

USI CORPORATION AND SUBSIDIARIES

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

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§Table of Content§

I	T	E	M	P	A	G	E	B	E	R
								FINANCIAL STATEMENT NOTES	<u>NUM</u>	
I.	Cover								1	-
II.	Table of Content								2~3	-
III.	Independent Auditors' Review Report								4~6	-
IV.	Consolidated Balance Sheets								7	-
V.	Consolidated Statements of Comprehensive Income								8	-
VI.	Consolidated Statements of Changes in Equity								9	-
VII.	Consolidated Statements of Cash Flows								10~12	-
VIII.	Notes to Consolidated Financial Statements									
	(1) General Information								13	1
	(2) Approval of Financial Statements								13	2
	(3) Application of New, Amended and Revised Standards and Interpretations								13~15	3
	(4) Summary of Significant Accounting Policies								15~18	4
	(5) Critical Accounting Judgments and Key Sources of Estimation Uncertainty								18	5
	(6) Information on Important Accounting Items								18~92	6~34
	(7) Related Party Transactions								92~93	35
	(8) Collateralized Assets								93	36
	(9) Significant Contingent Liability and Unrecognized Contractual Commitments								93~96	37
	(10) Significant Disaster Loss								-	-
	(11) Significant Events After the Balance Sheet Date								-	-
	(12) Others								96~102	38~39
	(13) Separately Disclosed Items									
	1. Information on Significant Transactions								102, 107~148, 165~170	40
	2. Information on Reinvestment								102, 149~158	40

Business		
3. Information on Investments in China	103~104, 159~164, 171~172	40
4. Information on Major Shareholders	104, 173	
(14) Segment Information	104~106	41

Independent Auditors' Review Report

USI Corporation

Foreword

We have reviewed the accompanying consolidated balance sheets of USI Corporation and its subsidiaries (collectively, the "Group") as of September 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, 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, 2020 and 2019, the combined total assets of these non-significant subsidiaries and investments accounted for using the equity method were NT\$27,851,838 thousand and NT\$25,980,112 thousand, respectively, representing 38.23% and 35.89%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$3,172,770 thousand and NT\$3,365,417 thousand, respectively, representing 11.07% and 10.09%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the amounts of combined comprehensive income of these subsidiaries and share of profit (loss) of joint ventures accounted for using the equity method were NT\$158,797 thousand, NT\$(363,376) thousand, NT\$155,126 thousand, and NT\$(327,106) thousand, respectively, representing 7.78%, 232.16%, 5.56%, and (23.35%), respectively, of the consolidated total comprehensive income. The additional disclosure in the consolidated financial statements of these non-significant subsidiaries and joint ventures accounted for using the equity method were based on financial statements which were not reviewed by auditors.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the

non-significant subsidiaries and joint ventures accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2020 and 2019 and its consolidated financial performance for the three months ended September 30, 2020 and 2019 and its consolidated financial performance and its cash flows for the nine months ended September 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting.”

The engagement partners on the reviews resulting in this independent auditors’ review report are Pi-Yu Chuang (Financial Supervisory Commission, Approval No. 1070323246) and Cheng-Hung Kuo (Securities and Futures Bureau, Approval No. 0920123784).

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors’ report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ report and consolidated financial statements shall prevail.

November 4, 2020

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

(In Thousands of New Taiwan Dollars)

Code	Assets	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)		September 30, 2019 (Reviewed)	
		A m o u n t	%	A m o u n t	%	A m o u n t	%
CURRENT ASSETS							
1100	Cash and cash equivalents (Note 6)	\$ 8,901,630	12	\$ 7,927,403	11	\$ 8,416,958	12
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	5,043,744	7	6,358,025	9	5,740,799	8
1120	Financial assets at fair value through other comprehensive income (FVTOCI) - current (Note 8)	142,066	-	174,789	-	163,572	-
1136	Financial assets measured at amortized cost - current (Notes 9 and 36)	426,926	1	506,129	1	350,179	1
1150	Notes receivable, net (Note 10)	458,308	1	634,435	1	785,404	1
1170	Accounts receivable, net (Note 10)	5,164,375	7	6,411,077	9	6,770,998	9
1200	Other receivables (Notes 10 and 35)	375,626	-	277,131	-	307,483	1
1220	Current tax assets (Notes 4 and 29)	14,117	-	11,919	-	11,441	-
130X	Inventories (Note 11)	4,138,769	6	4,919,506	7	5,249,858	7
1410	Prepayments	766,920	1	782,608	1	787,003	1
1470	Other current assets	299,728	-	17,150	-	275,414	-
11XX	Total current assets	<u>25,732,209</u>	<u>35</u>	<u>28,020,172</u>	<u>39</u>	<u>28,859,109</u>	<u>40</u>
NON-CURRENT ASSETS							
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8 and 36)	2,411,577	3	2,196,724	3	2,268,030	3
1535	Financial assets measured at amortized cost - non-current (Notes 9, 36 and 37)	348,557	1	311,942	-	311,895	-
1550	Investments accounted for using the equity method (Note 14)	18,513,834	25	14,867,168	21	15,214,244	21
1600	Property, plant and equipment (Notes 15 and 36)	23,148,490	32	23,228,911	33	23,102,592	32
1755	Right-of-use assets (Notes 16 and 36)	797,723	1	885,508	1	840,950	1
1760	Investment properties (Notes 17 and 36)	578,115	1	524,408	1	532,889	1
1805	Goodwill (Note 18)	269,026	-	269,026	-	269,026	-
1821	Other intangible assets (Note 18)	11,355	-	17,004	-	20,304	-
1840	Deferred tax assets (Notes 4 and 29)	634,778	1	643,715	1	597,589	1
1990	Other non-current assets (Note 36)	400,236	1	461,208	1	369,565	1
15XX	Total non-current assets	<u>47,113,691</u>	<u>65</u>	<u>43,405,614</u>	<u>61</u>	<u>43,527,084</u>	<u>60</u>
1XXX	TOTAL	<u>\$ 72,845,900</u>	<u>100</u>	<u>\$ 71,425,786</u>	<u>100</u>	<u>\$ 72,386,193</u>	<u>100</u>
C o d e Liabilities and Equity							
CURRENT LIABILITIES							
2100	Short-term borrowings (Notes 19 and 36)	\$ 3,747,363	5	\$ 4,258,980	6	\$ 5,006,670	7
2110	Short-term bills payable (Note 19)	894,490	1	1,352,810	2	1,678,722	2
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	8,622	-	4,136	-	2,144	-
2170	Notes payable and accounts payable (Note 21)	2,448,891	3	2,757,368	4	2,733,959	4
2219	Other payables (Note 22)	2,051,301	3	1,938,026	3	1,892,626	3
2230	Current tax liabilities (Notes 4 and 29)	676,777	1	517,913	1	378,532	1
2280	Lease liabilities - current (Note 16)	68,936	-	70,814	-	64,608	-
2320	Current portion of long-term borrowings (Notes 19, 20 and 36)	-	-	1,443,156	2	1,511,461	2
2365	Refund liabilities - current (Note 22)	18,859	-	28,221	-	24,499	-
2399	Other current liabilities	419,837	1	262,958	-	325,721	-
21XX	Total current liabilities	<u>10,335,076</u>	<u>14</u>	<u>12,634,382</u>	<u>18</u>	<u>13,618,942</u>	<u>19</u>
NON-CURRENT LIABILITIES							
2530	Bonds payable (Note 20)	6,993,555	10	6,991,327	10	6,990,588	10
2540	Long-term borrowings (Notes 19 and 36)	7,929,969	11	9,049,770	12	9,184,369	13
2550	Provisions - non-current (Notes 23 and 37)	136,375	-	136,375	-	136,375	-
2570	Deferred tax liabilities (Notes 4 and 29)	1,442,624	2	1,411,901	2	1,422,781	2
2580	Lease liabilities - non-current (Note 16)	406,156	-	481,964	1	434,628	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 24)	1,326,803	2	1,473,867	2	1,501,635	2
2670	Other non-current liabilities (Note 25)	78,719	-	69,253	-	72,271	-
25XX	Total non-current liabilities	<u>18,314,201</u>	<u>25</u>	<u>19,614,457</u>	<u>27</u>	<u>19,742,647</u>	<u>27</u>
2XXX	Total liabilities	<u>28,649,277</u>	<u>39</u>	<u>32,248,839</u>	<u>45</u>	<u>33,361,589</u>	<u>46</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 13, 26 and 29)							
3100	Share capital	11,887,635	16	11,887,635	17	11,887,635	17
3200	Capital surplus	341,299	1	271,613	-	268,630	1
Retained earnings							
3310	Legal reserve	3,109,625	4	2,979,753	4	2,979,753	4
3320	Special reserve	781,059	1	430,526	1	430,526	-
3350	Unappropriated earnings	4,306,310	6	4,346,640	6	4,070,308	6
3300	Total retained earnings	<u>8,196,994</u>	<u>11</u>	<u>7,756,919</u>	<u>11</u>	<u>7,480,587</u>	<u>10</u>
3490	Other equity	(559,704)	(1)	(781,058)	(1)	(520,032)	(1)
3500	Treasury shares	(475,606)	-	(475,606)	(1)	(475,606)	(1)
31XX	Total equity attributable to owners of the Company	<u>19,390,618</u>	<u>27</u>	<u>18,659,503</u>	<u>26</u>	<u>18,641,214</u>	<u>26</u>
36XX	NON-CONTROLLING INTERESTS	<u>24,806,005</u>	<u>34</u>	<u>20,517,444</u>	<u>29</u>	<u>20,383,390</u>	<u>28</u>
3XXX	Total equity	<u>44,196,623</u>	<u>61</u>	<u>39,176,947</u>	<u>55</u>	<u>39,024,604</u>	<u>54</u>
TOTAL		<u>\$ 72,845,900</u>	<u>100</u>	<u>\$ 71,425,786</u>	<u>100</u>	<u>\$ 72,386,193</u>	<u>100</u>

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

USI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three Months Ended September 30, 2020 and 2019 and for the Nine Months Ended September 30, 2020 and 2019
(Reviewed, Not Audited)

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

C o d e	For the Three Months Ended September 30, 2020		For the Three Months Ended September 30, 2019		For the Nine Months Ended September 30, 2020		For the Nine Months Ended September 30, 2019		
	A m o u n t	%	A m o u n t	%	A m o u n t	%	A m o u n t	%	
4100	OPERATING REVENUE (Note 27)	\$ 12,414,401	100	\$ 13,990,494	100	\$ 34,627,203	100	\$ 41,985,100	100
5110	COST OF GOODS SOLD (Notes 11, 15, 16, 18, 24, 25 and 28)	9,867,920	80	12,340,401	88	28,733,038	83	37,195,424	88
5900	GROSS PROFIT	2,546,481	20	1,650,093	12	5,894,165	17	4,789,676	12
	OPERATING EXPENSES (Notes 10, 15, 16, 18, 24, 25, 28 and 35)								
6100	Selling and marketing expenses	476,397	4	496,864	4	1,333,152	4	1,531,348	4
6200	General and administrative expenses	296,602	2	307,204	2	886,265	2	970,206	2
6300	Research and development expenses	91,272	1	109,191	1	260,038	1	325,473	1
6000	Total operating expenses	864,271	7	913,259	7	2,479,455	7	2,827,027	7
6900	PROFIT FROM OPERATIONS	1,682,210	13	736,834	5	3,414,710	10	1,962,649	5
	NON-OPERATING INCOME AND EXPENSES								
7100	Interest income (Note 28)	20,392	-	33,107	-	80,764	-	115,263	-
7010	Other income (Notes 15, 25, 28 and 35)	121,149	1	170,205	1	289,349	1	528,451	1
7020	Other gains and losses (Notes 24, 28 and 39)	23,201	-	(139,531)	(1)	819	-	27,902	-
7050	Finance costs (Notes 19, 20 and 28)	(50,112)	-	(69,987)	-	(174,117)	(1)	(212,170)	-
7060	Share of (loss) profit of joint ventures accounted for using the equity method (Note 14)	(44,798)	-	(2,100)	-	(114,593)	-	19,070	-
7000	Total non-operating income and expenses	69,832	1	(8,306)	-	82,222	-	478,516	1
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,752,042	14	728,528	5	3,496,932	10	2,441,165	6
7950	INCOME TAX EXPENSE (Notes 4 and 29)	331,358	3	157,052	1	765,353	2	586,500	2
8000	NET PROFIT FROM CONTINUING OPERATIONS	1,420,684	11	571,476	4	2,731,579	8	1,854,665	4
8100	NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Note 12)	651	-	(793)	-	2,107	-	3,604	-
8200	NET PROFIT FOR THE PERIOD	1,421,335	11	570,683	4	2,733,686	8	1,858,269	4
	OTHER COMPREHENSIVE INCOME (LOSS)								
	Items that will not be reclassified subsequently to profit or loss:								
8316	Profit (loss) of equity instruments at FVTOCI (Note 26)	249,731	2	(236,013)	(2)	325,071	1	(121,197)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	(957)	-	658	-	(674)	-	1,332	-
8310		248,774	2	(235,355)	(2)	324,397	1	(119,865)	-
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translating foreign operations (Note 26)	431,058	3	(572,438)	(4)	(300,671)	(1)	(395,199)	(1)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	(60,495)	-	80,592	1	31,266	-	57,915	-
8360		370,563	3	(491,846)	(3)	(269,405)	(1)	(337,284)	(1)
8300	Other comprehensive income for the period, net of income tax	619,337	5	(727,201)	(5)	54,992	-	(457,149)	(1)
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 2,040,672	16	(\$ 156,518)	(1)	\$ 2,788,678	8	\$ 1,401,120	3
	NET PROFIT ATTRIBUTABLE TO								
8610	Owners of the Company	\$ 600,799	5	\$ 301,812	2	\$ 1,112,599	3	\$ 997,873	2
8620	Non-controlling interests	820,536	6	268,871	2	1,621,087	5	860,396	2
8600		\$ 1,421,335	11	\$ 570,683	4	\$ 2,733,686	8	\$ 1,858,269	4
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO								
8710	Owners of the Company	\$ 923,085	7	(\$ 51,396)	-	\$ 1,255,876	4	\$ 806,218	2
8720	Non-controlling interests	1,117,587	9	(105,122)	(1)	1,532,802	4	594,902	1
8700		\$ 2,040,672	16	(\$ 156,518)	(1)	\$ 2,788,678	8	\$ 1,401,120	3
	EARNINGS PER SHARE (Note 30)								
	From continuing and discontinued operations								
9750	Basic	\$ 0.56		\$ 0.28		\$ 1.04		\$ 0.93	
9850	Diluted	\$ 0.56		\$ 0.28		\$ 1.04		\$ 0.93	
	From continuing operations								
9710	Basic	\$ 0.56		\$ 0.28		\$ 1.04		\$ 0.93	
9810	Diluted	\$ 0.56		\$ 0.28		\$ 1.04		\$ 0.93	

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

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

(In Thousands of New Taiwan Dollars)

E q u i t y A t t r i b u t a b l e t o O w n e r s o f t h e C o m p a n y		C a p i t a l S u r p l u s				R e t a i n e d E a r n i n g s			O t h e r E q u i t y		N o n - c o n t r o l l i n g i n t e r e s t s			
		Share Capital (Note 26)	Treasury Share Transactions (Note 26)	Shares of Changes in Capital Surplus of Associates (Notes 13 and 26)	O t h e r s (Note 26)	Legal Reserve (Note 26)	Special Reserve (Note 26)	Unappropriated E a r n i n g s (Notes 13 and 26)	Exchange Differences on Translating Foreign O p e r a t i o n s (Notes 26 and 29)	Unrealized Gain (Loss) on Financial Assets at FVTOCI (Notes 8, 26, and 29)	Treasury Shares (Note 26)	T o t a l	(Notes 8, 13, and 26)	T o t a l E q u i t y
A1	BALANCE AT JANUARY 1, 2019	\$ 11,887,635	\$ 233,983	\$ 2,592	\$ 17,163	\$ 2,925,759	\$ 375,127	\$ 3,513,943	(\$ 208,307)	(\$ 85,136)	(\$ 475,606)	\$ 18,187,153	\$ 18,267,556	\$ 36,454,709
A3	Effects of retrospective application	-	-	-	-	-	-	(9,509)	-	-	-	(9,509)	(4,490)	(13,999)
A5	Reclassified balance at January 1, 2019	11,887,635	233,983	2,592	17,163	2,925,759	375,127	3,504,434	(208,307)	(85,136)	(475,606)	18,177,644	18,263,066	36,440,710
B1	Appropriation of 2018 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
B3	Legal reserve	-	-	-	-	53,994	-	(53,994)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	55,399	(55,399)	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(356,629)	-	-	-	(356,629)	-	(356,629)
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(705,440)	(705,440)
D1	Net profit for the nine months ended Septemebr 30, 2019	-	-	-	-	-	-	997,873	-	-	-	997,873	860,396	1,858,269
D3	Other comprehensive income for the nine months ended September 30, 2019, net of income tax	-	-	-	-	-	-	-	(144,806)	(46,849)	-	(191,655)	(265,494)	(457,149)
D5	Total comprehensive income for the nine months ended September 30, 2019	-	-	-	-	-	-	997,873	(144,806)	(46,849)	-	806,218	594,902	1,401,120
C7	Changes in capital surplus and retained earnings from investments in subsidiaries	-	-	3,393	-	-	-	(911)	-	-	-	2,482	(2,253)	229
M1	Changes in capital surplus from distributing cash dividends to subsidiaries	-	11,499	-	-	-	-	-	-	-	-	11,499	-	11,499
Q1	Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	34,934	-	(34,934)	-	-	-	-
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	2,233,115	2,233,115
Z1	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
A1	BALANCE AT JANUARY 1, 2020	\$ 11,887,635	\$ 245,482	\$ 7,291	\$ 18,840	\$ 2,979,753	\$ 430,526	\$ 4,346,640	(\$ 602,871)	(\$ 178,187)	(\$ 475,606)	\$ 18,659,503	\$ 20,517,444	\$ 39,176,947
B1	Appropriation of 2019 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
B1	Legal reserve	-	-	-	-	129,872	-	(129,872)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	350,533	(350,533)	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(594,382)	-	-	-	(594,382)	-	(594,382)
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(519,048)	(519,048)
D1	Net profit for the nine months ended September 30, 2020	-	-	-	-	-	-	1,112,599	-	-	-	1,112,599	1,621,087	2,733,686
D3	Other comprehensive income for the nine months ended September 30, 2020, net of income tax	-	-	-	-	-	-	-	(139,135)	282,412	-	143,277	(88,285)	54,992
D5	Total comprehensive income for the nine months ended September 30, 2020	-	-	-	-	-	-	1,112,599	(139,135)	282,412	-	1,255,876	1,532,802	2,788,678
C17	Changes in capital surplus	-	-	-	18	-	-	-	-	-	-	18	-	18
C7	Changes in retained earnings from investments in subsidiaries	-	-	50,503	-	-	-	(65)	-	-	-	50,438	(50,635)	(197)
M1	Changes in capital surplus from distributing cash dividends to subsidiaries	-	19,165	-	-	-	-	-	-	-	-	19,165	-	19,165
Q1	Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	(78,077)	-	78,077	-	-	-	-
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	3,325,442	3,325,442
Z1	BALANCE AT SEPTEMBER 30, 2020	\$ 11,887,635	\$ 264,647	\$ 57,794	\$ 18,858	\$ 3,109,625	\$ 781,059	\$ 4,306,310	(\$ 742,006)	\$ 182,302	(\$ 475,606)	\$ 19,390,618	\$ 24,806,005	\$ 44,196,623

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

USI CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the Nine Months Ended September 30, 2020 and 2019
 (Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>For the Nine Months Ended September 30, 2020</u>	<u>For the Nine Months Ended September 30, 2019</u>
	CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	Income before income tax from continuing operations	\$ 3,496,932	\$ 2,441,165
A00020	Income before income tax from discontinued operations	<u>2,107</u>	<u>3,604</u>
A10000	Income before income tax	3,499,039	2,444,769
A20010	Adjustments for:		
A20100	Depreciation expenses	1,706,600	1,590,218
A20200	Amortization expenses	52,617	51,190
A20300	Expected credit loss reversed on accounts receivable	(1,400)	(7,979)
A20400	Net loss (gain) on fair value change of financial assets and liabilities as at FVTPL	143,966	(113,274)
A20900	Finance costs	176,021	229,045
A21200	Interest income	(80,764)	(115,263)
A21300	Dividend Income	(146,135)	(161,637)
A22300	Share of loss (profit) of joint ventures accounted for using the equity method	114,593	(19,070)
A22500	Loss (gain) on disposal of property, plant and equipment	34,289	(31,516)
A23800	Inventory write-downs (reversed) recognized	9,506	(11,119)
A23700	Impairment loss recognized on non-financial assets	8,050	15,838
A29900	Gain on government grants	-	(155,710)
A29900	Recognition of refund liabilities	5,490	5,258
A30000	Changes in operating assets and liabilities		
A31115	Decrease (increase) in financial assets mandatorily classified as at FVTPL	1,174,801	(552,211)
A31130	Decrease in notes receivable	176,127	230,477
A31150	Decrease in accounts receivable	1,248,320	770,504
A31180	(Increase) Decrease in other receivables	(92,141)	14,518
A31200	Decrease in inventories	803,215	1,458,211
A31230	Decrease (Increase) in prepayments	13,575	(54,840)

