20	2,069,862	403,908		Sub-subsiidiary
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	129,564	(41,916)		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	(13,496)	(10,843)		Sub-subsiidiary
	Taiwan United Venture Management Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Business management consulting	8,000	8,000	800,000	100.00	16,220	1,430		Sub-subsiidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
Taiwan United Venture Capital Corp.	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Reinforced plastic products manufacturing	\$ 21,465	\$ 21,465	900,000	15.00	\$ 2,167	\$ (11)		Subsidiary
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	British Virgin Islands	Engaging in import and export trade	6,829 (US\$ 220 thousand)	6,829 (US\$ 220 thousand)	220,000	100.00	29,555	(2,224) (US\$ -72 thousand)		Sub-subsi-dary
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Reinvestment	109,806 (US\$ 3,538 thousand)	109,806 (US\$ 3,538 thousand)	5,609,231	11.23	138,459 (US\$ 4,461 thousand)	(34,449) (US\$ -1,246 thousand)		Sub-subsi-dary

Note 1: The Company gained control over USI Management Consulting Corp. and recognized the investment gain (loss) using the equity method, but 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 written-off when preparing the consolidated financial statements.

(Concluded)

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

**INFORMATION ON INVESTEEES**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 2)		As of September 30, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Investment	\$ 605,182 (US\$ 18,336 thousand)	\$ 605,182 (US\$ 18,336 thousand)	25,621,692	51.27	\$ 631,739	\$ (34,449) (US\$ -1,115 thousand)	\$ (15,995) (US\$ -518 thousand)	
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Investment	638,676 (US\$ 19,800 thousand)	638,676 (US\$ 19,800 thousand)	19,800,000	100.00	808,864	12,421	12,421	
	ACME Electronics (BVI) Corp.	CITCO Building, Wickhams Cay P.O. Box 662, Road Town, Tortola, British Virgin Islands	Investment	23,923 (US\$ 730 thousand)	23,923 (US\$ 730 thousand)	730,000	100.00	438	(57) (US\$ -2 thousand)	(57) (US\$ -2 thousand)	
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of sapphire monocrystals	646,200	646,200	22,064,224	34.00	75,528	(87,666)	(29,803)	
ACME Electronics (Cayman) Corp.	ACME Components (Malaysia) Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Investment	US\$ 11,891 thousand	US\$ 11,891 thousand	42,600,000	100.00	US\$ 20,120 thousand	US\$ 679 thousand (MYR 2,928 thousand)	US\$ 679 thousand (MYR 2,928 thousand)	
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Production and marketing of soft ferrite core	MYR 37,964 thousand	MYR 37,964 thousand	9,120,000	100.00	MYR 86,008 thousand	MYR 2,994 thousand	MYR 2,994 thousand	

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

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

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

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

**INFORMATION ON INVESTEEES**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2019 (Note 2)	December 31, 2018 (Note 2)	Number of Shares	%	Carrying Amount			
Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	2 Venture Drive Vision Exchange #12-10 Singapore 608526	Production and marketing of plastic products	\$ 808,506	\$ 808,506	36,863	100	\$ 1,949,128	\$ 50,174	\$ 50,174	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	67,772	5,211	5,211	
	Swanson International Ltd.	Ugland House, P.O. Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies	Investment	454,134	454,134	14,541	100	1,436,760	84,313	84,313	Note 3
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	4,850	4,850	1,600	100	6,694	(27)	(27)	Note 3
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production, sales and development of EVA packaging film and other value added plastic products	140,000	140,000	14,000	70	(62,981)	(10,843)	(7,590)	
	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	7,154	29,620	296	
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	204,659 (US\$ 6,593 thousand)	204,659 (US\$ 6,593 thousand)	20,000	100	608,406 (US\$ 19,601 thousand)	82,231 (RM 19,162 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No. 2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Production and marketing of plastic products	402,305 (US\$ 12,961 thousand)	231,585 (US\$ 7,461 thousand)	82,214	100	235,234 (US\$ 7,578 thousand)	(29,250) (INR -66,446 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	802,075 (US\$ 25,840 thousand)	802,075 (US\$ 25,840 thousand)	25,840	99	708,295 (US\$ 22,819 thousand)	29,260 (IDR 13,463,562 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	220,200 (US\$ 7,094 thousand)	220,200 (US\$ 7,094 thousand)	-	100	522,028 (US\$ 16,818 thousand)	19,173 (US\$ 617 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 translated at the spot exchange rate as of September 30, 2019.