(Continued)

C o d e		For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
A31240	Increase in other current assets	(\$ 282,578)	(\$ 263,505)
A32150	Decrease in notes and accounts payable	(308,477)	(658,728)
A32180	Increase (Decrease) in other payables	161,645	(44,067)
A32200	Decrease in provisions	(14,852)	(10,793)
A32240	Decrease in net defined benefit liabilities	(147,064)	(156,593)
A32230	Increase in other current liabilities	<u>156,879</u>	<u>42,332</u>
A33000	Cash generated from operations	8,411,322	4,496,055
A33100	Interest received	74,410	111,104
A33300	Interest paid	(170,641)	(198,232)
A33500	Income tax paid	(<u>462,139</u>)	(<u>372,103</u>)
AAAA	Net cash generated from operating activities	<u>7,852,952</u>	<u>4,036,824</u>

CASH FLOWS FROM INVESTING
ACTIVITIES

B00010	Payments for financial assets at FVTOCI	(84,399)	(4,525)
B00020	Proceeds from sale of financial assets at FVTOCI	76,643	80,649
B00030	Reduction of capital by returning cash of financial assets at FVTOCI	64,523	52,423
B00050	Proceeds from sale of financial assets measured at amortized cost	42,588	88,819
B01800	Acquisition of investments accounted for using the equity method	(3,811,781)	(5,161,581)
B02700	Payments for property, plant and equipment	(1,733,458)	(1,139,663)
B02800	Proceeds from disposal of property, plant and equipment	19,427	59,989
B03700	Decrease in refundable deposits	21,390	5,421
B04500	Payments for other intangible assets	(113)	(5,314)
B05400	Acquisition of investment property	(38,661)	-
B06700	Increase in other non-current assets	(5,139)	(91,842)
B07600	Dividends received	146,135	161,637
B09900	Compensations for land ownership certificate	<u>-</u>	<u>154,764</u>
BBBB	Net cash used in investing activities	(<u>5,302,845</u>)	(<u>5,799,223</u>)

CASH FLOWS FROM FINANCING
ACTIVITIES

C00100	Decrease in short-term borrowings	(511,617)	(1,720,184)
C00500	(Decrease) Increase in short-term bills payable	(458,000)	164,000
C01200	Proceeds from issuance of bond	-	1,995,630
C01300	Repayments of bonds	(1,000,000)	-
C01600	Proceeds from mid- to long-term borrowings	12,310,000	24,312,000
C01700	Repayments of mid- to long-term borrowings	(13,873,001)	(23,758,655)

(Continued)

<u>C o d e</u>		<u>For the Nine Months Ended September 30, 2020</u>	<u>For the Nine Months Ended September 30, 2019</u>
C03100	Increase in guarantee deposits received	\$ 10,417	\$ 1,254
C04020	Repayments of the principal portion of lease liabilities	(51,580)	(47,068)
C04400	Decrease in other current liabilities	(951)	(465)
C04500	Decrease in dividends payable	(594,382)	(356,629)
C05800	Change in non-controlling interests	3,325,442	2,233,115
C05800	Dividends paid to non-controlling interests	(<u>519,048</u>)	(<u>705,440</u>)
CCCC	Net cash (used) generated from financing activities	(<u>1,362,720</u>)	<u>2,117,558</u>
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(<u>213,160</u>)	(<u>61,505</u>)
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	974,227	293,654
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>7,927,403</u>	<u>8,123,304</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 8,901,630</u>	<u>\$ 8,416,958</u>

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

USI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2020 and 2019
(Reviewed, Not Audited)

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

1. GENERAL INFORMATION

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to and issued by the Company’s board of directors on November 4, 2020.

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

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

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC

would not have any material impact on the Group's accounting policies.

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

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3) Effective immediately upon promulgation by the IASB
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	To be determined by IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	January 1, 2023
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contract – Costs of Fulfilling a Contract”	January 1, 2022 (Note 5)

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

if this results in the non-controlling interests having a deficit balance.

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

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

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

d. Other significant accounting policies

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

1) Employee retirement benefits

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

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

6. CASH AND CASH EQUIVALENTS

	September 30, 2020	December 31, 2019	September 30, 2019
Cash on hand and petty cash	\$ 112,265	\$ 74,250	\$ 91,686
Checking accounts and demand deposits	3,021,878	2,174,906	2,876,092
Cash equivalents			
Time deposits	5,745,855	5,463,246	5,310,644
Reserve repurchase	<u>21,632</u>	<u>215,001</u>	<u>138,536</u>

agreements
collateralized by
bonds

\$ 8,901,630 \$ 7,927,403 \$ 8,416,958

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:

	September 30, 2020	December 31, 2019	September 30, 2019
Bank deposits	0.05%~5.80%	0.10%~3.75%	0.001%~7.30%
Reserve repurchase agreements collateralized by bonds	0.13%~0.90%	0.58%~1.90%	0.50%~2.40%

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

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Financial assets</u>			
<u>mandatorily at FVTPL</u>			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 7,629	\$ 14,066	\$ 23,958
Non-derivative financial assets			
Domestic listed shares and over-the-counter shares	251,227	364,057	161,044
Mutual funds	4,553,710	4,907,560	4,539,622
Beneficiary securities	230,796	1,071,797	1,015,424
Overseas listed shares	382	545	751
	<u>5,036,115</u>	<u>6,343,959</u>	<u>5,716,841</u>
	<u>\$ 5,043,744</u>	<u>\$ 6,358,025</u>	<u>\$ 5,740,799</u>
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange	\$ 8,622	\$ 4,136	\$ 2,144

	September 30, 2020	December 31, 2019	September 30, 2019
forward contracts			

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

	Currency	Maturity Date	Notional Amount (In Thousands)	
<u>September 30, 2020</u>				
Sell	RMB/NTD	109.10.08-109.12.29	RMB 138,300 /NTD	582,996
Sell	USD/MYR	109.10.30-110.06.30	USD 522 /MYR	2,232
Sell	USD/NTD	109.10.13-110.01.04	USD 31,870 /NTD	932,370
Sell	EUR/MYR	110.03.31-110.06.30	EUR 268 /MYR	1,316
Buy	NTD/USD	109.10.19-109.11.23	NTD 283,437 /USD	9,720
Buy	JPY/USD	109.10.22	JPY 40,000 /USD	380
<u>December 31, 2019</u>				
Sell	RMB/NTD	109.01.01-109.03.30	RMB 237,700 /NTD	1,020,283
Sell	USD/MYR	109.03.31-109.06.30	USD 865 /MYR	3,626
Sell	USD/NTD	109.01.03-109.03.24	USD 41,000 /NTD	1,241,134
Sell	EUR/MYR	109.03.31-109.06.30	EUR 224 /MYR	1,041
Buy	JPY/USD	109.01.06-109.01.22	JPY 40,000 /USD	368
Buy	NTD/USD	109.01.13-109.03.04	NTD 285,868 /USD	9,480
<u>September 30, 2019</u>				
Sell	RMB/NTD	108.10.01-108.12.30	RMB 260,400 /NTD	1,147,261
Sell	USD/MYR	108.12.10-109.06.30	USD 1,600 /MYR	6,658
Sell	USD/NTD	108.10.02-109.01.06	USD 44,760 /NTD	1,389,332
Sell	EUR/MYR	108.11.29-109.03.31	EUR 197 /MYR	928
Buy	NTD/USD	108.10.14-108.12.14	NTD 66,617 /USD	2,140
Buy	JPY/USD	108.10.21-108.10.31	JPY 50,000 /USD	468

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

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Investments in equity			

	September 30, 2020	December 31, 2019	September 30, 2019
instruments at FVTOCI			
Domestic investments			
Domestic listed shares and over-the-counter shares	<u>\$ 142,066</u>	<u>\$ 174,789</u>	<u>\$ 163,572</u>
<u>Non-current</u>			
Investments in equity instruments at FVTOCI			
Domestic investments			
Listed shares and over-the-counter shares	\$ 1,474,743	\$ 1,439,624	\$ 1,500,648
Emerging market shares	9,171	16,178	20,608
Unlisted shares	<u>815,438</u>	<u>632,134</u>	<u>639,287</u>
	<u>2,299,352</u>	<u>2,087,936</u>	<u>2,160,543</u>
Overseas investments			
Listed shares and over-the-counter shares	15,025	8,649	6,090
Unlisted shares	<u>97,200</u>	<u>100,139</u>	<u>101,397</u>
	<u>112,225</u>	<u>108,788</u>	<u>107,487</u>
	<u>\$ 2,411,577</u>	<u>\$ 2,196,724</u>	<u>\$ 2,268,030</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 5,745 thousand shares of United Renewable Energy Co., Ltd. during the nine months ended September 30, 2020. The related other equity interests - the \$105,403 thousand unrealized loss on FVTOCI financial assets was transferred to

\$68,814 thousand of retained earnings and \$36,589 thousand of non-controlling interests.

The Group sold 1,734 thousand shares of Global BioPharma, Inc. during the nine months ended September 30, 2020. The related other equity interests - the \$10,434 thousand unrealized loss on FVTOCI financial assets was transferred to \$9,263 thousand of retained earnings and \$1,171 thousand of non-controlling interests.

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

The investees announced a reduction of capital by returning cash during the nine months ended September 30, 2020 and 2019, and the Group received \$64,523 thousand and \$52,423 thousand, respectively, according to its ownership percentage.

The Group recognized dividend income of \$140,982 thousand and \$151,971 thousand, respectively, for the nine months ended September 30, 2020 and 2019.

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

9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Pledged time deposits	\$ 348,306	\$ 347,981	\$ 348,122
Pledged demand deposits	849	-	2,057
Financial products	<u>77,771</u>	<u>158,148</u>	<u>-</u>
	<u>\$ 426,926</u>	<u>\$ 506,129</u>	<u>\$ 350,179</u>
<u>Non-current</u>			
Pledged time deposits	\$ 329,843	\$ 311,942	\$ 311,895
Time deposits with initial maturity of more than	<u>18,714</u>	<u>-</u>	<u>-</u>

	September 30, 2020	December 31, 2019	September 30, 2019
three months	<u>\$ 348,557</u>	<u>\$ 311,942</u>	<u>\$ 311,895</u>
Range of interest rates			
Pledged time deposits	0.04%~1.85%	0.09%~3.75%	0.09%~3.75%
Time deposits with initial maturity of more than three months	1.23%	-	-
Financial products	2.70%~3.00%	3.00%~3.20%	-

The trading partners of the Group are financial institutions with good credit ratings, and the short-term financial products invested in are with bank guaranteed principal and interests. The credit risk has been assessed by investigating the final capital destination and its impacts on principal and interests. After assessing that the time deposits have low credit risk, no allowance for loss is recognized.

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

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Notes receivable (a)</u>			
At amortized cost			
Gross carrying amount	\$ 458,308	\$ 634,435	\$ 785,406
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>(2)</u>
	<u>\$ 458,308</u>	<u>\$ 634,435</u>	<u>\$ 785,404</u>
<u>Accounts receivable (a)</u>			
At amortized cost			
Gross carrying amount	\$ 5,256,084	\$ 6,504,725	\$ 6,874,062
Less: Allowance for impairment loss	<u>(91,709)</u>	<u>(93,648)</u>	<u>(103,064)</u>
	<u>\$ 5,164,375</u>	<u>\$ 6,411,077</u>	<u>\$ 6,770,998</u>

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Other receivables (b)</u>			
Tax refund receivable	\$ 240,822	\$ 209,112	\$ 265,228
Lent material fees receivable	38,488	-	-
Others	<u>96,316</u>	<u>68,019</u>	<u>42,255</u>
	<u>\$ 375,626</u>	<u>\$ 277,131</u>	<u>\$ 307,483</u>

(a) Notes and accounts receivable

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

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting a new customer, the Group surveys the customers' credit history and measures the potential customer's credit quality to grant a credit term. A customer's credit term and rating are reviewed annually. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk is significantly reduced.

The Group applies the simplified approach to the recognition of allowances for expected credit losses during the reporting period. The expected credit losses on trade receivables are estimated using an allowance matrix by reference to past default experience with the respective debtors and an analysis of the debtors' current financial positions, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted

direction of economic conditions at the reporting date. As the Group's historical credit losses experience does not show significantly different loss patterns for different customer segments, the loss allowance, which is based on the past due status of receivables, is not further distinguished according to different segments of the Group's customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, they are recognized as profit or loss.

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

September 30, 2020

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Gross carrying amount	\$ 2,270,457	\$ 9,769	\$ 3,202	\$ 2,283,428
Loss allowance (Lifetime ECLs)	(<u>4,651</u>)	(<u>2,750</u>)	(<u>1,865</u>)	(<u>9,266</u>)
Amortized cost	<u>\$ 2,265,806</u>	<u>\$ 7,019</u>	<u>\$ 1,337</u>	<u>\$ 2,274,162</u>

Based on credit quality

	<u>Credit Rating A</u>	<u>Credit Rating B</u>	<u>Credit Rating C</u>	<u>Others</u>	<u>Total</u>
Gross carrying amount	\$ 327,170	\$ 675,123	\$ 553,760	\$ 1,874,911	\$ 3,430,964
Loss allowance (Lifetime ECLs)	(<u>3,637</u>)	(<u>5,506</u>)	(<u>5,568</u>)	(<u>67,732</u>)	(<u>82,443</u>)
Amortized cost	<u>\$ 323,533</u>	<u>\$ 669,617</u>	<u>\$ 548,192</u>	<u>\$ 1,807,179</u>	<u>\$ 3,348,521</u>

December 31, 2019

Based on the number of days past due

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

Based on credit quality

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

September 30, 2019

Based on the number of days past due

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

Based on credit quality

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

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

	September 30, 2020	December 31, 2019	September 30, 2019
Not past due	\$ 3,042,782	\$ 3,874,348	\$ 4,378,755
Up to 60 days	259,446	147,019	94,879
Over 60 days	128,736	79,261	62,195
	<u>\$ 3,430,964</u>	<u>\$ 4,100,628</u>	<u>\$ 4,535,829</u>

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

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

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Balance at January	\$ 93,648	\$ 111,779
Less: Impairment losses	(1,400)	(7,979)

reversed		
Less: Amounts written off during the period as uncollectible	(321)	(63)
Foreign exchange translation gains and losses	(218)	(671)
Balance on September 30	<u>\$ 91,709</u>	<u>\$ 103,066</u>

(b) Other receivables

Other receivables mainly consisted of tax refund receivable, lent material fees receivable, refunds from capital reduction of financial products, government grants receivable, etc. The average aging of other receivables was less than 60 days based on the number of days past due from the invoice date, and an impairment loss was assessed based on the expected credit losses. There were no other overdue receivables with an unrecognized allowance for doubtful accounts in the Group as of September 30, 2020, December 31, 2019 and September 30, 2019.

11. INVENTORIES

	September 30, 2020	December 31, 2019	September 30, 2019
Finished goods	\$ 1,910,536	\$ 2,728,069	\$ 2,912,333
Work in progress	364,752	350,133	467,996
Raw materials	1,506,108	1,315,085	1,476,776
Supplies	340,309	317,289	380,160
Inventory in transit	<u>17,064</u>	<u>208,930</u>	<u>12,593</u>
	<u>\$ 4,138,769</u>	<u>\$ 4,919,506</u>	<u>\$ 5,249,858</u>

The costs of inventories recognized as cost of goods sold for the three months ended September 30, 2020 and 2019, were \$9,867,920 thousand and \$12,340,401 thousand, respectively, and for the nine months ended September 30, 2020 and 2019 were \$28,733,038 thousand and \$37,195,424 thousand, respectively.

The reversal of inventory write-downs for the three months ended September 30, 2020 was \$10,566 thousand, and the inventory write-down for the three months ended September 30, 2019 was \$3,182 thousand; the

inventory write-down for the nine months ended September 30, 2020 was \$9,506 thousand, and the reversal of write-downs for the nine months ended September 30, 2019 was \$11,119 thousand. Previous write-downs were reversed as a result of increased selling prices in certain markets.

12. DISCONTINUED OPERATIONS

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

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

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Administrative expenses	(\$ 5,142)	(\$ 7,469)	(\$ 15,312)	(\$ 19,853)
Loss from operations	(5,142)	(7,469)	(15,312)	(19,853)
Non-operating income	<u>5,793</u>	<u>6,676</u>	<u>17,419</u>	<u>23,457</u>
Net profit (loss) from discontinued operations	<u>\$ 651</u>	<u>(\$ 793)</u>	<u>\$ 2,107</u>	<u>\$ 3,604</u>

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

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Net cash generated from operating activities	\$ 12,403	\$ 8,144
Effect of exchange rate changes	(367)	(1,670)
Net cash inflow	<u>\$ 12,036</u>	<u>\$ 6,474</u>

13. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Name of Activities	Proportion of Ownership (%)			
			Septemb er 30,	December 31, 2019	Septemb er 30,	Rema r k

			2020		2019	
			<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
The Company	USIFE Investment Co., Ltd. ("USII")	Investment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Swanlake Traders Ltd. (Swanlake)	Trading and investment	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	11.
	USI (Hong Kong) Company Limited	Trading and investment	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	USI Management Consulting Corp ("UM")	Providing management services	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Chong Loong Trading Co., Ltd. ("CLT")	Import and export trade	<u>99.9%</u>	<u>99.9%</u>	<u>99.9%</u>	
	Union Polymer Int'l Investment Corp. ("UPIIC")	Investment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Cypress Epoch Limited	Investment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Inoma Corporation ("INOMA")	Optical products and fireproof materials business	<u>94.4%</u>	<u>93.2%</u>	<u>93.2%</u>	1.
Cypress Epoch Limited	Usig (Shanghai) Co., Ltd.	Import and distribution of various chemical raw materials and products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
The Company	Thintec Materials Corporation ("TMC")	Reinforced plastic products manufacturing	-	30.4%	30.4%	
Taita Chemical Company, Ltd.			-	10.0%	10.0%	
China General Plastics Corporation			-	10.0%	10.0%	
Asia Polymer Corporation			-	30.4%	30.4%	
Taiwan United Venture Capital Corp.			-	15.0%	15.0%	
			-	95.8%	95.8%	2.
The Company	Taiwan United Venture Capital Corp. ("TUVC")	Venture capital	70.0%	70.0%	70.0%	
Asia Polymer Corporation ("APC")			8.3%	8.3%	8.3%	
			78.3%	78.3%	78.3%	
The Company	Swanson Plastics Corp. ("SPC")	Production and marketing of stretch film, embossed film and industrial use multi-layer wrap	40.6%	40.6%	40.6%	
Asia Polymer Corporation			8.0%	8.0%	8.0%	
USIFE Investment Co., Ltd.			4.5%	0.4%	0.3%	
			53.1%	49.0%	48.9%	3.
The Company	Acme Electronics Corp. ("ACME")	Production and marketing of manganese-zinc soft ferrite powder	26.9%	26.9%	26.9%	
China General Plastics Corporation			1.7%	1.7%	1.7%	
USIFE Investment Co., Ltd.			9.3%	9.3%	9.3%	
Asia Polymer Corporation			3.3%	3.3%	3.3%	
Taita Chemical Company, Ltd.			2.4%	2.4%	2.4%	
APC Investment Corporation			1.0%	1.0%	1.0%	
			44.6%	44.6%	44.6%	13.
The Company	USI Optronics Corporation ("USIO")	Manufacturing and marketing of sapphire crystal	50.9%	50.9%	50.9%	
Acme Electronics Corp.			34.0%	34.0%	34.0%	
Asia Polymer Corporation			9.2%	9.2%	9.2%	
USIFE Investment Co., Ltd.			0.2%	0.2%	0.2%	
			94.3%	94.3%	94.3%	
			<u>Proportion of Ownership (%)</u>			
			September 30, 2020	December 31, 2019	September 30, 2019	Remark
Investor	Investee	Name of Activities				
Acme Electronics Corp.	ACME Electronics (Cayman) Corp.	Reinvestment business	51.3%	51.3%	51.3%	
APC (BVI) Holding Co., Ltd.			16.6%	16.6%	16.6%	
Swanlake Traders Ltd.			11.2%	11.2%	11.2%	
TAITA (BVI) Holding Co., Ltd.			5.4%	5.4%	5.4%	

			<u>84.5%</u>	<u>84.5%</u>	<u>84.5%</u>	
Acme Electronics Corp.	Golden Amber Enterprises Limited	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	ACME Electronics (BVI) Corp.	Reinvestment business	-	<u>100.0%</u>	<u>100.0%</u>	4.
ACME Electronics (Cayman) Corp.	Acme Electronics (Kunshan) Co., Ltd.	Manufacturing 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.	Manufacturing and marketing of manganese-zinc soft ferrite core	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
Union Polymer Int'l Investment Corp.	Asia Polymer Corporation ("APC")	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	36.1%	36.1%	36.1%	
China General Terminal & Distribution Co.			0.9%	0.9%	0.9%	
USIFE Investment Co., Ltd.			0.3%	0.3%	0.3%	
Taiwan VCM Corporation			-	-	-	
			<u>37.3%</u>	<u>37.3%</u>	<u>37.3%</u>	11. and 13.
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>	13.
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>	12.
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>	12.
	Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	5.
Union Polymer Int'l Investment Corp.	China General Plastics Corporation ("CGPC")	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	25.0%	25.0%	25.0%	
Asia Polymer Corporation			8.1%	8.1%	8.1%	
Taita Chemical Company, Ltd.			2.0%	2.0%	2.0%	
China General Terminal & Distribution Co.			0.5%	0.5%	0.5%	
USIFE Investment Co., Ltd.			<u>0.1%</u>	<u>0.1%</u>	<u>0.1%</u>	
			<u>35.7%</u>	<u>35.7%</u>	<u>35.7%</u>	13.

Investor	Investee	Name of Activities	Proportion of Ownership (%)			Remark
			September 30, 2020	December 31, 2019	September 30, 2019	
China General Plastics Corporation	Taiwan VCM Corporation ("TVCM")	Manufacture and marketing of vinyl chloride monomer and related petrochemical products	<u>87.2%</u>	<u>87.2%</u>	<u>87.2%</u>	
	CGPC (BVI) Holding Co., Ltd.	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	CGPC America Corporation	Marketing of PVC two- or three-time processed products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Krystal Star International Corporation	Marketing of PVC two- or three-time processed products	<u>-</u>	<u>-</u>	<u>100.0%</u>	6.
	CGPC Polymer Corporation ("CGPCP")	Manufacture and marketing of PVC powder	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	CGPC (BVI) Holding Co., Ltd.	CGPC (Chung Shan) Co., Ltd. ("CGPC (CS)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
	Chung Shan CGPC Polymer Co., Ltd. ("Chung Shan (GPCP)")	Manufacture and marketing of PVC plastic cloths and three-time processed products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	7.
China General Plastics Corporation	China General Terminal & Distribution Co.	Warehousing petrochemical raw materials	33.3%	33.3%	33.3%	
Taita Chemical Company, Ltd.			33.3%	33.3%	33.3%	
Asia Polymer Corporation			<u>33.4%</u>	<u>33.4%</u>	<u>33.4%</u>	
USIFE Investment Co., Ltd.	Taiwan United Venture Management Corp. ("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>	8.
Swanson Plastics Corp.	Curtana Company Ltd.	Reinvestment business	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Forever Young Company Ltd.	Import and export agency services	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics Company Ltd. (Singapore)	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Swanson International Ltd.	Engaging in import and export trade	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
Swanson Plastics Corp.	PT. Swanson Plastics Indonesia Ltd.	Production and marketing of plastic products	1.0%	1.0%	1.0%	
Swanson Plastics Company Ltd. (Singapore)			<u>99.0%</u>	<u>99.0%</u>	<u>99.0%</u>	
Swanson Plastics Corp.	Swanson Technologies Corporation	Production, marketing and development of EVA packaging film and other value added plastic products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
			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>	
Swanson Plastics Company Ltd. (Singapore)	Swanson Plastics (Malaysia) Sdn.Bhd.	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (India) Private Limited	Production and marketing of plastic products	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (Tianjin) Co., Ltd.	Production, marketing and development of multi-functional film and light-solution film	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
Swanson International Ltd.	A.S. Holdings (UK) Limited	Reinvestment	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
	Swanson Plastics (Kunshan) Corp.	Production, marketing and development of multi-functional film and light-solution film	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
A.S. Holdings (UK) Limited	API-Swanson (Kunshan) Co., Ltd.	Management of PE release film and other release	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	

		products' production and sales				
The Company	Ever Conquest Global Limited ("ECGL")	Investment business	60.2%	63.1%	63.1%	
Asia Polymer Corporation			<u>39.8%</u>	<u>36.9%</u>	<u>36.9%</u>	
Ever Conquest Global Limited	Ever Victory Global Limited ("EVGL")	Investment business	<u>100.0%</u> <u>71.0%</u>	<u>100.0%</u> <u>80.0%</u>	<u>100.0%</u> <u>80.0%</u>	9., 10., and 13.
Ever Victory Global Limited	Dynamic Ever Investments Limited ("DEIL")	Investment business	<u>85.3%</u>	<u>89.9%</u>	<u>89.9%</u>	9. and 10.

1. In June 2020, the Company acquired 1.2% of shares from the external shareholders of INOMA, acquired price being \$349 thousand. After the equity purchase, the proportion of INOMA's equity held by the Group increased from 93.2% to 94.4%. As these transactions did not change the Group's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to a decrease in retained earnings of \$65 thousand.
2. TMC has had no actual production or sales activities in recent years. Therefore, on April 12, 2019, the board of directors of TMC had approved the proposal for dissolution and liquidation of the company starting from the dissolution date of May 25, 2019. The Group has obtained \$12,214 thousand of the remaining property distribution from liquidation in May 2020, and TMC has completed the dissolution and liquidation procedures on July 22, 2020.
3. Based on its medium- and long-term investment strategy, USIIC acquired 4.1% of the shares of SPC's external shareholders in May 2020 for a price of \$77,149 thousand.
4. In June 2020, ACME obtained the remaining assets of \$267 thousand returned by its subsidiary ACME Electronics (BVI)Corp., which completed its process of liquidation in June 2020.
5. As TTC assessed that there is shrinking demand in the local market for expanded polystyrene (EPS), which is the main

product produced by its subsidiary Taita Chemical (Tianjin) Co., Ltd. (“TTC (Tianjin)”), TTC’s management decided to suspend production from TTC (Tianjin) starting April 2019. Please refer to Note 15 for the details.

6. In July 2019, CGPC obtained the remaining assets of \$78,556 thousand returned by its subsidiary Krystal Star International Corporation, which completed its process of liquidation in December 2019.
7. CGPC disposed of CGPC (CS) and CGPCP as approved in the meeting of the board of directors in October 2011. CGPC (CS) and CGPCP had not completed the process of liquidation as of September 30, 2020.
8. In September 2019, the management of Forum Pacific Trading Ltd. approved its dissolution and liquidation, and returned the remaining assets of \$6,828 thousand in April 2020. Forum Pacific Trading Ltd. had not completed the process of liquidation as of September 30, 2020.
9. As of September 30, 2020, the Company and APC invested capital amounted to US\$246,670 thousand (around NT\$7,645,981 thousand) and US\$162,992 thousand (around NT\$5,042,230 thousand) in ECGL, respectively, and reinvested in EVGL via ECGL as well as in DEIL. The total ownership percentage of the Group in EVGL is 71.0%. For more detailed explanation, please refer to 10. and Note 38.
10. ECGL subscribed for additional new shares of EVGL at a percentage different from its existing ownership percentage in May and August 2019, and reinvested in DEIL through EVGL at a percentage different from its existing ownership percentage in June and August 2019. After the capital increases, the Group’s ownership percentage in EVGL increased from 77.5% to 80.0%, while EVGL’s ownership percentage in DEIL decreased from 100% to 89.9%. As these transactions did not

change the Group's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to increases in capital surplus of \$4,275 thousand and decreases in retained earnings of \$1,191 thousand.

ECGL subscribed for additional new shares of EVGL at a percentage different from its existing ownership percentage in March 2020, and reinvested in DEIL through EVGL at a percentage different from its existing ownership percentage in April 2020. After the capital increases, the Group's ownership percentage in EVGL decreased from 80.0% to 71.0%, and EVGL's ownership percentage in DEIL decreased from 89.9% to 85.3%. As these transactions did not change the Group's control over these subsidiaries, they are deemed as equity transactions. Differences generated from the aforementioned equity transactions were adjusted to increases in capital surplus of \$59,222 thousand.

11. In order to sell the products by Gulei, the Company and APC resolved on August 13, 2020 and August 12, 2020, respectively, to establish a joint venture sales company in Fujian Province, China, with a planned capital of RMB 300,000 thousand (approximately US\$46,000 thousand). The funds are expected to be US\$32,200 thousand and US\$13,800 thousand, respectively invested by Swanlake and APC (BVI).
12. The boards of TAITA (BVI) and Taita Chemical (ZhongShan) Co., Ltd. resolved on November 3, 2020 and to establish a new company in Fujian Province, China, each investing RMB 157,000 thousand and holding 50% of the shares. The main business of the new company is expected to be the production and sales of expandable polystyrene (EPS).
13. This is a subsidiary with material non-controlling interests.

For the nine months ended September 30, 2020, expect for the financial statements of significant subsidiaries such as CGPC, TTC, UPIIC, ECGL, EVGL, DEIL and partial non-significant

subsidiaries such as ACME, ACME (Cayman), TVCM, CGPCP, APC, TAITA (ZS) and TAITA (TJ), the subsidiaries' financial statements were not reviewed by the auditors.

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

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

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

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

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended	For the Three Months Ended	For the Nine Months Ended	For the Nine Months Ended	September 30, 2020	December 31, 2019	September 30, 2019
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019			
CGPC	\$ 235,132	\$ 111,873	\$ 403,353	\$ 265,568	\$ 5,545,322	\$ 5,275,245	\$ 5,128,707
TTC	\$ 416,806	\$ 6,189	\$ 714,967	\$ 199,710	\$ 3,312,820	\$ 2,683,447	\$ 2,630,078
ACME	\$ 3,811	(\$ 2,499)	\$ 20,553	(\$ 23,259)	\$ 705,888	\$ 694,961	\$ 742,360
APC	\$ 129,897	\$ 139,221	\$ 378,600	\$ 369,922	\$ 6,770,805	\$ 6,488,546	\$ 6,337,823
EVGL	(\$ 11,150)	(\$ 11,377)	(\$ 27,655)	(\$ 3,337)	\$ 4,894,211	\$ 2,885,402	\$ 2,952,586

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

CGPC and CGPC's subsidiaries

September 30, 2020	December 31, 2019	September 30, 2019
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	September 30, 2020	December 31, 2019	September 30, 2019
Current assets	\$ 4,996,116	\$ 4,876,866	\$ 5,146,813
Non-current assets	7,887,762	7,454,367	7,170,014
Current liabilities	(1,802,864)	(1,695,099)	(1,724,644)
Non-current liabilities	(<u>1,922,446</u>)	(<u>1,923,568</u>)	(<u>2,145,934</u>)
Equity	<u>\$ 9,158,568</u>	<u>\$ 8,712,566</u>	<u>\$ 8,446,249</u>

(Continued)

	September 30, 2020	December 31, 2019	September 30, 2019
Equity attributable to:			
Owners of CGPC	\$ 3,112,551	\$ 2,975,567	\$ 2,888,838
Non-controlling interests of CGPC	5,545,322	5,275,245	5,128,707
Non-controlling interests of CGPC's subsidiaries	<u>500,695</u>	<u>461,754</u>	<u>428,704</u>
	<u>\$ 9,158,568</u>	<u>\$ 8,712,566</u>	<u>\$ 8,446,249</u>

	For the Three Month Ended September 30, 2020	For the Three Month Ended September 30, 2019	For the Nine Month Ended September 30, 2020	For the Nine Month Ended September 30, 2019
Revenue	<u>\$ 3,262,308</u>	<u>\$ 3,824,886</u>	<u>\$ 9,140,578</u>	<u>\$11,407,164</u>
Net profit from continuing operations	\$ 387,639	\$ 188,713	\$ 670,188	\$ 423,012
Net profit (loss) from discontinued operations	<u>651</u>	<u>(793)</u>	<u>2,107</u>	<u>3,604</u>
Profit for the period	388,290	187,920	672,295	426,616
Other comprehensive income (loss) for the period	<u>41,377</u>	<u>(14,729)</u>	<u>57,152</u>	<u>3,886</u>
Total comprehensive income for the period	<u>\$ 429,667</u>	<u>\$ 173,191</u>	<u>\$ 729,447</u>	<u>\$ 430,502</u>
Profit attributable to:				
Owners of CGPC	\$ 122,486	\$ 58,276	\$ 210,116	\$ 138,340
Non-controlling interests of CGPC	235,132	111,873	403,353	265,568
Non-controlling interests of	<u>30,672</u>	<u>17,771</u>	<u>58,826</u>	<u>22,708</u>

CGPC's subsidiaries	\$ 388,290	\$ 187,920	\$ 672,295	\$ 426,616
Total comprehensive income attributable to:				
Owners of CGPC	\$ 149,916	\$ 41,874	\$ 227,139	\$ 130,897
Non-controlling interests of CGPC	249,079	113,522	443,439	276,867
Non-controlling interests of CGPC's subsidiaries	<u>30,672</u>	<u>17,795</u>	<u>58,869</u>	<u>22,738</u>
	<u>\$ 429,667</u>	<u>\$ 173,191</u>	<u>\$ 729,447</u>	<u>\$ 430,502</u>

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Net cash inflow (outflow) from:		
Operating activities	\$ 1,116,427	\$ 1,191,953
Investing activities	(827,019)	(494,435)
Financing activities	(241,488)	(911,744)
Effects of exchange rate changes	(<u>2,353</u>)	<u>1,469</u>
Net cash inflow (outflow)	<u>\$ 45,567</u>	(<u>\$ 212,757</u>)
Dividends paid to non-controlling interests	<u>\$ 173,260</u>	<u>\$ 499,788</u>

TTC and TTC's subsidiaries

	September 30, 2020	December 31, 2019	September 30, 2019
Current assets	\$ 5,408,856	\$ 4,801,480	\$ 5,022,106
Non-current assets	3,170,914	3,203,261	3,271,072
Current liabilities	(2,251,730)	(2,278,694)	(2,648,933)
Non-current liabilities	(<u>946,797</u>)	(<u>1,426,284</u>)	(<u>1,430,397</u>)
Equity	<u>\$ 5,381,243</u>	<u>\$ 4,299,763</u>	<u>\$ 4,213,848</u>
Equity attributable to:			
Owners of TTC	\$ 2,068,423	\$ 1,616,316	\$ 1,583,770
Non-controlling interests of TTC	<u>3,312,820</u>	<u>2,683,447</u>	<u>2,630,078</u>
	<u>\$ 5,381,243</u>	<u>\$ 4,299,763</u>	<u>\$ 4,213,848</u>

<u>For the Three</u>	<u>For the Three</u>	<u>For the Nine</u>	<u>For the Nine</u>
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	Month Ended September 30, 2020	Month Ended September 30, 2019	Month Ended September 30, 2020	Month Ended September 30, 2019
Revenue	<u>\$ 4,142,679</u>	<u>\$ 4,382,791</u>	<u>\$10,667,664</u>	<u>\$13,464,687</u>
Profit for the period	\$ 658,181	\$ 9,772	\$ 1,129,008	\$ 315,362
Other comprehensive income (loss) for the period	<u>121,797</u>	<u>(30,913)</u>	<u>52,733</u>	<u>(24,896)</u>
Total comprehensive income (loss) for the period	<u>\$ 779,978</u>	<u>(\$ 21,141)</u>	<u>\$ 1,181,741</u>	<u>\$ 290,466</u>
Profit attributable to:				
Owners of TTC	\$ 241,375	\$ 3,583	\$ 414,041	\$ 115,652
Non-controlling interests of TTC	<u>416,806</u>	<u>6,189</u>	<u>714,967</u>	<u>199,710</u>
	<u>\$ 658,181</u>	<u>\$ 9,772</u>	<u>\$ 1,129,008</u>	<u>\$ 315,362</u>
Total comprehensive income (loss) attributable to:				
Owners of TTC	\$ 316,259	(\$ 5,788)	\$ 470,033	\$ 109,591
Non-controlling interests of TTC	<u>463,719</u>	<u>(15,353)</u>	<u>711,708</u>	<u>180,875</u>
	<u>\$ 779,978</u>	<u>(\$ 21,141)</u>	<u>\$ 1,181,741</u>	<u>\$ 290,466</u>
			For the Nine Month Ended September 30, 2020	For the Nine Month Ended September 30, 2019
Net cash inflow from:				
Operating activities			\$ 1,647,000	\$ 1,103,360
Investing activities			(72,045)	46,607
Financing activities			(811,151)	(519,541)
Effects of exchange rate changes			<u>(3,317)</u>	<u>(19,894)</u>
Net cash inflow			<u>\$ 760,487</u>	<u>\$ 610,532</u>
Dividends paid to non-controlling interests			<u>\$ 63,493</u>	<u>\$ 41,498</u>

ACME and ACME's subsidiaries

	September 30, 2020	December 31, 2019	September 30, 2019
Current assets	\$ 1,851,446	\$ 1,780,507	\$ 1,816,579
Non-current assets	1,664,988	1,753,574	1,726,810
Current liabilities	(1,119,076)	(1,085,862)	(1,096,814)
Non-current liabilities	<u>(554,731)</u>	<u>(612,610)</u>	<u>(507,117)</u>
Equity	<u>\$ 1,842,627</u>	<u>\$ 1,835,609</u>	<u>\$ 1,939,458</u>

Equity attributable to:

Owners of ACME	\$ 568,843	\$ 557,511	\$ 595,666
Non-controlling interests of ACME	705,888	694,961	742,360
Non-controlling interests of ACME's subsidiaries	<u>567,896</u>	<u>583,137</u>	<u>601,432</u>
	<u>\$ 1,842,627</u>	<u>\$ 1,835,609</u>	<u>\$ 1,939,458</u>

	For the Three Month Ended September 30, 2020	For the Three Month Ended September 30, 2019	For the Nine Month Ended September 30, 2020	For the Nine Month Ended September 30, 2019
Revenue	<u>\$ 520,064</u>	<u>\$ 551,071</u>	<u>\$ 1,582,323</u>	<u>\$ 1,587,013</u>
Profit (Loss) for the period	\$ 7,689	(\$ 8,317)	\$ 35,061	(\$ 57,118)
Other comprehensive income (loss) for the period	<u>37,581</u>	<u>(48,113)</u>	<u>(28,043)</u>	<u>(27,834)</u>
Total comprehensive income (loss) for the period	<u>\$ 45,270</u>	<u>(\$ 56,430)</u>	<u>\$ 7,018</u>	<u>(\$ 84,952)</u>
Profit (Loss) attributable to:				
Owners of ACME	\$ 3,043	(\$ 1,994)	\$ 16,409	(\$ 18,658)
Non-controlling interests of ACME	3,811	(2,499)	20,553	(23,259)
Non-controlling interests of ACME's subsidiaries	<u>835</u>	<u>(3,824)</u>	<u>(1,901)</u>	<u>(15,201)</u>
	<u>\$ 7,689</u>	<u>(\$ 8,317)</u>	<u>\$ 35,061</u>	<u>(\$ 57,118)</u>
Total comprehensive income (loss) attributable to:				
Owners of ACME	\$ 13,869	(\$ 16,493)	\$ 9,797	(\$ 27,481)
Non-controlling interests of ACME	17,563	(20,658)	12,462	(34,363)
Non-controlling interests of ACME's subsidiaries	<u>13,838</u>	<u>(19,279)</u>	<u>(15,241)</u>	<u>(23,108)</u>
	<u>\$ 45,270</u>	<u>(\$ 56,430)</u>	<u>\$ 7,018</u>	<u>(\$ 84,952)</u>