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

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

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

**INFORMATION ON INVESTEEES**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Nature of Activities	Original Investment Amount		As of September 30, 2019			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				September 30, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (ROC)	Manufacture and marketing of vinyl chloride monomer	\$ 2,930,995	\$ 2,930,995	226,609,751	87.22	\$ 2,908,735	\$ 177,657	\$ 197,450	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	936,023	46,158	46,158	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	353,996	4,998	4,998	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	249,625	61,977	20,659	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881 U.S. A.	Marketing of PVC second - and third-time processed products	648,931	648,931	100	100.00	206,051	2,137	2,137	Subsidiary
	Krystal Star International Corporation	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Marketing of PVC second - and third-time processed products	-	283,502	5,780,000	100.00	-	1,280	1,280	Subsidiary (Note 1)
	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	23,223	(41,916)	(730)	Associate accounted for using the equity method
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of reinforced plastic products	15,000	15,000	600,000	10.00	1,444	(72)	(7)	Associate accounted for using the equity method

Note 1: Krystal Star International Corporation is undergoing the liquidation procedures and had returned its remaining assets to CGPC in July 2019. As of September 30, 2019, the liquidation procedures have not yet been completed.

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

**USI CORPORATION AND SUBSIDIARIES**  
(Taita Chemical Company, Ltd.)

**INFORMATION ON INVESTEEES**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
Taita Chemical Co., Ltd.	Taita (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 1,916,348 (US\$ 61,738 thousand)	\$ 1,916,348 (US\$ 61,738 thousand)	\$ 61,738,000	100.00	\$ 1,464,849 (US\$ 47,194 thousand)	\$ 78,861 (US\$ 41,792 thousand)	\$ 78,861 (US\$ 2,548 thousand)	Subsidiary (Notes 1 and 3)
	China General Plastics Corporation	Taipei	Manufacture and marketing of PVC plastic cloth and three-time processed products	65,365	65,365	10,043,760	1.98	158,904	403,908	8,005	Investments accounted for using the equity method (Note 1)
	China General Terminal & Distribution Corporation	Taipei	Warehousing and transportation of petro chemical raw materials	41,082	41,082	18,667,463	33.33	249,625	61,977	20,659	Investments accounted for using the equity method (Note 2)
	Acme Electronics Corporation	Taipei	Manufacture and marketing of manganese-zinc and ferrite core	44,771	44,771	4,445,019	2.44	32,502	(41,916)	(1,021)	Investments accounted for using the equity method (Note 1)
	Thintec Materials Corporation	Taipei	Manufacture and marketing of reinforced plastic products	15,000	15,000	600,000	10.00	1,444	(72)	(7)	Investments accounted for using the equity method (Note 2)
Taita (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corporation	British Cayman Islands	Reinvestment	52,769 (US\$ 1,700 thousand)	52,769 (US\$ 1,700 thousand)	2,695,619	5.39	66,539 (US\$ 2,244 thousand)	(34,449) (US\$ -1,115 thousand)	-	Investments accounted for using the equity method (Note 1)