	For the Nine Month Ended September 30,	For the Nine Month Ended September 30,
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	2020	2019
Net cash inflow		
(outflow) from:		
Operating activities	\$ 152,171	\$ 264,183
Investing activities	(26,052)	(149,398)
Financing activities	24,567	34,594
Effects of exchange rate changes	(16,152)	(12,760)
Net cash inflow	<u>\$ 134,534</u>	<u>\$ 136,619</u>

APC and APC's subsidiaries

	September 30, 2020	December 31, 2019	September 30, 2019
Current assets	\$ 3,005,320	\$ 4,940,438	\$ 4,940,198
Non-current assets	12,815,734	11,982,653	12,023,728
Current liabilities	(1,666,635)	(2,469,828)	(2,757,360)
Non-current liabilities	(3,394,469)	(4,223,443)	(4,233,903)
Equity	<u>\$ 10,759,950</u>	<u>\$ 10,229,820</u>	<u>\$ 9,972,663</u>

Equity attributable to:

Owners of APC	\$ 3,989,145	\$ 3,741,274	\$ 3,634,840
Non-controlling interests of APC	<u>6,770,805</u>	<u>6,488,546</u>	<u>6,337,823</u>
	<u>\$ 10,759,950</u>	<u>\$ 10,229,820</u>	<u>\$ 9,972,663</u>

	For the Three Month Ended September 30, 2020	For the Three Month Ended September 30, 2019	For the Nine Month Ended September 30, 2020	For the Nine Month Ended September 30, 2019
Revenue	<u>\$ 1,313,190</u>	<u>\$ 1,645,365</u>	<u>\$ 3,985,252</u>	<u>\$ 5,040,677</u>
Profit for the period	\$ 192,008	\$ 205,791	\$ 559,628	\$ 546,801
Other comprehensive income (loss) for the period	<u>571,409</u>	<u>(51,850)</u>	<u>290,195</u>	<u>(10,052)</u>
Total comprehensive income for the period	<u>\$ 763,417</u>	<u>\$ 153,941</u>	<u>\$ 849,823</u>	<u>\$ 536,749</u>
Profit attributable to:				
Owners of APC	\$ 62,111	\$ 66,570	\$ 181,028	\$ 176,879
Non-controlling interests of APC	<u>129,897</u>	<u>139,221</u>	<u>378,600</u>	<u>369,922</u>
	<u>\$ 192,008</u>	<u>\$ 205,791</u>	<u>\$ 559,628</u>	<u>\$ 546,801</u>
Total comprehensive income attributable to:				
Owners of APC	\$ 247,610	\$ 88,457	\$ 346,678	\$ 221,308
Non-controlling interests of APC	<u>515,807</u>	<u>65,484</u>	<u>503,145</u>	<u>315,441</u>
	<u>\$ 763,417</u>	<u>\$ 153,941</u>	<u>\$ 849,823</u>	<u>\$ 536,749</u>

	For the Nine Month Ended September 30, 2020	For the Nine Month Ended September 30, 2019
Net cash inflow		
(outflow) from:		
Operating activities	\$ 2,128,507	\$ 245,221
Investing activities	(621,925)	(1,121,755)
Financing activities	(1,841,097)	779,842
Effects of exchange rate changes	(5,604)	(835)
Net cash outflow	<u>(\$ 340,119)</u>	<u>(\$ 97,527)</u>
Dividends paid to non-controlling interests	<u>\$ 225,031</u>	<u>\$ 112,516</u>

EVGL and EVGL's subsidiaries

	September 30, 2020	December 31, 2019	September 30, 2019
Current assets	\$ 1,304,910	\$ 1,194,368	\$ 1,218,161
Non-current assets	18,513,834	14,867,168	15,214,244
Current liabilities	(10,992)	(14,346)	(11,590)
Equity	<u>\$ 19,807,752</u>	<u>\$ 16,047,190</u>	<u>\$ 16,420,815</u>
Equity attributable to:			
Owners of EVGL	\$ 12,007,476	\$ 11,547,692	\$ 11,816,573
Non-controlling interests of EVGL	4,894,211	2,885,402	2,952,586
Non-controlling interests of EVGL's subsidiaries	<u>2,906,065</u>	<u>1,614,096</u>	<u>1,651,656</u>
	<u>\$ 19,807,752</u>	<u>\$ 16,047,190</u>	<u>\$ 16,420,815</u>

	For the Three Month Ended September 30, 2020	For the Three Month Ended September 30, 2019	For the Nine Month Ended September 30, 2020	For the Nine Month Ended September 30, 2019
Loss for the period	(\$ 45,129)	(\$ 63,019)	(\$ 127,417)	(\$ 23,315)
Other comprehensive income (loss) for the period	<u>357,331</u>	<u>(383,276)</u>	<u>(118,307)</u>	<u>(320,452)</u>
Total comprehensive income (loss) for the period	<u>\$ 312,202</u>	<u>(\$ 446,295)</u>	<u>(\$ 245,724)</u>	<u>(\$ 343,767)</u>
Loss attributable to:				
Owners of EVGL	(\$ 27,356)	(\$ 45,469)	(\$ 83,826)	(\$ 15,811)

Non-controlling interests of EVGL	(11,150)	(11,377)	(27,655)	(3,337)
Non-controlling interests of EVGL's subsidiaries	(<u>6,623</u>)	(<u>6,173</u>)	(<u>15,936</u>)	(<u>4,167</u>)
	(\$ <u>45,129</u>)	(\$ <u>63,019</u>)	(\$ <u>127,417</u>)	(\$ <u>23,315</u>)
Total comprehensive income (loss) attributable to:				
Owners of EVGL	\$ 189,228	(\$ 314,280)	(\$ 170,245)	(\$ 230,806)
Non-controlling interests of EVGL	77,129	(79,211)	(51,279)	(53,341)
Non-controlling interests of EVGL's subsidiaries	<u>45,845</u>	(<u>52,804</u>)	(<u>24,200</u>)	(<u>59,620</u>)
	<u>\$ 312,202</u>	(<u>\$ 446,295</u>)	(<u>\$ 245,724</u>)	(<u>\$ 343,767</u>)
			For the Nine Month Ended September 30, 2020	For the Nine Month Ended September 30, 2019
Net cash outflow from:				
Operating activities			(\$ 7,110)	(\$ 37,266)
Investing activities			(3,811,781)	(5,161,581)
Financing activities			4,006,285	5,715,801
Effects of exchange rate changes			(<u>67,783</u>)	(<u>15,100</u>)
Net cash inflow			<u>\$ 119,611</u>	<u>\$ 501,854</u>

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

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2020	December 31, 2019	September 30, 2019
Investments in joint ventures			
Associates that are individually material			
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	<u>\$ 18,513,834</u>	<u>\$ 14,867,168</u>	<u>\$ 15,214,244</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, 2020, December 31, 2019 and September 30, 2019. For more explanation, please refer to Note 38.

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

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

	September 30, 2020	December 31, 2019	September 30, 2019	
Cash	<u>\$ 3,879,321</u>	<u>\$ 2,078,359</u>	<u>\$ 8,162,020</u>	
Current assets	\$ 3,925,109	\$ 2,102,915	\$ 8,406,667	
Non-current assets	70,331,401	40,551,677	31,298,887	
Current liabilities	(10,323,253)	(8,164,871)	(9,248,298)	
Non-current liabilities	<u>(26,905,589)</u>	<u>(4,755,385)</u>	<u>(28,767)</u>	
Equity	37,027,668	29,734,336	30,428,489	
Proportion of the Group's ownership	<u>50%</u>	<u>50%</u>	<u>50%</u>	
Equity attributable to the Group	<u>\$ 18,513,834</u>	<u>\$ 14,867,168</u>	<u>\$ 15,214,244</u>	
Carrying amount	<u>\$ 18,513,834</u>	<u>\$ 14,867,168</u>	<u>\$ 15,214,244</u>	
	For the Three Month Ended September 30, 2020	For the Three Month Ended September 30, 2019	For the Nine Month Ended September 30, 2020	For the Nine Month Ended September 30, 2019
Shares attributable to the Group Net (loss) profit of the period	<u>(\$ 44,798)</u>	<u>(\$ 2,100)</u>	<u>(\$ 114,593)</u>	<u>\$ 19,070</u>

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

For the nine months ended September 30, 2020 and 2019, investments in joint ventures accounted for using the equity method

and the Group's share of profit and other comprehensive income were not reviewed by the auditors.

15. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2020	December 31, 2019	September 30, 2019
Freehold land	\$ 4,682,237	\$ 4,682,238	\$ 4,682,238
Land improvements	7,108	8,232	8,635
Building improvements	4,067,418	4,282,923	4,281,809
Machinery and equipment	11,784,258	12,418,786	12,419,789
Transportation equipment	47,138	46,865	48,716
Other equipment	309,588	300,065	303,493
Construction in progress and equipment under installation	2,250,743	1,489,802	1,357,912
	<u>\$ 23,148,490</u>	<u>\$ 23,228,911</u>	<u>\$ 23,102,592</u>

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

According to Rule No. 1072133080 issued by the Land Administration Department of the New Taipei City Government on November 7, 2018, the Company's land and buildings in Linkou which were recognized under property, plant and equipment are

within the scope of the “Linkou City Land Rezoning Area”. Part of the land will be reclaimed, and a portion of this reclaimed land is expected to be returned in 2022. Based on the area’s land reclamation regulations, when the Company reclaims the land, it does not have the obligation to dismantle the existing buildings on the land, nor does it have the obligation to set up factories in the area after reclamation is complete; its only obligation is to vacate the existing buildings. The Company is also not required to repay or satisfy any other obligations with respect to the compensation fees obtained from moving out of the various existing buildings, incentives for automatic relocation and compensation for operating losses after the buildings on the reclaimed land have been handed over. The related compensation and incentive fees which the Company received as a result of the aforementioned land reclamation case amounted to \$154,764 thousand and \$38,230 thousand in the months of April 2019 and July 2019, respectively, for a combined total of \$192,994 thousand. The Company had completed its obligation to move out from the existing buildings and land and completed the related handover procedures with the New Taipei City Government. As there are no repayment obligations or other obligations to be satisfied, other than recognizing the various compensation fees as adjustments to the costs of the original land and buildings, related compensation fee revenue of \$155,710 thousand was recognized.

In cooperation with the Taiwan International Ports Corporation (Ports Co.), Ministry of Transportation and Communications, to relocate the petrochemical oil storage tank facilities of the old port area operators, CGTD leased the port facilities and storage areas of the Kaohsiung Port Intercontinental Container Center Second Phase Petrochemical Oil Storage and Transportation Center from Ports Co., the lease period being from August 1, 2017 to July 31, 2042, rent

paid quarterly. In addition, the boards of directors of the Company, CGTD, APC and TVCM, a subsidiary of CGPC, resolved in 2019 to build the second phase of the Intercontinental Petrochemical Oil Products Center, and signed a turnkey project agreement with CTCI on October 7, 2019, with a total investment price of \$3,380,107 thousand. As of September 30, 2020, the Group had paid \$1,022,169 thousand for the project, which was accounted for under construction in progress.

For the nine months ended September 30, 2020, ACME (GZ) assessed that some of its machinery and equipment had been idle and did not meet the production requirements, recognizing an impairment loss of \$5,823 thousand; for the nine months ended September 30, 2020, USIO assessed that the book value of some of its machinery and equipment could not be recovered, recognizing an impairment loss of \$14,131 thousand. The aforementioned profit and loss have been included in the operating expenses in the consolidated comprehensive income statement.

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

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

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

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

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

For the related capitalized interest, please refer to Note 28 (d) finance cost.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amounts			
Leasehold land	\$ 171,721	\$ 184,708	\$ 173,803
Land use rights	418,528	444,306	457,348
Buildings	150,713	195,662	203,648
Machinery and equipment	54,377	60,697	5,795
Transportation equipment	2,384	135	356
	<u>\$ 797,723</u>	<u>\$ 885,508</u>	<u>\$ 840,950</u>
	For the Three Month Ended September 30, 2020	For the Three Month Ended September 30, 2019	For the Nine Month Ended September 30, 2020
			For the Nine Month Ended September 30, 2019
Addition for right-of-use assets			<u>\$ 2,765</u>
Depreciation charge for right-of-use assets			<u>\$ -</u>
Leasehold land	\$ 3,924	\$ 4,297	\$ 11,589
Land use rights	4,177	3,744	13,746
Buildings	7,114	7,624	21,021
Machinery and equipment	1,984	598	5,962
	\$ 12,852	\$ 11,554	\$ 22,851
	1,826	1,826	1,826

	For the Three Month Ended September 30, 2020	For the Three Month Ended September 30, 2019	For the Nine Month Ended September 30, 2020	For the Nine Month Ended September 30, 2019
equipment				
Transportation				
equipment	<u>170</u>	<u>222</u>	<u>516</u>	<u>664</u>
	<u>\$ 17,369</u>	<u>\$ 16,485</u>	<u>\$ 52,834</u>	<u>\$ 49,747</u>

Except for the recognition of depreciation expense, the Group's right-of-use assets did not experience significant impairments for the nine months ended September 30, 2020 and 2019.

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

Right-of-use assets pledged as collateral for bank borrowings are set out in Notes 19 and 36.

b. Lease liabilities

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amounts			
Current	<u>\$ 68,396</u>	<u>\$ 70,814</u>	<u>\$ 64,608</u>
Non-current	<u>\$ 406,156</u>	<u>\$ 481,964</u>	<u>\$ 434,628</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Lease land	0.83%~9.25%	0.83%~9.25%	1.04%~2.00%
Buildings	1.04%~2.00%	1.04%~2.00%	1.04%~2.00%
Machinery	1.04%~1.16%	1.04%~1.16%	1.04%~1.16%
Transportation equipment	1.06%~1.25%	1.06%~1.25%	1.06%~1.25%

c. Material lease-in activities and terms

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

d. Other lease information

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

	For the Three Month Ended September 30, 2020	For the Three Month Ended September 30, 2019	For the Nine Month Ended September 30, 2020	For the Nine Month Ended September 30, 2019
Expenses relating to short-term leases	\$ 15,750	\$ 7,862	\$ 35,658	\$ 21,616
Expenses relating to low-value asset leases	\$ 442	\$ 217	\$ 1,222	\$ 650
Expenses relating to variable lease payments not including in the measurement of lease liabilities	\$ 7,768	\$ 9,057	\$ 29,818	\$ 36,604
Total cash outflow for leases			(\$ 123,827)	(\$ 111,879)

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

17. INVESTMENT PROPERTIES

	September 30, 2020	December 31, 2019	September 30, 2019
Completed investment properties			
Land	\$ 195,053	\$ 115,053	\$ 115,053
Buildings	300,930	313,847	318,592
Right-of-use assets	<u>82,132</u>	<u>95,508</u>	<u>99,244</u>
	<u>\$ 578,115</u>	<u>\$ 524,408</u>	<u>\$ 532,889</u>
	Land	Buildings	Right-of-use assets
	Total		

	Land	Buildings	Right-of-use assets	Total
<u>Cost</u>				
Balance at January 1, 2020	\$ 119,022	\$ 428,521	\$ 110,452	\$ 657,995
Addition	80,000	-	-	80,000
Transfer to property, plant and equipment	-	(1,752)	-	(1,752)
Transfer to right of use assets	-	-	(2,775)	(2,775)
Effect of foreign currency exchange differences	-	(2,700)	-	(2,700)
Balance at September 30, 2020	<u>\$ 199,022</u>	<u>\$ 424,069</u>	<u>\$ 107,677</u>	<u>\$ 730,768</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2020	\$ 3,969	\$ 114,674	\$ 14,944	\$ 133,587
Depreciation expenses	-	10,228	10,948	21,176
Transfer to property, plant and equipment	-	(717)	-	(717)
Transfer to right of use assets	-	-	(347)	(347)
Effect of foreign currency exchange differences	-	(1,046)	-	(1,046)
Balance at September 30, 2020	<u>\$ 3,969</u>	<u>\$ 123,139</u>	<u>\$ 25,545</u>	<u>\$ 152,653</u>
Carrying amounts at September 30, 2020	<u>\$ 195,053</u>	<u>\$ 300,930</u>	<u>\$ 82,132</u>	<u>\$ 578,115</u>
<u>Cost</u>				
Balance at January 1, 2019	\$ 94,940	\$ 173,492	\$ -	\$ 268,432
Adjustments on initial application of IFRS 16	-	-	110,452	110,452
Balance at January 1, 2019 (restated)	94,940	173,492	110,452	378,884
Transfer from property, plant and equipment	24,082	257,285	-	281,367
Effect of foreign currency exchange differences	-	997	-	997
Balance at September 30, 2019	<u>\$ 119,022</u>	<u>\$ 431,774</u>	<u>\$ 110,452</u>	<u>\$ 661,248</u>
<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
Transfer from property, plant and equipment	-	28,729	-	28,729
Effect of foreign currency exchange differences	-	357	-	357
Balance at September 30, 2019	<u>\$ 3,969</u>	<u>\$ 113,182</u>	<u>\$ 11,208</u>	<u>\$ 128,359</u>
Carrying amounts at	<u>\$ 115,053</u>	<u>\$ 318,592</u>	<u>\$ 99,244</u>	<u>\$ 532,889</u>

September 30, 2019	Land	Buildings	Right-of-use assets	Total
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Right-of-use assets included in investment properties are units of office space located in Taipei and subleased under operating leases to other companies. The investment properties were leased out for 1 to 8 years, with an option to extend. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

Except for the recognition of depreciation expense, there were no significant increases, disposals and impairment of the Group's investment properties for the nine months ended September 30, 2020 and 2019.

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

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

Part of the Group's investment properties is located in the Toufen and Linyuan Industrial District. As these districts are designated for industrial use, information on comparable market transactions are uncommon and alternative reliable measurements of the fair value estimates are not available. Hence, the Group determined that the fair value of these investment properties cannot be reliably determined. The fair values of the remaining investment properties were not assessed by independent appraisers; instead, they were arrived at by using the valuation model that most market participants would use in determining fair value by using Level 3 inputs, with reference to the transaction prices of similar properties in the vicinity. The fair value of right-of-use assets was determined by adding back the amount of related lease liabilities recognized to the net amount of the expected lease income after deducting all the expected payments.

The fair values of investment properties as of September 30, 2020, December 31, 2019 and September 30, 2019 were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Fair value	<u>\$ 1,220,514</u>	<u>\$ 1,180,999</u>	<u>\$ 1,183,182</u>

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

18. GOODWILL AND OTHER INTANGIBLE ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
Goodwill (a)	<u>\$ 269,026</u>	<u>\$ 269,026</u>	<u>\$ 269,026</u>
Other intangible assets (b)			
Technology royalties and patent right	\$ 2,108	\$ 7,109	\$ 8,775
Computer software	9,247	9,895	9,918
Others	-	-	1,611
	<u>\$ 11,355</u>	<u>\$ 17,004</u>	<u>\$ 20,304</u>

a. Goodwill

No impairment assessment was performed periodically as there was no indication of impairment on September 30, 2020 and 2019.

b. Other intangible assets

Except for the recognition of amortization expense, there were no significant addition, disposal and impairment on other intangible assets of the Group for the nine months ended September 30, 2020 and 2019.

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

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

19. BORROWINGS

a. Short-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 3,747,363</u>	<u>\$ 4,258,980</u>	<u>\$ 5,006,670</u>
Range of interest rates	0.52%~2.89%	0.81%~4.58%	0.83%~5.00%

b. Short-term bills payable

	September 30, 2020	December 31, 2019	September 30, 2019
Commercial paper	\$ 895,000	\$ 1,353,000	\$ 1,679,000
Less: Unamortized discount on bills payable	(510)	(190)	(278)
	<u>\$ 894,490</u>	<u>\$ 1,352,810</u>	<u>\$ 1,678,722</u>
Range of interest rates	0.35%~1.298%	0.50%~1.188%	0.50%~1.29%

c. Long-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
Secured borrowings	\$ 640,000	\$ 1,743,200	\$ 2,696,200
Line of credit borrowings	<u>7,250,000</u>	<u>7,650,000</u>	<u>6,800,000</u>
	<u>7,890,000</u>	<u>9,393,200</u>	<u>9,496,200</u>
Commercial paper	40,000	100,000	200,000
Unamortized discount on bills payable	(31)	(230)	(231)
	<u>39,969</u>	<u>99,770</u>	<u>199,769</u>
	7,929,969	9,492,970	9,695,969
Less: Current portions	-	(443,200)	(511,600)
Long-term borrowings	<u>\$ 7,929,969</u>	<u>\$ 9,049,770</u>	<u>\$ 9,184,369</u>
Range of interest rates			
Secured borrowings	0.93%~1.11%	1.05%~1.33%	0.98%~1.34%
Line of credit borrowings	0.82%~1.04%	0.98%~1.18%	1.04%~1.31%
Commercial paper	1.298%	1.528%	1.50%

The Company entered into medium- and long-term loan contracts with banks to increase working capital. The contracts will be effective up to August 2023 with a total credit limit of \$5,027,500 thousand, which is used cyclically during the validity period. As of September 30, 2020, the Company had borrowed \$1,800,000 thousand.

UPIIC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to June 2023 with a total credit limit of \$2,300,000 thousand, which is used cyclically during the validity period. As of September 30, 2020, UPIIC had borrowed \$1,000,000 thousand.

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

CGPCPOL entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to August 2022 with a total credit limit of \$1,500,000 thousand, which is used cyclically during the validity period. As of September 30, 2020, CGPCPOL had borrowed \$500,000 thousand.

TVCM entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to May 2023 with a total credit limit of \$1,100,000 thousand, which is used cyclically during the validity period. As of September 30, 2020, TVCM had borrowed \$50,000 thousand.

TTC entered into medium- and long-term financing contracts with banks to increase working capital. The contract will be

effective up to July 2023 with a total credit limit of \$2,200,000 thousand, which is used cyclically during the validity period. As of September 30, 2020, TTC had borrowed \$550,000 thousand.

APC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to April 2023 with a total credit limit of \$5,950,000 thousand, which is used cyclically during the validity period. As of September 30, 2020, APC had borrowed \$3,150,000 thousand.

ACME entered into medium- and long-term financing contracts with banks to increase working capital. The contract will be effective up to September 2022 with a total credit limit of \$540,000 thousand, which is used cyclically during the validity period. As of September 30, 2020, ACME had borrowed \$380,000 thousand.

SPC entered into medium- and long-term financing contracts with banks to increase working capital. The contracts will be effective up to June 2025 with a total credit limit of \$750,000 thousand, which is used cyclically during the validity period. As of September 30, 2020, SPC had borrowed \$500,000 thousand.

According to the loan contracts of part of subsidiaries, the current ratio, bank loan ratio, debt ratio, and interest protection multiples should not be less than the specified percentage. The subsidiaries should provide improvements to the bank if the requirements were not met. As of September 30, 2020, the subsidiaries did not violate the requirements.

20. BONDS PAYABLE

	September 30, 2020	December 31, 2019	September 30, 2019
Domestic unsecured bonds			
104-1A - issuance on February 12, 2015, 5 years, total amount \$1,000,000 thousand,	\$ -	\$ 1,000,000	\$ 1,000,000

	September 30, 2020	December 31, 2019	September 30, 2019
coupon rate 1.55%, bullet repayment			
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>2,000,000</u>	<u>2,000,000</u>
	7,000,000	8,000,000	8,000,000
Discounts on bonds payable	(<u>6,445</u>)	(<u>8,717</u>)	(<u>9,551</u>)
	6,993,555	7,991,283	7,990,449
Less: Current portions	<u>-</u>	(<u>999,956</u>)	(<u>999,861</u>)
	<u>\$ 6,993,555</u>	<u>\$ 6,991,327</u>	<u>\$ 6,990,588</u>

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

in February 2015. The Company repaid \$1,000,000 thousand due in February 2020.

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

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

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

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

21. NOTES AND ACCOUNTS PAYABLE

	<u>September 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>September 30,</u> <u>2019</u>
<u>Operating</u>			
Notes payable	\$ -	\$ -	\$ 192
Accounts payable	<u>2,448,891</u>	<u>2,757,368</u>	<u>2,733,767</u>
	<u>\$ 2,448,891</u>	<u>\$ 2,757,368</u>	<u>\$ 2,733,959</u>

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

22. OTHER PAYABLES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 864,133	\$ 790,918	\$ 722,165
Payables for water and electricity	212,380	188,541	209,910
Payables for fares	159,424	174,702	156,552
Payables for purchases of equipment	139,627	191,407	200,161
Payables for interests	58,862	55,434	71,893
Payable for VAT	47,387	19,236	42,550
Payables for purchases of land	41,339	-	-
Payables for fuel fees	41,156	20,779	14,141
Payables for insurance	29,341	26,576	24,573
Payables for dividends	22,381	17,771	23,756
Payables for professional service expenses	22,423	21,814	20,105
Others	<u>412,848</u>	<u>430,848</u>	<u>406,820</u>
	2,051,301	1,938,026	1,892,626
Other liabilities			
Refund liabilities	<u>18,859</u>	<u>28,221</u>	<u>24,499</u>
	<u>\$ 2,070,160</u>	<u>\$ 1,966,247</u>	<u>\$ 1,917,125</u>

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

23. PROVISIONS

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Non-current</u>			
Litigation provision	<u>\$ 136,375</u>	<u>\$ 136,375</u>	<u>\$ 136,375</u>

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

24. RETIREMENT BENEFIT PLANS

Related retirement expenses of defined benefit plans for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019 were calculated based on the annual retirement cost rate for the respective year ended December 31, 2019 and 2018 and were recognized as follows:

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Operating cost	\$ 7,480	\$ 9,350	\$ 22,605	\$ 27,433
Selling and marketing expenses	762	989	2,347	3,010
General and administrative expenses	1,192	1,225	3,610	4,433
Research and development expenses	331	413	1,026	1,239
Other gains and losses	50	61	151	205
	<u>\$ 9,815</u>	<u>\$ 12,038</u>	<u>\$ 29,739</u>	<u>\$ 36,320</u>

25. GOVERNMENT GRANTS

- a. Acme Electronics Corporation (Kunshan) reached an agreement with Kunshan Zhoushizhen People's Government in 2006 in which Acme Electronics Corporation (Kunshan) promised to relocate its new plant and raise its investment amount. Furthermore, Kunshan Zhoushizhen People's Government subsidized Acme Electronics Corporation (Kunshan)'s acquisition of the land for its new plant and the external line project for high voltage power during the relocation process. Acme Electronics Corporation (Kunshan) recognized the subsidy as long-term deferred revenue, which will be amortized along with the use of assets.

As of September 30, 2020, December 31, 2019, and September 30, 2019, the amounts of deferred income (booked under other current liabilities) that had not been amortized were RMB8,495 thousand (NTD\$36,301 thousand), RMB8,893 thousand (NTD\$38,216 thousand) and RMB9,025 thousand (NTD\$39,608 thousand), respectively.

- b. Affected by the global pandemic of COVID-19, the production bases of the Group's overseas subsidiaries were temporarily suspended in 2020 Q1 and resumed 100% in April 2020. Therefore, the anticipated impact of the pandemic on the Group is not significant. ACME has applied to the government for subsidies for items such as salary and operating capital. As of September 30, 2020, \$8,367 thousand has been obtained. In addition, in accordance with the policy of the local government in China, ACME (KS) and ACME(GZ) have gained exemption from the pension, unemployment and work-related injury insurances borne by the company from February to June 2020, as well as preferential electricity fee reduction, exemption, and subsidies due to good pandemic containment.

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

26. EQUITY

	September 30, 2020	December 31, 2019	September 30, 2019
Share capital	\$ 11,887,635	\$ 11,887,635	\$ 11,887,635
Capital surplus	341,299	271,613	268,630
Retained earnings	8,196,994	7,756,919	7,480,587
Other equity items	(559,704)	(781,058)	(520,032)
Treasury shares	(475,606)	(475,606)	(475,606)
Non-controlling interests	<u>24,806,005</u>	<u>20,517,444</u>	<u>20,383,390</u>
	<u>\$ 44,196,623</u>	<u>\$ 39,176,947</u>	<u>\$ 39,024,604</u>

- a. Share capital

	September 30, 2020	December 31, 2019	September 30, 2019
Number of shares authorized (in thousands)	<u>1,342,602</u>	<u>1,342,602</u>	<u>1,342,602</u>
Shares authorized	<u>\$ 13,426,024</u>	<u>\$ 13,426,024</u>	<u>\$ 13,426,024</u>
Number of shares issued and fully paid (in thousands)	<u>1,188,763</u>	<u>1,188,763</u>	<u>1,188,763</u>
Shares issued	<u>\$ 11,887,635</u>	<u>\$ 11,887,635</u>	<u>\$ 11,887,635</u>

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

b. Capital surplus

The capital surplus generated from donations and the excess of the issuance price over the par value of share capital (including the shares issued from new capital, mergers and treasury shares) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or share dividends up to a certain percentage of the Company's paid-in capital. The capital surplus arising from investments accounted for using the equity method and from dividends had not been received during the given period by stockholders are used to offset a deficit only. The capital surplus arising from employee stock option may not be used for any purposes.

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 after tax shall be first utilized for offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained

earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, please refer to "employees' compensation and remuneration of directors" in Note 28 (g).

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

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

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

The appropriations of earnings for 2019 and 2018 as approved in the shareholders' meetings on June 12, 2020 and 2019, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Legal reserve	\$ 129,872	\$ 53,994		
Special reserve	350,533	55,399		

Cash dividends	<u>594,382</u>	<u>356,629</u>	\$	0.5	\$	0.3
	<u>\$1,074,787</u>	<u>\$ 466,022</u>				

d. Other equity items

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

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Balance at January 1	(\$ 602,871)	(\$ 208,307)
Recognized during the period		
Exchange differences on translating foreign operations	(162,239)	(181,592)
Related income tax	23,172	36,786
Disposition of subsidiaries' equity	(68)	-
Balance at September 30	<u>(\$ 742,006)</u>	<u>(\$ 353,113)</u>

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

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Balance at January 1	(\$ 178,187)	(\$ 85,136)
Recognized during the period		
Unrealized gain Equity instruments	282,630	(47,273)
Related income tax	(218)	424
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings	<u>78,077</u>	<u>(34,934)</u>

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
due to disposals Balance at September 30	<u>\$ 182,302</u>	<u>(\$ 166,919)</u>
e. Non-controlling interests		
	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Balance at January 1	<u>\$ 20,517,444</u>	<u>\$ 18,267,556</u>
Adjustment on initial application of IFRS 16	<u>-</u>	<u>(4,490)</u>
Balance at January 1	20,517,444	18,263,066
Cash dividends of subsidiaries' shareholders	(519,048)	(705,440)
Share in profit for the period	1,621,087	860,396
	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Other comprehensive income (loss) in the period		
Exchange difference on translating foreign operations	(\$ 138,279)	(\$ 213,607)
Income tax relating to exchange difference on translating foreign operations	8,094	21,129
Unrealized gain (loss) on financial assets at FVTOCI	42,441	(73,924)
Income tax relating to unrealized gain (loss) on financial assets at FVTOCI	(456)	908
Disposition of subsidiaries' equity	(85)	-
Adjustments relating to	(50,635)	(2,253)

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
changes accounted for using the equity method		
Changes in non-controlling interests	<u>3,325,442</u>	<u>2,233,115</u>
Balance at September 30	<u>\$ 24,806,005</u>	<u>\$ 20,383,390</u>

f. Treasury shares

Purpose of Buy-Back	Number of Shares at January 1 (In Thousands of Shares)	Increase During the Period	Decrease During the Period	Number of Shares at September 30 (In Thousands of Shares)
<u>For the nine months ended September 30, 2020</u>				
Transfer from shares held by subsidiaries under equity method	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>
<u>For the nine months ended September 30, 2019</u>				
Transfer from shares held by subsidiaries under equity method	<u>116,466</u>	<u>-</u>	<u>-</u>	<u>116,466</u>

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>September 30, 2020</u>			
Asia Polymer Corporation ("APC")	101,356	\$ 1,377,381	\$ 1,591,284
Taita Chemical Company, Limited ("TTC")	15,110	<u>81,875</u> <u>\$ 1,459,256</u>	<u>237,226</u> <u>\$ 1,828,510</u>

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2019</u>			
APC	101,356	\$ 1,377,381	\$ 1,403,776
TTC	15,110	81,875	209,272
		\$ 1,459,256	\$ 1,613,048
<u>September 30, 2019</u>			
APC	101,356	\$ 1,377,381	\$ 1,307,488
TTC	15,110	81,875	194,918
		\$ 1,459,256	\$ 1,502,406

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

The Company's shares held by APC and TTC were carried as unrealized gain (loss) on financial assets at FVTOCI and valued at the closing price of September 30, 2020, December 31, 2019 and September 30, 2019. The carrying amounts of investments accounted for using the equity method and the unrealized gain on financial assets at FVTOCI were reduced by \$126,165 thousand, \$55,255 thousand and \$18,842 thousand, respectively.

27. REVENUE

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Product sales revenue				
Plastic materials	\$11,762,778	\$13,297,885	\$32,669,839	\$40,003,715
Electronic materials	520,064	551,071	1,582,323	1,587,013
Others	131,559	141,538	375,041	394,372
	\$12,414,401	\$13,990,494	\$34,627,203	\$41,985,100

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

Contract balances

	September 30, 2020	December 31, 2019	September 30, 2019	January 1, 2019
Notes and accounts	\$ 5,622,683	\$ 7,045,512	\$ 7,556,402	\$ 8,548,733

receivables (Note 10)

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Owners of the Company	\$ 600,567	\$ 302,094	\$ 1,111,847	\$ 996,589
Non-controlling interests	<u>820,117</u>	<u>269,382</u>	<u>1,619,732</u>	<u>858,076</u>
	<u>\$ 1,420,684</u>	<u>\$ 571,476</u>	<u>\$ 2,731,579</u>	<u>\$ 1,854,665</u>

Net profit from continuing operations includes the following:

a. Interest income

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Interest income				
Cash and cash equivalents	\$ 19,942	\$ 29,846	\$ 74,745	\$ 91,076
Financial assets at FVTPL	-	1,131	3,730	20,797
Financial assets at amortized cost	404	276	2,141	1,109
Others	<u>46</u>	<u>1,854</u>	<u>148</u>	<u>2,281</u>
	<u>\$ 20,392</u>	<u>\$ 33,107</u>	<u>\$ 80,764</u>	<u>\$ 115,263</u>

b. Other income

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Dividend income	\$ 76,811	\$ 110,501	\$ 146,135	\$ 161,637
Claims income	580	-	23,124	15,924
Rental income	20,501	15,854	45,166	43,644
Grant income (Note 25)	576	905	5,033	11,136
Government grants income (Note 15)	-	-	-	155,710
Management service income (Note 35)	8,502	7,581	23,281	21,045
Others	<u>14,179</u>	<u>35,364</u>	<u>46,610</u>	<u>119,355</u>
	<u>\$ 121,149</u>	<u>\$ 170,205</u>	<u>\$ 289,349</u>	<u>\$ 528,451</u>

c. Other gains and losses

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Gain on disposal of property, plant and equipment	\$ 1,670	\$ 923	\$ 9,701	\$ 37,722
Loss on disposal of property, plant and equipment	(18,092)	(4,486)	(43,990)	(6,206)
Net (loss) gain on disposal of financial instruments	(52,819)	8,420	326,200	15,476
Net foreign exchange (loss) gain	(34,486)	(132,016)	(71,573)	(27,433)
Net gain (loss) on financial assets at FVTPL	166,184	44,749	(119,951)	138,414
Net (loss) gain on financial liabilities at FVTPL	(14,283)	169	(24,015)	(25,140)
Impairment losses recognized on non-financial assets	(1,652)	(1,414)	(2,227)	(1,707)
Depreciation of investment properties	(15,082)	(11,755)	(29,377)	(35,310)
Other gains and losses	(8,239)	(44,121)	(43,949)	(67,914)
	<u>\$ 23,201</u>	<u>(\$ 139,531)</u>	<u>\$ 819</u>	<u>\$ 27,902</u>

d. Finance costs

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Interest on bank loans	\$ 29,080	\$ 46,812	\$ 109,420	\$ 157,035
Interest on bonds payable	19,895	23,856	61,002	65,028
Other interest expense	14	17	50	1,041
Interest on lease liabilities	1,799	1,935	5,549	5,941
Less: Capitalized interest (included in construction in progress)	(676)	(2,633)	(1,904)	(16,875)
	<u>\$ 50,112</u>	<u>\$ 69,987</u>	<u>\$ 174,117</u>	<u>\$ 212,170</u>

Information about capitalized interest is as follows:

For the Three Months Ended September 30,	For the Three Months Ended September 30,	For the Nine Months Ended September 30,	For the Nine Months Ended September 30,
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	2020	2019	2020	2019
Capitalized interest	\$ 676	\$ 2,633	\$ 1,904	\$ 16,875
Capitalization rate	0.85%~1.23%	0.62%~1.25%	0.76%~1.23%	0.62%~1.48%

e. Depreciation and amortization

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Property, plant and equipment	\$ 541,502	\$ 514,760	\$ 1,624,124	\$ 1,518,204
Right-of-use assets	16,563	15,640	50,411	47,172
Investment properties	6,881	4,406	21,176	13,265
Intangible assets	2,595	5,589	7,896	18,178
Others	<u>15,533</u>	<u>12,590</u>	<u>44,721</u>	<u>33,012</u>
	<u>\$ 583,074</u>	<u>\$ 552,985</u>	<u>\$ 1,748,328</u>	<u>\$ 1,629,831</u>
Analysis of depreciation by function				
Operating costs	\$ 519,596	\$ 492,654	\$ 1,581,951	\$ 1,454,163
Operating expenses	30,268	30,397	84,383	89,168
Other gains and losses	<u>15,082</u>	<u>11,755</u>	<u>29,377</u>	<u>35,310</u>
	<u>\$ 564,946</u>	<u>\$ 534,806</u>	<u>\$ 1,695,711</u>	<u>\$ 1,578,641</u>
Analysis of amortization by function				
Operating costs	\$ 15,514	\$ 12,596	\$ 44,664	\$ 33,457
Selling and marketing expenses	137	2,539	408	7,659
General and administrative expenses	740	1,377	2,315	5,073
Research and development expenses	<u>1,737</u>	<u>1,667</u>	<u>5,230</u>	<u>5,001</u>
	<u>\$ 18,128</u>	<u>\$ 18,179</u>	<u>\$ 52,617</u>	<u>\$ 51,190</u>

f. Employee benefits expense

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Post-employment benefits (Note 24)				
Defined contribution plans	\$ 26,640	\$ 39,815	\$ 85,442	\$ 116,239
Defined benefit	<u>9,815</u>	<u>12,038</u>	<u>29,739</u>	<u>36,320</u>

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
plans	36,455	51,853	115,181	152,559
Other employee benefits	<u>1,132,017</u>	<u>1,161,986</u>	<u>3,200,276</u>	<u>3,238,074</u>
Total employee benefits expense	<u>\$ 1,168,472</u>	<u>\$ 1,213,839</u>	<u>\$ 3,315,457</u>	<u>\$ 3,390,633</u>
Analysis of employee benefits expense by function				
Operating costs	\$ 831,708	\$ 862,402	\$ 2,333,478	\$ 2,348,588
Operating expenses	332,043	347,219	968,829	1,029,294
Non-operating income and expenses	<u>4,721</u>	<u>4,218</u>	<u>13,150</u>	<u>12,751</u>
	<u>\$ 1,168,472</u>	<u>\$ 1,213,839</u>	<u>\$ 3,315,457</u>	<u>\$ 3,390,633</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rate of no less than 1% and no higher than 1%, respectively, of net profit before income tax. The employees' compensation and remuneration of directors for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, which were accrued by the Company's board of directors as follows:

Accrual rates

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.35%	0.35%

Amount

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019

Employees' compensation	\$ <u>6,229</u>	\$ <u>3,435</u>	\$ <u>11,842</u>	\$ <u>11,635</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 and recognized in the next year.