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

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

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

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

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

**INFORMATION ON INVESTEEES**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 427,570 (US\$ 13,774,806)	\$ 427,570 (US\$ 13,774,806)	11,342,594	100.00	\$ 501,985	\$ 6,033	\$ 6,033	Subsidiary
	APC Investment Corporation	Taipei, Taiwan	Investment	200,000	200,000	20,000,000	100.00	97,045	(580)	(580)	Subsidiary
	USI International Corp.	British Virgin Islands	Reinvestment	86,912 (US\$ 2,800,000)	86,912 (US\$ 2,800,000)	2,800,000	70.00	135,983	6,452	4,516	Subsidiary
	China General Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	247,412	247,412	42,527,153	8.07	646,953	403,908	32,592	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei, Taiwan	Warehousing and transportation of petro chemical raw materials	41,082	41,082	18,667,464	33.33	249,624	61,977	20,659	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of stretch film, diaper film, embossed film, heavy-duty sacks	75,242	75,242	12,266,779	7.95	199,955	84,088	6,684	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	61,348	61,348	6,056,623	3.31	44,285	(41,916)	(1,391)	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei, Taiwan	Investment in high technology businesses	52,791	52,791	3,913,533	8.33	20,602	(1,275)	(106)	Investments accounted for using the equity method
	Thintec Materials Corporation	Taipei, Taiwan	Manufacture and marketing of reinforced plastic products	36,250	36,250	1,825,000	30.42	4,393	(72)	(22)	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei, Taiwan	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20	20,444	(87,666)	(8,067)	Investments accounted for using the equity method
Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	4,474,726 (US\$ 144,160,000)	3,204,570 (US\$ 103,240,000)	144,160,000	36.89	4,364,721	(15,883)	(5,824)	Investments accounted for using the equity method	
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	162,802 (US\$ 5,244,903)	162,802 (US\$ 5,244,903)	8,316,450	16.64	205,285	(34,449)	-	Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	37,248 (US\$ 1,120,000)	37,248 (US\$ 1,120,000)	1,200,000	30.00	58,278	6,452	-	Investments accounted for using the equity method
APC Investment Corporation	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	14,889	14,889	1,884,548	1.03	13,780	(41,916)	-	Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei, Taiwan	Manufacture and marketing of EVA film	30,000	30,000	3,000,000	15.00	(13,496)	(10,843)	-	Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment	12,131,363 (US\$ 390,830,000)	8,675,928 (US\$ 279,508,000)	390,830,000	80.01	11,833,130 (US\$ 381,221,980)	(19,241) (US\$ -610,431)	-	Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment	15,156,397 (US\$ 488,286,000)	11,192,310 (US\$ 360,577,000)	488,286,000	89.94	14,768,678 (US\$ 475,795,033)	(22,032) (US\$ -699,671)	-	Investments accounted for using the equity method

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

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

**USI CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 6 and 7)	Carrying Amount as of September 30, 2019 (Notes 6 and 7)	Accumulated Repatriation of Investment Income as of September 30, 2019
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 953,704 (US\$ 30,725,000)	Note 1	\$ 87,456 (US\$ 2,817,528)	\$ -	\$ -	\$ 87,456 (US\$ 2,817,528)	\$ (39,603) (US\$ -1,279,676)	11.23	\$ (4,445) (US\$ -143,645)	\$ 88,731 (US\$ 2,858,576)	\$ -
Usig (Shanghai) Co., Ltd.	Importing and distributing various chemical raw materials and products	155,200 (US\$ 5,000,000)	Note 2	155,200 (US\$ 5,000,000)	-	-	155,200 (US\$ 5,000,000)	3,607 (US\$ 115,854)	100.00	3,607 (US\$ 115,854)	130,691 (US\$ 4,210,383)	-
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	Manufacture of crude oil and petroleum products	30,344,536 (RMB 6,914,000,)	Note 3	5,086,383 (US\$ 163,865,447)	1,980,041 (US\$ 63,789,992)	-	7,066,424 (US\$ 227,655,439)	38,082 (US\$ 1,235,690)	22.71	9,359 (US\$ 303,641)	6,910,310 (US\$ 222,625,961)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$7,494,002 (US\$241,430,467)	\$8,178,094 (US\$263,469,510) (Note 5)	\$ - (Note 4)

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

Note 2: The Company reinvested in the China area via the Cypress Epoch Limited (100%).

Note 3: The Company reinvested in 50% of the outstanding shares of Gulei via Ever Conquest Global Limited (63.11%), then via Ever Victory Global Limited (80.11%), and finally via Dynamic Ever Investments Limited (89.94%).

Note 4: As the Company has obtained the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10620405860 on March 14, 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 5: As included in the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10500116380 on September 1, 2016 and No. 10500234240 on December 29, 2016, the Company was able to wire transfer US\$248,025 thousands to Gulei.

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

Note 7: Except for the balance of ACME Electronics (Kunshan) Co., Ltd. which was calculated based on financial statements which were reviewed by the CPA of the ROC parent company, the balances for other subsidiaries were calculated based on financial statements which were not reviewed by the auditors.