The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018, which were approved by the Company's board of directors on March 9, 2020 and March 8, 2019, respectively, were as follows:

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

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

h. Gain or loss on foreign currency exchange

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Foreign exchange gains	\$ 24,224	\$ 34,980	\$ 135,783	\$ 203,082
Foreign exchange losses	(<u>58,710</u>)	(<u>166,996</u>)	(<u>207,356</u>)	(<u>230,515</u>)
Net loss	(<u>\$ 34,486</u>)	(<u>\$ 132,016</u>)	(<u>\$ 71,573</u>)	(<u>\$ 27,433</u>)

29. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Current tax				
In respect of the current year	\$ 322,449	\$ 151,208	\$ 676,980	\$ 486,251
Surtax on undistributed earnings	2	-	29,544	-
Adjustments for prior years	(<u>100</u>)	(<u>3,488</u>)	(<u>13,666</u>)	(<u>8,746</u>)
	<u>322,351</u>	<u>147,720</u>	<u>692,858</u>	<u>477,505</u>
Deferred tax				
In respect of the current year	12,321	8,932	76,199	107,560
Adjustments for prior years	(<u>3,314</u>)	<u>400</u>	(<u>3,704</u>)	<u>1,435</u>
	<u>9,007</u>	<u>9,332</u>	<u>72,495</u>	<u>108,995</u>
Income tax expense recognized in profit or loss	<u>\$ 331,358</u>	<u>\$ 157,052</u>	<u>\$ 765,353</u>	<u>\$ 586,500</u>

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

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

deducted the amount of capital expenditure from the unappropriated earnings that was reinvested.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
<u>Deferred tax</u>				
In respect of the current year				
Translation of foreign operations	\$ 60,495	(\$ 80,592)	(\$ 31,266)	(\$ 57,915)
Fair value changes of financial assets at FVTOCI	<u>957</u>	<u>(658)</u>	<u>674</u>	<u>(1,332)</u>
Total income tax recognized in other comprehensive income	<u>\$ 61,452</u>	<u>(\$ 81,250)</u>	<u>(\$ 30,592)</u>	<u>(\$ 59,247)</u>

c. Income tax assessments

The income tax return of TMC through 2019 has been assessed by the tax authorities. The income tax returns of APC, UPIIC, TVCM, USIIC, APCI, TUVV, TUVV, INOMA, STC, SPC, CLT, CGTD, CGPC, CGPCPOL and USIO through 2018 have been assessed by the tax authorities. The income tax returns of TTC through 2018 have been assessed by the tax authorities, except for that of 2017. The income tax returns of the Company, UM, and ACME through 2017 have been assessed by the tax authorities.

30. EARNINGS PER SHARE

	Unit: NT\$ Per Share			
	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Basic and diluted earnings per share				
From continuing operations and discontinued operations	\$ 0.56	\$ 0.28	\$ 1.04	\$ 0.93
From discontinued	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

operations				
From continuing operations	\$ <u>0.56</u>	\$ <u>0.28</u>	\$ <u>1.04</u>	\$ <u>0.93</u>

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

Profit for the period

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Profit for the period attributable to owners of the Company (earnings used in the computation of basic and diluted earnings per share)	\$ 600,799	\$ 301,812	\$ 1,112,599	\$ 997,873
Less: (Loss) Gain for the period from discounted operations used in computation of basic earnings per share from discounted operations	(<u>232</u>)	(<u>282</u>)	(<u>752</u>)	(<u>1,284</u>)
Earnings used in the computation of basic and diluted earnings per share from continuing operations	<u>\$ 600,567</u>	<u>\$ 302,094</u>	<u>\$ 1,111,847</u>	<u>\$ 996,589</u>

Weighted Average Number of Ordinary Shares Outstanding

(In Thousands of Shares)

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Weighted average number of ordinary shares used in computation of basic earnings per share	1,072,298	1,072,298	1,072,298	1,072,298
Effect of potentially dilutive ordinary shares:				
Employees' compensation issued to employees	754	902	1,062	1,029
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,073,052	1,073,200	1,073,360	1,073,327

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

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

31. SHARE-BASED PAYMENT ARRANGEMENTS

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

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

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

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

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

32. CASH FLOW INFORMATION

- a. Non-cash transactions

For the nine months ended September 30, 2020 and 2019, the Group entered into the following non-cash investing and

financing activities which were not reflected in the consolidated statements of cash flows:

1. As of September 30, 2020, December 31, 2019, and September 30, 2019, the amounts of payables for purchases of equipment were \$139,627 thousand, \$191,407 thousand, and \$200,161 thousand, respectively. As of September 30, 2020, the amount of payables for purchases of land was \$41,339 thousand (as of December 31 and September 30, 2019: none).
2. As of September 30, 2020, December 31, 2019, and September 30, 2019, the amounts of payables for dividends declared but not issued were \$22,381 thousand, \$17,771 thousand and \$23,756 thousand, respectively.

b. Changes in liabilities arising from financing activities

	N o n - c a s h C h a n g e s						September 30, 2020
	January 1, 2020	Cash Flows	New Leases	Allocated Finance Costs	Changes in Foreign Currency Exchange Rates	Others	
Short-term borrowings	\$ 4,258,980	(\$ 511,617)	\$ -	\$ -	\$ -	\$ -	\$ 3,747,363
Short-term bills payable	1,352,810	(458,000)	-	-	-	(320)	894,490
Bonds payable (including current portions)	7,991,283	(1,000,000)	-	2,272	-	-	6,993,555
Long-term borrowings (including current portions)	9,492,970	(1,563,001)	-	-	-	-	7,929,969
Guarantee deposits received	27,475	10,417	-	-	-	-	37,892
Lease liabilities (including current portions)	552,778	(51,580)	2,765	5,549	(28,871)	(5,549)	475,092
Other non-current liabilities	41,778	(951)	-	-	-	-	40,827
	<u>\$23,718,074</u>	<u>(\$ 3,574,732)</u>	<u>\$ 2,765</u>	<u>\$ 7,821</u>	<u>(\$ 28,871)</u>	<u>(\$ 5,869)</u>	<u>\$20,119,188</u>

	N o n - c a s h C h a n g e s						September 30, 2019
	January 1, 2019	Cash Flows	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 (including current portions)	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 (including current portions)	-	(47,068)	546,116	5,941	188	(5,941)	499,236
Other non-current liabilities	44,820	(465)	-	-	-	-	44,355
	<u>\$23,448,348</u>	<u>\$ 946,512</u>	<u>\$ 546,116</u>	<u>\$ 8,156</u>	<u>\$ 188</u>	<u>(\$ 6,003)</u>	<u>\$24,943,317</u>

33. CAPITAL MANAGEMENT

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

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

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

34. FINANCIAL INSTRUMENTS

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

September 30, 2020

	Carrying Amount	F a i r V a l u e			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	\$ 6,993,555	\$ -	\$ 7,033,298	\$ -	\$ 7,033,298

December 31, 2019

	Carrying Amount	F a i r V a l u e			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Domestic corporate bonds	\$ 7,991,283	\$ -	\$ 8,027,387	\$ -	\$ 8,027,387

September 30, 2019

	Carrying Amount	F a i r V a l u e			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>
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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, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 7,629	\$ -	\$ 7,629
Domestic listed shares and over-the-counter shares	251,227	-	-	251,227
Mutual funds	4,553,710	-	-	4,553,710
Beneficiary certificates	230,796	-	-	230,796
Foreign listed shares	<u>382</u>	<u>-</u>	<u>-</u>	<u>382</u>
	<u>\$ 5,036,115</u>	<u>\$ 7,629</u>	<u>\$ -</u>	<u>\$ 5,043,744</u>
<u>Financial assets at FVTOCI</u>				
Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,616,809	\$ -	\$ -	\$ 1,616,809
Domestic emerging market shares	-	-	9,171	9,171
Domestic unlisted shares	-	-	815,438	815,438
Foreign listed shares and over-the-counter shares	15,025	-	-	15,025
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>97,200</u>	<u>97,200</u>
	<u>\$ 1,631,834</u>	<u>\$ -</u>	<u>\$ 921,809</u>	<u>\$ 2,553,643</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 8,622</u>	<u>\$ -</u>	<u>\$ 8,622</u>

December 31, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 14,066	\$ -	\$ 14,066
Domestic listed shares and over-the-counter shares	364,057	-	-	364,057
Mutual funds	4,907,560	-	-	4,907,560
Beneficiary certificates	1,071,797	-	-	1,071,797
Foreign listed shares	545	-	-	545
	<u>\$ 6,343,959</u>	<u>\$ 14,066</u>	<u>\$ -</u>	<u>\$ 6,358,025</u>

Financial assets at FVTOCI

Equity instrument investments				
Domestic listed shares and over-the-counter shares	\$ 1,614,413	\$ -	\$ -	\$ 1,614,413
Domestic emerging market shares	-	-	16,178	16,178
Domestic unlisted shares	-	-	632,134	632,134

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Foreign listed shares and over-the-counter shares	\$ 8,649	\$ -	\$ -	\$ 8,649
Foreign unlisted shares	-	-	100,139	100,139
	<u>\$ 1,623,062</u>	<u>\$ -</u>	<u>\$ 748,451</u>	<u>\$ 2,371,513</u>

Financial liabilities at FVTPL

Derivative financial liabilities	<u>\$ -</u>	<u>\$ 4,136</u>	<u>\$ -</u>	<u>\$ 4,136</u>
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September 30, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 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>

	Level 1	Level 2	Level 3	Total
<u>Financial assets at</u>				
<u>FVTOCI</u>				
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>
<u>Financial liabilities at</u>				
<u>FVTPL</u>				
Derivative financial				
liabilities	<u>\$ -</u>	<u>\$ 2,144</u>	<u>\$ -</u>	<u>\$ 2,144</u>

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

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

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
<u>Financial assets at FVTOCI</u>		
Balance at January 1	\$ 748,451	\$ 845,179
Recognized in other		
comprehensive income		
(included in unrealized		
gain (loss) on financial		
assets at FVTOCI)	250,001	(31,464)
Disposition	(76,643)	-
Return of capital	-	(52,423)
Balance at September 30	<u>\$ 921,809</u>	<u>\$ 761,292</u>

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

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

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

The Group applied the valuation techniques and inputs for Level 3 fair value measurement for its independent fair value authentication of financial instruments which was carried out by the financial department. Through information from independent resources, the Group keeps the results close to the market state and reviews such results periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of its observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the discount for lack of marketability increases/decreases by 10%, the fair value will decrease/increase by \$92,181 thousand and \$76,129 thousand, respectively, for the nine months ended September 30, 2020 and 2019.

c. Categories of financial instruments

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Financial assets</u>			
Financial assets at			
FVTPL			
Financial assets			
mandatorily			
classified as at			
FVTPL	\$ 5,043,744	\$ 6,358,025	\$ 5,740,799
Financial assets			
measured at amortized			
cost			
Cash and cash			
equivalents	8,901,630	7,927,403	8,416,958
Pledged time and			
demand deposits	678,998	659,923	662,074
Investment			
products	77,771	158,148	-
Time deposits with			
initial maturity of			
more than three			
months	18,714	-	-
Notes receivable	458,308	634,435	785,404
Accounts receivable	5,164,375	6,411,077	6,770,998
Other receivables			
(including related			
parties)	375,626	277,131	307,483
Refundable deposits	160,439	181,829	154,807
Financial assets at			
FVTOCI - equity			
instrument			
investments	2,553,643	2,371,513	2,431,602
<u>Financial liabilities</u>			
Financial liabilities at			
FVTPL – Held for			
trading			
	8,622	4,136	2,144
Financial liabilities			
measured at			
amortized cost			
Short-term			
borrowings	3,747,363	4,258,980	5,006,670
Short-term bills			
payable	894,490	1,352,810	1,678,722
Notes payable and			
accounts payable	2,448,891	2,757,368	2,733,959

	September 30, 2020	December 31, 2019	September 30, 2019
Other payables (not including salaries payable or taxes payable)	1,139,781	1,127,872	1,127,911
Current portion of long-term borrowings	-	1,443,156	1,511,461
Bonds payable	6,993,555	6,991,327	6,990,588
Long-term borrowings	7,929,969	9,049,770	9,184,369
Guarantee deposits received	37,892	27,475	27,916

d. Financial Risk Management Objectives and Policies

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

1. Market risk

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

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

(1) Foreign currency risk

The Group had conducted foreign currency sales and purchases, which exposed the Group to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Group used foreign exchange forward contracts to eliminate

foreign currency exposure and thus mitigate the impact of the risk. The use of foreign exchange forward contracts was governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group did not enter into or traded foreign exchange contracts for speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 39 and the derivatives exposing the Group to foreign currency risk at the end of the reporting period are set out in Note 7.

Sensitivity analysis

The sensitivity analysis of foreign currency risk mainly focuses on the computation of foreign currency monetary items at the end of the financial reporting period (U.S. dollar denominated items). When the Group's functional currency relative to the USD appreciates/depreciates by 3%, the Group's profit before tax for the nine months ended September 30, 2020 will decrease/increase by \$71,723 thousand; the profit before tax for the nine months ended September 30, 2019 will decrease/increase by \$115,588 thousand.

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

(2) Interest rate risk

The Group was exposed to fair value interest rate risk because the Group held financial assets and financial liabilities at fixed rates; the Group was exposed to cash flow interest rate risk because the

Group held financial assets and financial liabilities at floating rates. The Group's management monitors the changes in the market rates on a regular basis and adjusts the floating rate financial liabilities to make the Group's rates approach market rates in response to the risk caused by changing market rates.

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

	September 30, 2020	December 31, 2019	September 30, 2019
Fair value interest rate risk			
Financial assets	\$ 5,307,962	\$ 5,253,127	\$ 4,839,303
Financial liabilities	14,170,499	15,821,920	16,832,048
Cash flow interest rate risk			
Financial assets	4,023,579	3,441,301	3,762,701
Financial liabilities	5,869,970	7,826,901	8,038,998

Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Group's computation was based on financial assets and financial liabilities with cash flow interest rate risk. A 0.5% increase/decrease of market interest was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's profit before tax for the nine months ended September 30, 2020 and 2019 would have decreased/increased by \$6,924 thousand and \$16,036 thousand, respectively.

(3) Other price risk

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

Sensitivity analysis

The following analysis was determined based on the price of equity securities at the balance sheet date.

If equity prices fluctuates by 5%, the pre-tax profit for the nine months ended September 30, 2020 and 2019 would have increased/decreased by \$251,806 thousand and \$285,842 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, 2020 and 2019 would have increased/decreased by \$127,682 thousand and \$121,580 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2. Credit risk

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

- a) The carrying amount of the financial assets recognized in the balance sheets; and

b) The maximum amount payable by the Group due to financial guarantees provided by the Group.

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

The counterparties of the Group's trade receivables cover a wide range of customers distributed in different districts include numerous clients distributed over a variety of areas, and are not centered on a single client or location. Besides this, ongoing credit evaluations are performed on the financial condition of counterparties of the trade receivables, so the Group's credit risk is limited. On the balance sheet date, the Group's maximum exposure to credit risk approximates the carrying amounts of the respective recognized financial assets as stated in the balance sheet.

3. Liquidity risk

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

(1) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest dates on which the Group can be required to pay. The table has been drawn up based on the undiscounted cash flows of financial liabilities, including the cash flows of interests and principals.

September 30, 2020

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative</u> <u>financial</u> <u>liabilities</u>				
Non-interest bearing liabilities		\$ 4,500,192	\$ -	\$ -
Lease liabilities	0.83-9.25	97,764	259,867	326,735
Floating interest rate liabilities	0.52-1.30	240,000	5,630,000	-
Fixed interest rate liabilities	0.35-2.89	<u>4,402,363</u>	<u>9,300,000</u>	<u>-</u>
		<u>\$ 9,240,319</u>	<u>\$15,189,867</u>	<u>\$ 326,735</u>

Additional information about the maturity analysis
for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 97,764</u>	<u>\$ 259,867</u>	<u>\$ 99,160</u>	<u>\$ 52,400</u>	<u>\$ 52,399</u>	<u>\$ 122,776</u>

December 31, 2019

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

Additional information about the maturity analysis
for lease liabilities:

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

September 30, 2019

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest				
bearing				
liabilities				
Lease liabilities	1.04-2.00	\$ 4,626,585 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:

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

(2) Liquidity and interest rate risk tables for derivative
financial liabilities

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

September 30, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			

Foreign exchange
forward
contracts

Inflows	\$ 520,266	\$ 1,031,827	\$ 37,468
Outflows	(517,993)	(1,281,224)	(39,729)
	<u>\$ 2,273</u>	<u>(\$ 249,397)</u>	<u>(\$ 2,261)</u>

December 31, 2019

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 976,924	\$ 1,557,083	\$ 28,793
Outflows	(972,818)	(1,552,082)	(29,358)
	<u>\$ 4,106</u>	<u>\$ 5,001</u>	<u>(\$ 565)</u>

September 30, 2019

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

(3) Financing facilities

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

	September 30, 2020	December 31, 2019	September 30, 2019
Bank loan facilities			

Amount unused	<u>\$ 35,528,581</u>	<u>\$ 23,210,225</u>	<u>\$ 27,031,040</u>
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35. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties' names and relationships

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

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

<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30, 2020</u>	<u>For the Three Months Ended September 30, 2019</u>	<u>For the Nine Months Ended September 30, 2020</u>	<u>For the Nine Months Ended September 30, 2019</u>
Other related party USI Education Foundation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,250</u>	<u>\$ 8,500</u>

c. Management services income (classified as other income)

<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30, 2020</u>	<u>For the Three Months Ended September 30, 2019</u>	<u>For the Nine Months Ended September 30, 2020</u>	<u>For the Nine Months Ended September 30, 2019</u>
Joint venture	<u>\$ 8,502</u>	<u>\$ 7,581</u>	<u>\$ 23,281</u>	<u>\$ 21,045</u>

d. Other Receivables

<u>Related Party Category/Name</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Joint venture	<u>\$ 7,581</u>	<u>\$ 16,494</u>	<u>\$ 6,810</u>

e. Compensation of key management personnel

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

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Short-term employee benefits	\$ 9,563	\$ 10,152	\$ 29,321	\$ 29,693
Post-employment benefits	<u>81</u>	<u>81</u>	<u>243</u>	<u>243</u>
	<u>\$ 9,644</u>	<u>\$ 10,233</u>	<u>\$ 29,564</u>	<u>\$ 29,936</u>

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

36. ASSETS PLEDGED AS COLLATERAL

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

	September 30, 2020	December 31, 2019	September 30, 2019
Pledged time deposits (classified as financial assets measured at amortized cost)	\$ 678,998	\$ 659,923	\$ 662,074
Equity shares	-	-	543,850
Property, plant and equipment	3,555,403	3,802,055	6,837,369
Investment properties, net	108,178	108,178	108,178
Land use rights (classified as right-of-use assets)	28,223	31,666	76,370
Refundable deposits (classified as other non-current assets)	<u>60,207</u>	<u>93,105</u>	<u>69,267</u>
	<u>\$ 4,431,009</u>	<u>\$ 4,694,927</u>	<u>\$ 8,297,108</u>

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENT

- a. As of September 30, 2020, December 31, 2019 and September 30, 2019, the Company's unused letter of credit amounted to

\$1,808,019 thousand, \$2,715,961 thousand and \$2,436,270 thousand, respectively.

- b. The following is regarding the subsidiary, CGTD, who was commissioned to operate LCY Chemical Corp.'s propene pipeline resulting in a gas explosion on July 31, 2014. The second instance judgment of criminal procedures was reached on April 24, 2020, whereby three employees of CGTD were all acquitted of the charges.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, to pledge certificates of bank deposits of \$227,417 thousand (including interest) to Kaohsiung City Government as collateral for the losses caused by the gas explosion. Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD has deposited \$99,207 thousand in cash to the court, exempted from the provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. As of October 30, 2020, the provisionally attached properties were worth \$8,437 thousand.

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

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

As of October 30, 2020, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against CGTD, LCY Chemical Corp. and CPC for compensation claims. To reduce the lawsuit costs, CGTD came to a compromise and reduced the original claim of \$26,890 thousand and settled for a compensation amount of \$4,019 thousand instead. The compensation amount still in the lawsuit and the settlement amount for the victims and the seriously injured as mentioned in the previous paragraph amounted to \$3,876,234 thousand. The first-instance judgments of some of the abovementioned civil cases (with a total amount of compensation of approximately \$1,360,916 thousand) have been gradually announced starting from June 22, 2018. The proportion of fault-based liabilities of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most of the case judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants are liable for was approximately \$406,679 thousand, of which the court ruled an exemption for CGTD in the amount of \$6,194 thousand. CGTD had filed an appeal in those civil cases which were announced but not yet settled and entered into the second-instance trials. CGTD had signed a settlement agreement with insurance companies, where based on CGTD's proportion of fault-based liabilities in the first-instance judgment, an amount of

\$136,375 thousand, which is the amount of settlement and civil-case compensation for the victims and the seriously injured (including settled cases) after deducting the maximum insurance claims, was estimated and recognized as liability. However, the actual amount of the aforementioned settlement and compensation still depends on the future judgments of the remaining civil cases.

38. SIGNIFICANT CONTRACTS

- a. TVCM along with CPC Corporation, Formosa Plastics Corporation, Mitsui Corp., signed a dichloromethane purchase agreement in which the purchase prices are calculated by the buyers and sellers in accordance with a pricing formula.
- b. The Company and Asia Polymer Corporation (APC) entered into a joint venture contract for an investment of Fujian Gulei Petrochemical Co., Ltd. on April 17, 2014. The related entities of the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, HsinTay Petroleum Company Limited, Chenergy Global Corporation and Lien Hwa Industrial Corporation. The main contents of the contract and commitments include: (1) the shareholders shall establish Ever Victory Global Limited (hereinafter referred to as the "Joint Venture") and agree to pass the establishment of the 100%-owned company named Dynamic Ever Investments Limited in Hong Kong, which purpose is to build oil refineries and produce seven products such as ethylene on the Gulei Peninsula in Zhangzhou, Fujian Province, as approved by the competent authorities of the Republic of China and according to the business operation permitted by the Joint Venture's board of directors; and (2) Dynamic Ever Investments Limited will establish a joint venture company in accordance with the laws of the People's Republic of China with Fujian Refining and Chemical Co., at Gulei Park located in

Zhangzhou Fujian Province (“Gulei Company”) and acquire 50% interest of Gulei Company for cooperative investment.

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

In order to increase Gulei Company’s operating capital, Ever Victory Global Limited and Hong Kong Dor Po Investment Company Limited (“DOR PO”) signed a joint venture contract for an investment in Dynamic Ever Investment Limited on June 5, 2019. According to the contract, DOR PO would invest US\$109,215 thousand in Dynamic Ever Investment Limited. As of June 30, 2020, DOR PO had invested US\$99,108 thousand and held 14.7% ownership interest in Dynamic Ever Investment Limited.

As of December 31, 2018, the Company and APC had invested US\$176,268 thousand (approximately \$5,442,336 thousand) and US\$103,240 thousand (approximately \$3,190,905 thousand), respectively, in Ever Conquest Global Limited. Through Ever Conquest Global Limited, the Company and APC increased the capital in Ever Victory Global Limited and then reinvested in Dynamic Ever Investments Limited. The shareholding ratio of the

joint venture was 77.5%. Dynamic Ever Investments Limited had invested RMB2,304,800 thousand in Gulei.

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

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

APC increased its investment in Ever Conquest Global Limited by US\$18,832 thousand (approximately \$570,606 thousand) in March 2020. Through Ever Conquest Global Limited, APC increased the capital in Ever Victory Global Limited and then reinvested in Dynamic Ever Investments Limited in April 2020. The shareholding ratio of the joint venture was 71.0% after the capital increase. Dynamic Ever Investments Limited invested RMB 900,000 thousand in the fifth phase of Gulei's share on April 28, 2020.

c. Significant operating contracts

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

<u>Commissioning Company</u>	<u>Operation Contract Period</u>
Taita Chemical Company, Ltd.	2020.01.01-2021.12.31
Taiwan VCM Corporation	2020.01.01-2021.12.31
USI Corporation	2020.01.01-2020.12.31
Asia Polymer Corporation	2020.01.01-2020.12.31
Formosa Plastic Corporation	2020.01.01-2021.12.31
Oriental Union Chemical Corporation	2020.01.01-2020.12.31
LCY Chemical Corporation	2020.01.01-2021.12.31
Taiwan Styrene Monomer Corporation	2020.01.01-2021.12.31
TSRC Corporation	2020.01.01-2021.12.31
NANTEX Industry Co., Ltd.	2020.01.01-2021.12.31
En Chuan Chemical Industries Co., Ltd.	2020.01.01-2021.12.31
Xin Long Guang Plastics Co., Ltd.	2020.01.01-2021.12.31

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

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

Unit: Foreign and Functional Currencies in Thousands

	<u>September 30, 2020</u>			
	<u>Foreign Exchange Rate</u>	<u>Functional</u>	<u>N</u>	<u>T D</u>
<u>Foreign currency assets</u>	<u>(In Single Dollars)</u>	<u>Currency</u>	<u>_____</u>	
<u>Monetary items</u>				
USD	\$ 123,566	29.10 (USD : NTD)	\$ 3,595,789	\$ 3,595,789

USD	3,948	6.81	(USD : RMB)	26,884	114,878
USD	3,255	4.34	(USD : MYR)	14,131	94,727
RMB	215,361	4.27	(RMB : NTD)	920,258	920,258
RMB	784	0.15	(RMB : USD)	115	3,349
AUD	742	20.72	(AUD : NTD)	15,365	15,365
EUR	363	34.15	(EUR : NTD)	12,421	12,421

September 30, 2020

Foreign Exchange Rate Functional N T D
Currency (In Single Dollars) Currency

Non-monetary items

Joint ventures accounted for using the equity method

RMB	\$ 4,322,682	0.15	(RMB : USD)	\$ 636,214	\$18,513,834
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Derivatives

USD sell	28,060	29.10	(USD : NTD)	6,828	6,828
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USD sell	522	4.34	(USD : MYR)	65	437
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RMB sell	17,000	4.27	(RMB : NTD)	264	264
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EUR sell	180	5.09	(EUR : MYR)	10	64
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JPY buy	40,000	0.01	(JPY : USD)	380	36
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Foreign currency liabilities

Monetary items

USD	33,992	29.10	(USD : NTD)	989,169	989,169
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USD	13,938	6.81	(USD : RMB)	94,919	405,598
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USD	683	4.34	(USD : MYR)	2,963	19,861
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RMB	27,568	4.27	(RMB : NTD)	117,801	117,801
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Non-monetary items

Derivatives

USD sell	3,810	29.10	(USD : NTD)	495	495
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USD buy	9,720	29.10	(USD : NTD)	2,335	2,335
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RMB sell	121,300	4.27	(RMB : NTD)	5,782	5,782
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EUR sell	88	5.09	(EUR : MYR)	1	10
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December 31, 2019

Foreign Exchange Rate Functional N T D
Currency (In Single Dollars) Currency

Foreign currency assets

Monetary items

USD	\$ 148,885	29.98	(USD : NTD)	\$ 4,463,547	\$ 4,463,547
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USD	3,775	6.98	(USD : RMB)	26,338	113,188
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USD	3,072	4.26	(USD : MYR)	13,095	92,609
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RMB	310,792	4.30	(RMB : NTD)	1,335,629	1,335,629
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RMB	3,227	0.14	(RMB : USD)	463	13,882
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AUD	611	21.01	(AUD : NTD)	12,835	12,835
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EUR	343	33.59	(EUR : NTD)	11,518	11,518
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<u>Non-monetary items</u>					
Joint ventures accounted for using the equity method					
RMB	3,459,518	0.14	(RMB : USD)	495,903	14,867,168
Derivatives					
USD buy	720	29.98	(USD : NTD)	23	23
USD sell	41,000	29.98	(USD : NTD)	11,784	11,784
USD sell	865	4.26	(USD : MYR)	136	960
RMB sell	81,800	4.30	(RMB : NTD)	1,083	1,083
EUR sell	224	4.78	(EUR : MYR)	28	198
JPY buy	40,000	0.01	(JPY : USD)	1	18

December 31, 2019

	Foreign Exchange Rate		Functional	N	T	D
	Currency (In Single Dollars)		Currency			
<u>Foreign currency liabilities</u>						
<u>Monetary items</u>						
USD	\$ 34,005	29.98	(USD : NTD)	\$ 1,019,462	\$ 1,019,462	
USD	13,611	6.98	(USD : RMB)	94,955	408,069	
USD	737	4.26	(USD : MYR)	3,142	22,218	
RMB	26,824	4.30	(RMB : NTD)	115,276	115,276	
<u>Non-monetary items</u>						
Derivatives						
USD buy	8,760	29.98	(USD : NTD)	1,395	1,395	
RMB sell	155,900	4.30	(RMB : NTD)	2,741	2,741	

September 30, 2019

	Foreign Exchange Rate		Functional	N	T	D
	Currency (In Single Dollars)		Currency			
<u>Foreign currency assets</u>						
<u>Monetary items</u>						
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	
<u>Non-monetary items</u>						
Joint ventures accounted for using the equity method						

RMB	3,466,779	0.14	(RMB : USD)	490,150	15,214,244
Derivatives					
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
Foreign currency liabilities					
<u>Monetary items</u>					
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
<u>Non-monetary items</u>					
Derivatives					
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

For the three months ended September 30, 2020 and 2019, realized and unrealized net foreign exchange losses were \$34,486 thousand and \$132,016 thousand, respectively, and for the nine months ended September 30, 2020 and 2019 were \$71,573 thousand and \$27,433 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

40. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. Information on reinvestment business:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 3)
- 4) Marketable securities acquired or disposed of at accumulative costs/prices of at least NT\$300 million or 20% of the paid-in capital. (Table 4)

- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
 - 9) Trading in derivative instruments. (Notes 7 and 34)
 - 10) Others: Intercompany relationships and significant intercompany transactions. (Table 9)
 - 11) Information on investees. (Table 7)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 10)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Tables 5 and 6)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 2)
 - e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (None)
- d. Information on main shareholders: Names of shareholders with a shareholding ratio of more than 5%, and numbers and ratios of shares held. (Table 11)

41. SEGMENT INFORMATION

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

- a. Reportable segment income information

	For the Nine Months Ended September 30, 2020						
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Total
Segment income	\$ 6,991,816	\$ 9,140,578	\$10,667,664	\$ 1,582,323	\$ 3,985,252	\$ 3,264,934	\$35,632,567
Interest income	5,298	3,499	22,810	9,271	6,692	33,194	80,764
Finance costs	(58,915)	(6,514)	(18,289)	(13,345)	(33,812)	(47,655)	(178,530)
Depreciation and amortization	(465,884)	(516,395)	(155,227)	(145,183)	(235,774)	(284,476)	(1,802,939)
Impairment loss	-	-	-	(5,823)	(2,227)	-	(8,050)
Reportable segment profit before tax	1,168,273	802,327	1,454,176	69,882	650,939	993,057	5,138,654
Reportable segment tax expense	(55,674)	(132,139)	(325,168)	(34,821)	(91,311)	(126,240)	(765,353)
Reportable segment net profit	1,112,599	670,188	1,129,008	35,061	559,628	866,817	4,373,301

	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

b. Reportable segment income and other major adjustments of items

1. Segment income and operating results

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Reportable segment net profit before tax	\$ 4,145,597	\$ 2,714,205
Reportable segment tax expense	(639,113)	(488,275)
Reportable segment profit after tax	3,506,484	2,225,930
Other non-reportable segment profit	866,817	445,660
Less: Profit between segments	(1,641,722)	(816,925)
Profit from continuing operations	2,731,579	1,854,665
Profit from discontinued operations	2,107	3,604
Net profit after tax	<u>\$ 2,733,686</u>	<u>\$ 1,858,269</u>

2. Other significant items reconciliation

	For the Nine Months Ended September 30, 2020							
	USI	CGPC and Its Subsidiaries	TTC and Its Subsidiaries	ACME and Its Subsidiaries	APC and Its Subsidiaries	Others	Reconciliation	Total
Interest income	\$ 5,298	\$ 3,499	\$ 22,810	\$ 9,271	\$ 6,692	\$ 33,194	\$ -	\$ 80,764
Finance costs	(58,915)	(6,514)	(18,289)	(13,345)	(33,812)	(47,655)	2,509	(176,021)
Depreciation and amortization	(465,884)	(516,395)	(155,227)	(145,183)	(235,774)	(284,476)	43,722	(1,759,217)
Impairment loss	-	-	-	(5,823)	(2,227)	-	-	(8,050)

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)

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

USI CORPORATION AND SUBSIDIARIES
(Acme Electronics Corporation (ACME))
FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 1-1

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance (Notes 3 and 4)	Actual Borrowing Amount (Notes 3 and 4)	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	C o l l a t e r a l		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													I t e m	V a l u e			
0	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Other receivables - related parties	Yes	\$ 265,410 (USD9,000 thousand)	\$ 261,900 (USD9,000 thousand)	\$ 203,700 (USD7,000 thousand)	2.13488%~ 3.68375%	2	\$ -	Business turnover	\$ -	-	-	\$ 509,892	\$ 509,892	

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, 2020.

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

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

Note 3: The amount was calculated using the spot exchange rate as of September 30, 2020.

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

USI CORPORATION AND SUBSIDIARIES
(Swanson Plastics Corporation (SPC))
FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 1-2

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance (Notes 3 and 4)	Actual Borrowing Amount (Notes 3 and 4)	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	C o l l a t e r a l		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Remark
													I t e m	V a l u e			
0	Forever Young Company Limited	Swanson International Ltd.	Other receivables - related parties	Yes	\$ 93,926	\$ 90,356	\$ 90,356	-	2	\$ -	Business turnover	\$ -	-	-	\$ 134,555	\$ 201,832	
1	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	188,478	183,743	183,743	4.15%~4.25%	2	-	Business turnover	-	-	-	516,896	516,896	
2	Swanson Plastics (Singapore) Pte., Ltd.	PT. Swanson Plastics Indonesia	Other receivables - related parties	Yes	30,020	29,100	29,100	2.50%	2	-	Business turnover	-	-	-	375,700	375,700	

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

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

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

Note 3: The amount was calculated using the spot exchange rate as of September 30, 2020.

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

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Limited (TTC))
FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 1-3

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Notes 4 and 5)	Actual Borrowing Amount (Notes 4 and 5)	Interest Rate (%)	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	C o l l a t e r a l		Financing Limit for Each Borrower (Notes 1, 2 and 4)	Aggregate Financing Limit (Notes 1, 2 and 4)	Remark
													I t e m	V a l u e			
1	Taita Chemical (Zhongshan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Other receivables - related parties	Yes	\$ 235,021 (RMB 55,000 thousand)	\$ 64,097 (RMB 15,000 thousand)	\$ 64,097 (RMB 15,000 thousand)	5.0025%	2	\$ -	Business turnover	\$ -	-	-	\$ 2,735,628	\$ 2,735,628	

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, 2020, TTC did not loan funds to anyone.

Note 2: The total amount of lending to a company for funding of short-term period shall not exceed 40% of the audited net worth of Taita Chemical (Zhongshan) Co., Ltd. The restriction does not apply to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by TTC. As of September 30, 2020, the audited net worth of Taita Chemical (Zhongshan) Co., Ltd. was RMB640,203 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, 2020.

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, 2020

TABLE 2

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

No.	Endorser/Guarantor	E n d o r s e e / G u a r a n t e e		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 2)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Remark
		N a m e	R e l a t i o n s h i p											
0	USI Corporation	Union Polymer Int'l Investment Corp.	Subsidiary which directly held more than 50% of ordinary shares	\$ 11,634,371	\$ 3,900,000	\$ 3,900,000	\$ 1,225,000	\$ -	20.12	\$ 11,634,371	Yes	No	No	
0	USI Corporation	Chong Loong Trading Co., Ltd.	Subsidiary which directly held more than 50% of ordinary shares	11,634,371	311,000 (USD10,000 thousand) (NTD20,000 thousand)	311,000 (USD10,000 thousand) (NTD20,000 thousand)	25,923	-	1.68	11,634,371	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, 2020.

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

USI CORPORATION AND SUBSIDIARIES
(Acme Electronics Corporation)
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 2-1

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

No.	Endorser/Guarantor	E n d o r s e e / G u a r a n t e e		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	Remark
		Name	Relationship											
0	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	Subsidiary of ACME (Cayman)	\$ 1,912,096	\$ 363,000 (USD 12,000 thousand)	\$ 261,900 (USD 9,000 thousand)	\$ 116,400 (USD 4,000 thousand)	N/A	20.55	\$ 2,549,462	No	No	Yes	
		Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	1,912,096	151,250 (USD 5,000 thousand)	-	-	-	-	2,549,462	No	No	Yes	

Note 1: The rate was calculated by the ending balance of equity of the endorser/guarantor as of September 30, 2020.

Note 2: The maximum amount of total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of the endorser/guarantor. The maximum amount of endorsement/guarantee for an individual entity shall not exceed 150% of the equity attributable to owners of the endorser/guarantor. The maximum amount of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of September 30, 2020.

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

USI CORPORATION AND SUBSIDIARIES
(Swanson Plastics Corporation (SPC))
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 2-2

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

No.	Endorser/Guarantor	Endorsee / Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount (Note 2)	Amount Endorsed/ Guaranteed by C o l l a t e r a l	Ratio of Accumulated Endorsement / Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Remark
		Name	Relationship											
0	Swanson Plastics Corporation	Forever Young Co., Ltd.	Subsidiary	\$ 4,983,178	\$ 1,875,850	\$ 1,550,240	\$ 14,550	\$ -	62.22	\$ 6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	Subsidiary	4,983,178	54,078	52,089	76	-	2.09	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Malaysia) Sdn. Bhd.	Sub-subsidiary	4,983,178	36,300	34,920	-	-	1.40	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Co., Ltd.	Sub-subsidiary	4,983,178	121,000	87,300	-	-	3.50	6,228,973	No	No	Yes	
0	Swanson Plastics Corporation	Swanson Technologies Corporation	Subsidiary	4,983,178	138,650	135,660	117,500	-	5.44	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastics (India) Private Limited	Sub-subsidiary	4,983,178	90,750	29,100	-	-	1.17	6,228,973	No	No	No	
0	Swanson Plastics Corporation	Swanson Plastic (Tianjin) Co., Ltd.	Sub-subsidiary	4,983,178	60,500	29,100	-	-	1.17	6,228,973	No	No	Yes	
0	Swanson Plastics Corporation	PT. Swanson Plastics Indonesia	Subsidiary	4,983,178	60,500	58,200	-	-	2.34	6,228,973	No	No	No	

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

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

USI CORPORATION AND SUBSIDIARIES
(China General Plastics Corporation (CGPC))
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 2-3

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

No.	Endorser/Guarantor	Endorsee / Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Remark
		Name	Relationship											
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 5,194,724	\$ 2,200,000	\$ 2,150,000	\$ 514,550	N/A	24.83	\$ 8,657,873	No	No	No	

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

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

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Ltd. (TTC))
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 2-4

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

No.	Endorser/Guarantor	E n d o r s e e / G u a r a n t e e		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 1)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 1)	Actual Borrowing Amount (Note 1)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Remark
		Name	Relationship											
0	Taita Chemical Company, Ltd.	TAITA (BVI) Holding Co., Ltd.	Subsidiary with 100% held ordinary shares	\$ 5,381,243	\$ 1,647,600 (USD36,000 thousand) (NTD 600,000 thousand)	\$ 1,647,600 (USD36,000 thousand) (NTD 600,000 thousand)	\$ 765,912 (USD 26,320 thousand)	\$ -	30.62	\$ 8,071,865	No	No	No	
0	Taita Chemical Company, Ltd.	Taita Chemical (Zhongsan) Co., Ltd.	Subsidiary whose ordinary shares were 100% held by TTC's subsidiaries	5,381,243	427,310 (RMB 100,000 thousand)	427,310 (RMB 100,000 thousand)	-	-	7.94	8,071,865	No	No	Yes	

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

Note 2: The ceiling to TTC on the total amount of endorsements/guarantees permitted shall not exceed 150% of TTC's net worth; the ceiling to TTC on the total amount of endorsements/guarantees to any individual entity shall not exceed 100% of TTC's net worth.