**USI CORPORATION AND SUBSIDIARIES**

(Acme Electronics Corporation (ACME))

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019 (Note 5)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2019 (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 September 30, 2019 (Notes 7 and 8)	Accumulated Repatriation of Investment Income as of September 30, 2019
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	US\$ 30,725 thousand	(Note 2)	\$ 374,188 (US\$ 11,144 thousand)	\$ -	\$ -	\$ 374,188 (US\$ 11,144 thousand)	\$ (39,603) (RMB -8,728 thousand)	51.27	\$ (20,304) (RMB -4,475 thousand)	\$ 405,272 (RMB 92,347 thousand)	\$ -
Acme Electronics (Guang-Zhou) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	US\$ 19,200 thousand	(Note 2)	619,676 (US\$ 19,200 thousand)	-	-	619,676 (US\$ 19,200 thousand)	13,895 (RMB 3,092 thousand)	100.00	13,895 (RMB 3,092 thousand)	837,038 (RMB 190,730 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$941,878 (US\$30,344 thousand) (Notes 3 and 7)	\$1,137,088 (US\$36,633 thousand) (Notes 3 and 7)	\$ - (Note 2)

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

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

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

Note 4: ACME recognized the investment gain (loss), according to Certified Public Accountants and auditing financial report accepted in the ROC.

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

Note 6: The calculation was based on the average exchange rate from January 1, 2019 to September 30, 2019.

Note 7: The calculation was based on the spot exchange rate on September 30, 2019.

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

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

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019  
(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, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of September 30, 2019 (Note 3)	Accumulated Repatriation of Investment Income as of September 30, 2019
					Outflow	Inflow						
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	\$ 412,522 (US\$ 13,290 thousand)	Indirect investment via Swanson (BVI) International Ltd.	\$ 223,930	\$ -	\$ -	\$ 223,930	\$ 65,141 (US\$ 2,098 thousand)	100	\$ 65,141 (US\$ 2,098 thousand)	\$ 1,011,081 (US\$ 32,573 thousand)	\$ -
ASK-Swanson (Kunshan) Co., Ltd.	Management of PE release film and other release products	282,464 (US\$ 9,100 thousand)	Indirect investment A.S. Holdings (UK) Limited via Swanson International Ltd.	193,447	-	-	193,447	19,173 (US\$ 617 thousand)	100	19,173 (US\$ 617 thousand)	522,028 (US\$ 16,818 thousand)	-
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	332,128 (US\$ 10,700 thousand)	Indirect investment it via Swanson (Singapore) Private Ltd.	170,754	-	-	170,754	(39,759) (US\$ -1,281 thousand)	100	(39,759) (US\$ -1,281 thousand)	147,875 (US\$ 4,764 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$588,131	\$1,017,670 (US\$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 based on the spot exchange rate on September 30, 2019.

Note 2: According to the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10620415720, the upper limit on investment in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable, and the effective period is from 2017 to 2020.

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

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

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Nature of Activities	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2019 (Note 1)	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of September 30, 2019 (Notes 1 and 5)	Accumulated Repatriation of Investment Income as of September 30, 2019
					Outflow	Inflow						
Continental General Plastics (ZhongShan) Co., Ltd. (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	\$ 620,800 (US\$ 20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd.	\$ 620,800 (US\$ 20,000 thousand)	\$ -	\$ -	\$ 620,800 (US\$ 20,000 thousand)	\$ 3,605 (US\$ 116 thousand)	100	\$ 3,605 (US\$ 116 thousand)	\$ 262,805 (US\$ 8,467 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	46,560 (US\$ 1,500 thousand)	Investment through CGPC (BVI) Holding Co., Ltd.	46,560 (US\$ 1,500 thousand)	-	-	46,560 (US\$ 1,500 thousand)	(1) (US\$ - thousand)	100	(1) (US\$ - thousand)	13,660 (US\$ 440 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2019 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$840,625 (US\$27,082 thousand)	\$1,064,517 (US\$34,295 thousand)	\$ - (Note 2)

Note 1: The calculation was based on the spot exchange rate as of September 30, 2019.

Note 2: As the CGPC obtained the certificate of qualification of operating headquarters issued by the Industrial Development Bureau No. 10620424930 on September 22, 2017, the upper limit on investment in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

Note 3: QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)") and Union (Zhong Shan) Co., Ltd. ("Union (ZS)") completed dissolution procedures, and CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)") retrieved the residual assets. The shares of Continental General Plastics (SanHe) Co., Ltd. were fully sold, and CGPC (BVI) retrieved the residual assets. However, the amount of capital has not been wired back to Taiwan. The accumulated amount includes the investment amount of CGPC (QZ) of \$21,231 thousand (US\$684 thousand), the investment amount of Union (ZS) of \$27,874 thousand (US\$898 thousand) and the investment amount of Continental General Plastics (SanHe) Co., Ltd. of \$124,160 thousand (US\$4,000 thousand).

Note 4: The board of directors of CGPC passed a resolution to dissolve CGPC (ZS) and CGPC (CP) in October 2011. As of September 30, 2019, the dissolution procedures have not yet been completed.

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

**USI CORPORATION AND SUBSIDIARIES**

(Taita Chemical Company, Ltd. (TTC))

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2019	Net Income (Loss) of the Investee (Note 5)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of September 30, 2019 (Note 5)	Accumulated Repatriation of Investment Income as of September 30, 2019
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	\$ 1,435,600 (US\$ 46,250 thousand) (Note 1)	Investment through a holding company registered in a third region	\$ 1,334,720 (US\$ 43,000 thousand)	\$ -	\$ -	\$ 1,334,720 (US\$ 43,000 thousand)	\$ 209,036 (US\$ 6,736 thousand)	100.00	\$ 209,036 (US\$ 6,736 thousand) (Note 6)	\$ 2,256,671 (US\$ 72,702 thousand) (Note 6)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Producing and marketing of polystyrene derivatives	848,944 (US\$ 27,350 thousand) (Note 2)	Investment through a holding company registered in a third region	807,040 (US\$ 26,000 thousand)	-	-	807,040 (US\$ 26,000 thousand)	(107,559) (US\$ -3,409 thousand)	100.00	(107,559) (US\$ -3,409 thousand) (Note 6)	(60,339) (US\$ -1,944 thousand) (Note 6)	-
ACME Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	953,704 (US\$ 30,725 thousand)	Investment through a holding company registered in a third region	42,029 (US\$ 1,354 thousand)	-	-	42,029 (US\$ 1,354 thousand)	(39,603) (US\$ -1,280 thousand)	5.39	(2,136) (US\$ -69 thousand)	54,271 (US\$ 1,748 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$2,183,789 (US\$70,354 thousand)	\$2,353,369 (US\$75,817 thousand) (Note 3)	\$2,528,309 (Note 4)

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

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

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

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

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

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

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

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 3)	Method and Medium of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2019	Net Income (Loss) of Investee (Note 2)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of September 30, 2019 (Note 4)	Accumulated Repatriation of Investment Income as of September 30, 2019
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 953,704 (US\$ 30,725,000)	(2) ACME Electronics (Cayman) Corp.	\$ 129,666 (US\$ 4,177,369)	\$ -	\$ -	\$ 129,666 (US\$ 4,177,369)	\$ (39,603)	16.64	\$ (6,591)	\$ 131,555	\$ -
USI Trading (Shanghai) Co., Ltd.	Management of chemical products, equipment, and plastic products; wholesale of electronic materials, commission agency services and related supporting import and export services	77,600 (US\$ 2,500,000)	(2) APC (BVI) Holding Co., Ltd.	94,225 (US\$ 3,035,601)	-	-	94,225 (US\$ 3,035,601)	9,196	100.00	9,196	106,947	-
Fujian Gulei Petrochemical Co., Ltd.	Manufacture of crude oil and petroleum products	30,344,536 (RMB 6,914,000,000)	(2) Dynamic Ever Investments Ltd.	2,979,734 (US\$ 95,996,586)	1,150,866 (US\$ 37,076,879)	-	4,130,600 (US\$ 133,073,466)	38,165	13.27	5,490	4,037,877	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$4,504,108 (Note 5) (US\$145,106,571)	\$5,009,285 (US\$161,381,608)	\$ - (Note 6)

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

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

Note 2: The Company reinvested in 50% of the outstanding shares of Gulei via Ever Conquest Global Limited (36.89%), then via Ever Victory Global Ltd. (80.01%), and finally via Dynamic Ever Investments Ltd. (89.94%).

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

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

Note 4: The calculation was based on the exchange rate as at September 30, 2019.

Note 5: The accumulated outward remittance includes the investments in Wafer Works Epitaxial Corp., Wafer Works (Shanghai) Corp., Shanghai JingJi Electronic Materials Co., Ltd., Jinzhou Yangguang Energy Co., Ltd., Jinzhou Youhua Silicon Materials Co., Ltd., Jinzhou Yangguang Energy Co., Ltd., Qinghai Chenguang New Energy Co., Ltd., USI Trading (Shanghai) Co., Ltd. ("USIT"), and Fujian Gulei Petroleum Company.

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

Note 6: As APC has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10520427730 on November 11, 2016, the upper limit on investments in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

## USI CORPORATION AND SUBSIDIARIES

### INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 (In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
0	USI Corporation	Forever Young Company Limited	a	Sales revenue	\$ 135,429	No significant difference	0.32
		USI Far East (HK) Co., Ltd.	a	Sales revenue	124,802	No significant difference	0.30
		Swanson Plastics Corporation	a	Sales revenue	41,587	No significant difference	0.10
		USI Trading (Shanghai) Co., Ltd.	a	Sales revenue	95,009	No significant difference	0.23
		Asia Polymer Corporation	a	Purchases	640,284	No significant difference	1.53
		Swanson Plastics Corporation	a	Purchases	47,777	No significant difference	0.11
		Taita Chemical Company, Ltd.	a	Purchases	15,808	No significant difference	0.04
		Forever Young Company Limited	a	Accounts receivable	18,259	No significant difference	0.04
		Swanson Plastics Corporation	a	Accounts receivable	11,038	No significant difference	0.02
		USI Far East (HK) Co., Ltd.	a	Accounts receivable	23,936	No significant difference	0.03
		USI Trading (Shanghai) Co., Ltd.	a	Accounts receivable	24,355	No significant difference	0.03
		Asia Polymer Corporation	a	Accounts receivable	75,015	No significant difference	0.10
		Taiwan VCM Corporation	a	Other receivables	135,816	No significant difference	0.19
		Asia Polymer Corporation	a	Other company related payables	149,599	No significant difference	0.21
		Dynamic Ever Investments Limited	a	Management services revenue	17,780	No significant difference	0.02
		USI Management Consulting Corporation	a	Management services expense	70,904	No significant difference	0.10
Asia Polymer Corporation	a	Other revenue	111,090	No significant difference	0.15		
1	Asia Polymer Corporation	Swanson Plastics Corporation	c	Sales revenue	32,869	No significant difference	0.08
		USI Far East (HK) Co., Ltd.	c	Sales revenue	16,604	No significant difference	0.04
		Taita Chemical Company, Ltd.	c	Purchases	37,755	No significant difference	0.09
		Swanson Plastics Corporation	c	Purchases	24,581	No significant difference	0.03
		China General Terminal & Distribution Corporation	c	Storage tank operating expense	23,567	No significant difference	0.03
		USIG (Shanghai) Co., Ltd.	c	Accounts receivable	33,587	No significant difference	0.05
		USIG (Shanghai) Co., Ltd.	c	Sales revenue	80,336	No significant difference	0.11
2	China General Plastics Corporation	USI Management Consulting Corporation	c	Management services expense	65,819	No significant difference	0.16
		China General Terminal & Distribution Corporation	c	Storage tank operating expense and rental expense	75,738	No significant difference	0.18
		Taiwan VCM Corporation	c	Accounts payable	722,876	No significant difference	1.00
		Taiwan VCM Corporation	c	Purchases	3,351,739	No significant difference	7.98
		CGPC America Corporation	c	Accounts receivable	119,335	No significant difference	0.16
		CGPC America Corporation	c	Sales revenue	310,774	No significant difference	0.74
CGPC Polymer Corporation	c	Purchases	21,422	No significant difference	0.05		

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
3	Taita Chemical Company, Ltd.	USI Management Consulting Corporation	c	Management services expense	\$ 38,930	No significant difference	0.09
		China General Terminal & Distribution Corporation	c	Storage tank operating expense	12,534	No significant difference	0.02
		Taita Chemical (Zhongsan) Co., Ltd.	c	Sales revenue	644,196	No significant difference	1.53
		Taida Chemical (Tianjin) Co., Ltd.	c	Other receivables	289,201	No significant difference	0.69
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Sales revenue	75,623	No significant difference	0.10
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Sales revenue	72,982	No significant difference	0.17
		ACME Ferrite Product Sdn. Bhd.	c	Sales revenue	16,726	No significant difference	0.04
		Acme Electronics (Kunshan) Co., Ltd.	c	Cost of goods sold	45,733	No significant difference	0.11
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Processing costs	261,938	No significant difference	0.62
		ACME Electronics (Cayman) Corp.	c	Other receivables	187,916	No significant difference	0.45
		Golden Amber Enterprises Limited	c	Other receivables	24,907	No significant difference	0.06
		Acme Electronics (Guang-Zhou) Co., Ltd.	c	Notes and accounts payable	229,538	No significant difference	0.55
		Acme Electronics (Kunshan) Co., Ltd.	c	Notes and accounts payable	12,773	No significant difference	0.03
5	Taita Chemical (Zhongsan) Co., Ltd.	Taida Chemical (Tianjin) Co., Ltd.	c	Other receivables	88,867	No significant difference	0.21
		Taida Chemical (Tianjin) Co., Ltd.	c	Cost of goods sold	17,171	No significant difference	0.02
6	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guang-Zhou) Co., Ltd.	c	Sales revenue	16,013	No significant difference	0.02
		ACME Ferrite Product Sdn. Bhd.	c	Sales revenue	32,073	No significant difference	0.04
7	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Accounts payable	760,962	No significant difference	1.81
		Taiwan VCM Corporation	c	Other payables	23,380	No significant difference	0.06
		Taiwan VCM Corporation	c	Purchases	3,351,722	No significant difference	7.98
8	Swanson Plastics Corporation	USI Corporation	b	Sales revenue	50,171	No significant difference	0.07
		USI Corporation	b	Cost of goods sold	41,587	No significant difference	0.06
		USI Corporation	b	Accounts payable	12,258	No significant difference	0.02
		Asia Polymer Corporation	c	Sales revenue	26,003	No significant difference	0.04
		Asia Polymer Corporation	c	Cost of goods sold	32,851	No significant difference	0.05
		USI Management Consulting Corporation	c	Management services	18,579	No significant difference	0.03
		Forever Young Company Limited	c	Accounts receivable	28,814	No significant difference	0.04
		Forever Young Company Limited	c	Sales revenue	54,711	No significant difference	0.08
		Forever Young Company Limited	c	Other revenue	16,756	No significant difference	0.04
9	Forever Young Company Limited	Swanson Plastics (India) Private Ltd.	c	Accounts receivable	180,796	No significant difference	0.43
		Swanson Plastics (India) Private Ltd.	c	Sales revenue	36,582	No significant difference	0.09
		Swanson Plastics (Kunshan) Corp.	c	Accounts receivable	87,863	No significant difference	0.21
		Swanson Plastics (Kunshan) Corp.	c	Sales revenue	290,295	No significant difference	0.69
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts receivable	40,294	No significant difference	0.10
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	154,117	No significant difference	0.37
		Swanson Plastics (Malaysia) Sdn. Bhd.	c	Sales revenue	340,276	No significant difference	0.81
		PT. Swanson Plastics Indonesia	c	Accounts receivable	49,352	No significant difference	0.07
		PT. Swanson Plastics Indonesia	c	Sales revenue	175,366	No significant difference	0.24
		Swanson International Ltd.	c	Accounts receivable	96,379	No significant difference	0.23
		USI Corporation	b	Accounts payable	18,259	No significant difference	0.03
		USI Corporation	b	Cost of goods sold	138,088	No significant difference	0.33

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
10	API-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	c	Accounts receivable	\$ 186,865	No significant difference	0.45
11	Swanson Plastics (Kunshan) Corp.	Swanson Plastics (Tianjin) Co., Ltd. API-Swanson (Kunshan) Co., Ltd. API-Swanson (Kunshan) Co., Ltd.	c c c	Cost of goods sold Accounts receivable Sales revenue	14,203 30,404 75,265	No significant difference No significant difference No significant difference	0.03 0.04 0.10
12	Swanson Plastics (Malaysia) Sdn. Bhd.	Swanson Plastics (Singapore) Pte. Ltd. Swanson Plastics (Singapore) Pte. Ltd.	c c	Sales revenue Accounts receivable	200,847 22,702	No significant difference No significant difference	0.28 0.03
13	Swanson Plastics (Singapore) Pte. Ltd.	Swanson Plastics (India) Private Ltd. PT. Swanson Plastics Indonesia	c c	Accounts receivable Cost of goods sold	110,192 39,833	No significant difference No significant difference	0.15 0.06

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 written-off when preparing the consolidated financial statements.

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

(Concluded)