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

USI CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2020

TABLE 3

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Corporation	Shares							
	CTCI Corporation	—	Financial assets at fair value through other comprehensive income - non-current	15,130,656	\$ 590,852	1.98	\$ 590,852	
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	12,799,902	313,426	11.90	313,426	
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - non-current	8,514,006	95,357	0.09	95,357	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	1,753,251	27,789	-	27,789	
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	242,000	16,795	-	16,795	
	Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	300,000	22,320	-	22,320	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	1,515,800	19,251	-	19,251	
	Teratech Corp.	—	Financial assets at fair value through profit or loss - non-current	110,000	-	-	-	Note 2
	Beneficiary certificates							
FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,541,176	85,442	-	85,442		
CTBC Hwa-win Money Market Fund	—	Financial assets at fair value through profit or loss - current	9,910,446	110,001	-	110,001		

Union Polymer Int'l Investment Corp.	Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	19,933,652	251,929	-	251,929
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	18,562,298	253,073	-	253,073
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	16,833,145	251,401	-	251,401
	TCB Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,225,743	33,000	-	33,000
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,137,796	35,003	-	35,003
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,225,961	63,008	-	63,008
	Beneficiary certificates Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at fair value through profit or loss - current	3,290,000	60,799	-	60,799
	Shares						
	Asia Polymer Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	21,747,535	384,931	3.74	384,931
	China General Plastics Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	4,256,482	82,789	0.77	82,789
Taita Chemical Company, Ltd.	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	395,025	10,488	0.11	10,488	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Swanlake Traders Ltd.	Shares SOHOware Inc.	—	Financial assets at fair value through other comprehensive income - non-current	1,150,000	\$ -	1.05	\$ -	Note 2
	TGF Linux Communications Inc.	—	Financial assets at fair value through other comprehensive income - non-current	300,000	-	2.14	-	Note 2
	Neurosky Inc. Preferred D	—	Financial assets at fair value through other comprehensive income - non-current	2,397,364	-	0.70	-	Note 2
USIFE Investment Co., Ltd.	Shares AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - current	1,266,061	14,180	0.01	14,180	
	AU Optronics Corporation	—	Financial assets at fair value through other comprehensive income - non-current	1,266,061	14,180	0.01	14,180	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - non-current	3,001,655	102,507	0.59	102,507	
	Solargiga Energy Holdings Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	11,876,111	6,867	0.37	6,867	
	Dah Chung Bills Finance Corporation	—	Financial assets at fair value through other comprehensive income - non-current	470,914	6,880	0.10	6,880	
	Swanson Plastics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	7,605,894	104,505	4.93	104,505	

	USI Optronics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through other comprehensive income - non-current	165,279	342	0.25	342
	Digimax, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	23,234	-	0.05	-
	Silicon Technology Investment (Cayman) Corp.	—	Financial assets at fair value through other comprehensive income - non-current	911,849	43,194	1.77	43,194
	China General Plastics Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	510,487	9,929	0.09	9,929
	Asia Polymer Corporation	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,668,758	29,537	0.29	29,537
	Taita Chemical Company, Ltd.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	1,209,113	32,102	0.35	32,102
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	584,416	9,263	0.01	9,263
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	120,000	8,328	0.07	8,328
	Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	150,000	11,160	0.01	11,160
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	498,200	6,327	0.40	6,327
	Acme Electronics Corp.	Investor company and investee have the same chairman	Financial assets at fair value through profit or loss - current	500,000	7,575	0.27	7,575
	Superactive Group Company Limited	—	Financial assets at fair value through profit or loss - current	678,000	382	-	382
	Beneficiary certificates						
	Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,870,081	30,718	-	30,718
	Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,440,659	50,008	-	50,008

	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,151,207	64,519	-	64,519	
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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan United Venture Capital Corp.	Beneficiary certificates							
	Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,399,556	\$ 49,411	-	\$ 49,411	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,391,849	55,008	-	55,008	
	Shares							
	Innovation & Infinity Global Corp.	—	Financial assets at fair value through profit or loss - non-current	720,804	-	0.73	-	Note 2
	Teratech Corp.	—	Financial assets at fair value through profit or loss - non-current	90,000	-	0.58	-	Note 2
	MiTAC Holdings Corp.	—	Financial assets at fair value through other comprehensive income - current	2,062,000	58,973	0.17	58,973	
	Chitec Technology Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	399,091	9,171	1.37	9,171	
	Leadwell Cnc Machines Mfg., Corp.	—	Financial assets at fair value through other comprehensive income - non-current	419,753	15,145	0.68	15,145	
	Digimax, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	518,898	-	1.18	-	
	Orgchem Technologies, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	594,594	8,521	1.09	8,521	
	Hexawave, Inc.	—	Financial assets at fair value	109,109	939	0.27	939	

	Uranus Chemicals Co., Ltd.	—	through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current	12,610	260	0.03	260	
	Neuro Sky, Inc. Preferred A	—	through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current	10,000,000	-	1.42	-	Note 2
	Neuro Sky, Inc. Preferred B	—	through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current	12,595,523	-	1.78	-	Note 2
	Neuro Sky, Inc. Preferred C	—	through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current	4,532,823	-	0.64	-	Note 2
Taiwan United Venture Management Corp.	Beneficiary certificates Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss - current	91,730	1,333	-	1,333	
Inoma Corporation	Beneficiary certificates Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	685,003	9,339	-	9,339	
USI Optronics Corporation	Beneficiary certificates Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,016,620	15,183	-	15,183	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,405,273	19,159	-	19,159	
	Yuanta De-Bao Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,412,688	17,095	-	17,095	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USI Management Consulting Corporation	Beneficiary certificates							
	Eastspring Investments Well Pool Money Market Fund	—	Financial assets at fair value through profit or loss - current	511,561	\$ 7,009	-	\$ 7,009	
	Fuh Hwa Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,064,594	30,008	-	30,008	
	Fuh Hwa You Li Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,105,551	15,000	-	15,000	

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

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

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

USI CORPORATION AND SUBSIDIARIES
(China General Plastics Corporation (CGPC))
MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2020

TABLE 3-1

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China General Plastics Corporation	Closed-end fund beneficiary certificates Cathay No. 1 Real Estate Investment Trust	—	Financial assets at fair value through profit or loss - current	2,668,000	\$ 49,305	-	\$ 49,305	Note 1
	Open-end fund beneficiary certificates Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,137,157	50,007	-	50,007	Note 1
	TCB Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,594,241	47,000	-	47,000	Note 1
	Shares KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	6,399,950	156,735	5.95	156,735	Note 1
Taiwan VCM Corporation	Open-end fund beneficiary certificates Taishin Ta-Chong Money Market Fund	—	Financial assets at fair value through profit or loss - current	13,979,073	200,028	-	200,028	Note 1
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	12,443,073	150,022	-	150,022	Note 1
	FSITC Taiwan Money Market	—	Financial assets at fair value through profit or loss - current	8,758,598	135,052	-	135,052	Note 1
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,699,539	100,057	-	100,057	Note 1
	Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,140,723	50,063	-	50,063	Note 1
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,349,905	32,038	-	32,038	Note 1
	Shares							

CGPC Polymer Corporation	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	127,691	2,260	0.02	2,260	Note 1
	Open-end fund beneficiary certificates							
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	16,213,040	221,043	-	221,043	Note 1
	TCB Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,940,408	71,002	-	71,002	Note 1
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,178,916	49,017	-	49,017	Note 1
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,899,141	47,011	-	47,011	Note 1
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,137,796	35,003	-	35,003	Note 1
	FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	139,118	25,000	-	25,000	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
CGPC (BVI) Holding Co., Ltd.	Shares Teratech Corporation	—	Financial assets at fair value through profit or loss - non-current	112,000	\$ -	0.67	\$ -	Notes 1 and 3
	SOHware, Inc - preference shares	—	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	Notes 1, 2 and 3

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

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

Note 3: As of September 30, 2020, CGPC evaluated the fair value of equity impairments as \$0.

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

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Ltd. (TTC))
MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2020

TABLE 3-2

(In thousands of New Taiwan Dollars, unless stated otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Company, Ltd.	<u>Shares</u>							
	USI Corporation – ordinary shares	Parent Company	Financial assets at fair value through other comprehensive income - non-current	15,109,901	\$ 237,225	1.27	\$ 237,225	Note 1
	Harbinger Venture Capital – ordinary shares	—	Financial assets at fair value through other comprehensive income - non-current	990	8	0.50	8	Note 3
	<u>Closed-end fund beneficiary certificates</u>							
	Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at fair value through profit or loss - current	3,250,000	60,060	-	60,060	Note 1
	<u>Open-end fund beneficiary certificates</u>							
	Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,925,720	100,168	-	100,168	Note 2
	Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,570,086	25,027	-	25,027	Note 2
	Hua Nan Phoenix Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,110,303	100,046	-	100,046	Note 2
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,222,797	75,026	-	75,026	Note 2
	Shin Kong Chi-Shin Money-Market Fund	—	Financial assets at fair value through profit or loss - current	2,886,778	45,017	-	45,017	Note 2
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	6,715,624	100,297	-	100,297	Note 2
	CTBC Hwa-win Money Market Fund Special Account	—	Financial assets at fair value through profit or loss - current	13,517,497	150,038	-	150,038	Note 2
Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	8,070,234	110,027	-	110,027	Note 2	
TCB Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	1,075,426	11,000	-	11,000	Note 2	
TAITA (BVI) Holding Co., Ltd.	<u>Shares</u> Budworth Investment Ltd. – ordinary shares	—	Financial assets at fair value through other comprehensive income - non-current	20,219	6 (USD - thousand)	2.22	6 (USD - thousand)	Note 3

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Teratech Corporation—ordinary shares	—	Financial assets at fair value through profit or loss - non-current	112,000	-	0.73	-	Note 4
	Sohoware Inc. — preference shares	—	Financial assets at fair value through profit or loss - non-current	100,000	-	-	-	Note 4

Note 1: The fair value was based on the Taiwan Stock Exchange closing price on the last trading day of September 2020.

Note 2: The fair value was calculated based on the net asset value on the last trading day of September 2020.

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

Note 4: As of September 30, 2020, TTC evaluated the fair value of equity instruments as \$0.

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

USI CORPORATION AND SUBSIDIARIES
(Asia Polymer Corporation)
MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2020

TABLE 3-3

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				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	\$ 19	1.20	\$ 19	
	Risalink Venture Capital	—	Financial assets at fair value through other comprehensive income - non-current	2,632	35	1.67	35	
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	12,799,901	313,470	11.90	313,470	
	USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	101,355,673	1,591,284	8.53	1,591,284	
	CTCI Corporation	—	Financial assets at fair value through other comprehensive income - non-current	14,446,107	564,120	1.89	564,120	
	AU Optronic Corporation	—	Financial assets at fair value through other comprehensive income - non-current	9,618,516	107,727	0.10	107,727	
	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - current	2,017,946	68,913	0.39	68,913	
Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	300,000	22,320	0.02	22,320		

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	1,753,251	27,789	0.04	27,789	
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	223,000	15,476	0.14	15,476	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	1,515,800	19,250	1.21	19,250	
	<u>Beneficiary securities</u> Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at fair value through profit or loss - current	3,281,000	60,632	-	60,632	
	<u>Beneficiary certificates</u> Mega Diamond Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,924,414	100,152	-	100,152	
	Jih Sun Money Market Fund	—	Financial assets at fair value through profit or loss - current	16,818,904	251,189	-	251,189	
	Prudential Financial Money Market Fund	—	Financial assets at fair value through profit or loss - current	3,137,157	50,007	-	50,007	
	UPAMC James Bond Money Market Fund	—	Financial assets at fair value through profit or loss - current	8,913,027	150,000	-	150,000	
	Taishin 1699 Money Market Fund	—	Financial assets at fair value through profit or loss - current	4,768,857	65,017	-	65,017	
	CTBC Hwa Win Money Market Fund	—	Financial assets at fair value through profit or loss - current	11,804,262	131,021	-	131,021	
	FSITC Money Market Fund	—	Financial assets at fair value through profit or loss - current	278,235	50,000	-	50,000	
	FSITC Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	8,462,697	130,490	-	130,490	
	Hua Nan Kirin Money Market Fund	—	Financial assets at fair value through profit or loss - current	9,541,083	115,034	-	115,034	

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
	TCB Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	9,579,648	98,002	-	98,002	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				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	\$ 11	4.45	\$ 11	
	Silicon Technology Investment (Cayman) Corp. - preference shares	—	Financial assets at fair value through other comprehensive income - non-current	1,139,776	53,990	2.19	53,990	
	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	8,159	0.49	8,159	
	Teratech Corp. - ordinary shares	—	Financial assets at fair value through other comprehensive income - 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
APC Investment Corporation	<u>Ordinary Shares</u>							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	703	-	703	
	Evergreen Marine Corp.	—	Financial assets at fair value through profit or loss - current	584,416	9,263	0.01	9,263	

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
	ITE Tech. Inc.	—	Financial assets at fair value through profit or loss - current	119,000	8,259	0.07	8,259	
	Unimicron Technology Corporation	—	Financial assets at fair value through profit or loss - current	150,000	11,160	0.01	11,160	
	G.M.I. Technology Inc.	—	Financial assets at fair value through profit or loss - current	492,900	6,260	0.39	6,260	
	<u>Beneficiary securities</u> Yuanta Wan Tai Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,026,926	30,904	-	30,904	
	Cathay Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss - current	499,525	6,257	-	66,257	

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

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

USI CORPORATION AND SUBSIDIARIES
(China General Terminal & Distribution Co.)
MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2020

TABLE 3-4

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

H o l d i n g Company Name	Type and Name of Marketable S e c u r i t i e s	Relationship with the Holding Company	Financial Statement Account	S e p t e m b e r 3 0 , 2 0 2 0				N o t e
				Number of S h a r e s	Carrying A m o u n t	Percentage of Ownership (%)	F a i r V a l u e	
China General Terminal & Distribution Co.	Shares							
	Asia Polymer Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	5,186,748	\$ 91,805	0.89	\$ 91,805	Note 2
	China General Plastics Corporation	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	2,800,751	54,475	0.51	54,475	Note 1
	Taita Chemical Company, Ltd.	Equity-method investee	Financial assets at fair value through other comprehensive income - non-current	1,972,483	52,369	0.57	52,369	Note 1
	China Steel Corporation	—	Financial assets at fair value through profit or loss - current	499,552	10,216	-	10,216	Note 3

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

Note 2: 257,000 shares were provided to Taiwan Water Corporation as a provisional attachment.

USI CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 4

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Notes 1 and 2)		Acquisition		D i s p o s a l			Ending Balance (Notes 1 and 2)		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
USI Corporation	Beneficiary certificates													
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	4,566,633	\$ 74,500	19,571,374	\$ 320,000	22,000,211	\$ 359,682	\$ 359,500	\$ 182	2,137,796	\$ 35,000,000
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	7,870,520	86,900	40,323,478	447,000	38,283,552	424,400	423,900	500	9,910,446	110,000,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	18,384,950	249,200	29,948,292	408,000	29,770,944	405,542	404,200	1,342	18,562,298	253,000,000
	TCB Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	-	31,420,702	321,000	28,194,958	288,127	288,000	127	3,225,743	33,000,000
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	275,921	49,400	1,516,463	272,000	1,792,384	321,858	321,400	458	-	-
	Shares													
	Ever Conquest Global Limited	Investment accounted for using the equity method	—	Subsidiary	246,670,000	7,298,350	-	-	-	-	-	-	246,670,000	7,239,415
Ever Conquest Global Limited	Shares													
	Ever Victory Global Limited	Investment accounted for using the equity method	—	Subsidiary	390,830,000	11,563,685	18,832,000	570,606	-	-	-	-	409,662,000	12,022,999
Ever Victory Global Limited	Shares													
	Dynamic Ever Investments Limited	Investment accounted for using the equity method	—	Subsidiary	488,286,000	14,432,823	87,853,000	2,661,928	-	-	-	-	576,139,000	16,893,748
Dynamic Ever Investments Limited	Shares													
	Fujian Gulei Petrochemical Co., Ltd.	Investment accounted for using the equity method	—	Joint Venture	Note 3	14,867,168	Note 3	3,811,781	-	-	-	-	Note 3	18,513,834

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

Note 2: The amount as of September 30, 2020 was calculated at the original investment cost.

Note 3: Limited company, hence zero shares.

USI CORPORATION AND SUBSIDIARIES
(China General Plastics Corporation (CGPC))
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 4-1

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
China General Plastics Corporation	<u>Beneficiary certificates</u>													
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	6,722,102	\$ 100,000	18,056,905	\$ 269,000	24,779,007	\$ 369,113	\$ 369,000	\$ 113	-	\$ -
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	39,517,507	538,000	39,517,507	538,119	538,000	119	-	-
Taiwan VCM Corporation	<u>Beneficiary certificates</u>													
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	19,476,705	300,000	10,718,107	165,096	165,000	96	8,758,598	135,000
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	26,573,708	320,000	14,130,635	170,095	170,000	95	12,443,073	150,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	24,764,192	337,000	22,414,287	305,272	305,000	272	2,349,905	32,000
CGPC Polymer Corporation	<u>Beneficiary certificates</u>													
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	12,751,358	189,601	24,108,007	359,000	36,859,365	548,937	548,601	336	-	-
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	8,813,848	119,700	31,763,053	432,400	24,363,861	331,300	331,200	100	16,213,040	220,900

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

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 4-2

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter party	Relation ship	Beginning Balance		Acquisition (Note)		Disposal				Ending Balance (Note)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
Taita Chemical Company, Ltd.	Beneficiary certificates Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	31,076,296	\$ 423,000	23,006,062	\$ 313,186	\$ 313,000	\$ 186	8,070,234	\$ 110,000

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

USI CORPORATION AND SUBSIDIARIES
(Asia Polymer Corporation)
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 4-3

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
Asia Polymer Corporation	Shares													
	Ever Conquest Global Limited.	Investment accounted for using the equity method	—	Equity method investee	144,160,000	\$ 4,265,335	18,832,000	\$ 570,606	-	\$ -	\$ -	\$ -	162,992,000	\$ 4,783,584
														(Note 1)
	Funds													
	FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	957,942	171,000	2,128,017	382,000	2,807,723	503,825	503,000	825	278,235	50,000
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	18,356,835	248,000	19,454,043	265,000	33,042,021	450,133	448,000	2,133	4,768,857	65,017
														(Note 2)

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

Note 2: The ending balance of \$65,017 thousand is the investment cost of \$65,000 thousand plus the evaluation adjustment of \$17 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, 2020

TABLE 5

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
USI Corporation	Asia Polymer Corporation	Subsidiary	Purchase	\$ 431,231	9.24	Within 60 days after purchasing on credit	No significant difference	No significant difference	(\$ 86,802)	(14.49)	

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

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corp. (ACME))

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

TABLE 5-1

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

Buyer / Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase / Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	
Acme Electronics Corp.	Acme Electronics (Guang-Zhou) Co., Ltd.	Subsidiary of GAEL	Purchase (including processing fee)	\$ 284,607	52	55 days	—	—	Accounts payable to related parties (\$ 117,661)	74	Note 2
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corp.	Subsidiary of GAEL	Sell (including processing fee)	(284,607)	42	55 days	—	—	Accounts receivable from related parties 117,661	49	Note 2

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

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

USI CORPORATION AND SUBSIDIARIES

(Swanson Plastics Corporation (SPC))

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

TABLE 5-2

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

Buyer / Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction Unit Price	Payment Terms	Notes/Accounts Receivable (Payable)			Note
			Purchase/Sale	Amount	% of Total	Payment Terms			Financial Statement Ending Balance	Account and % of Total		
Swanson Plastics (Singapore) Pte. Ltd.	Swanson Plastics (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	\$ 160,586	81	90 days	No significant difference	No significant difference	Accounts payable to related parties (\$ 26,436)	(92)		
Forever Young Company Limited	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(224,809)	(31)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 54,935	27		
Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Purchase	105,118	15	90 days	No significant difference	No significant difference	Accounts payable to related parties (12,099)	(9)		
Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	Have the same ultimate parent company	Sale	(264,542)	(37)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 23,604	12		
Swanson Plastics (Kunshan) Co., Ltd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	224,809	33	90 days	No significant difference	No significant difference	Accounts payable to related parties (54,935)	(50)		
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Young Company Limited	Have the same ultimate parent company	Sale	(105,118)	(14)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 12,099	8		
Swanson Plastics (Malaysia) Sdn. Bhd.	Forever Young Company Limited	Have the same ultimate parent company	Purchase	264,542	44	90 days	No significant difference	No significant difference	Accounts payable to related parties (23,604)	(62)		
Swanson Plastics (Malaysia) Sdn. Bhd.	Swanson Plastics (Singapore) Pte. Ltd.	Parent company	Sale	(160,586)	(22)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 26,436	18		
Swanson Plastics (Kunshan) Co., Ltd.	ASK-Swason (Kunshan) Co., Ltd.	Have the same ultimate parent company	Sale	(117,651)	(14)	60 days	No significant difference	No significant difference	Accounts receivable from related parties 34,610	13		
ASK-Swason (Kunshan) Co., Ltd.	Swanson Plastics (Kunshan) Co., Ltd.	Have the same ultimate parent company	Purchase	117,651	64	60 days	No significant difference	No significant difference	Accounts payable to related parties (34,610)	(69)		

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

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

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

TABLE 5-3

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction Unit Price	Payment Terms	Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms			Financial Statement Account and Ending Balance	% of Total	
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchase	\$ 2,779,416	72	45 days	No significant difference	No significant difference	Accounts payable to related parties (\$ 695,203)	(77)	Note
	CGPC America Corporation	Subsidiary	Sale	(281,369)	(5)	90 days	No significant difference	No significant difference	Accounts receivable from related parties 91,395	10	Note
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(2,779,416)	(51)	45 days	No significant difference	No significant difference	Accounts receivable from related parties 695,203	51	Note
	CGPC Polymer Corporation	Fellow subsidiary	Sale	(2,500,204)	(46)	75 days	No significant difference	No significant difference	Accounts receivable from related parties 664,112	49	Note
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchase	2,500,204	96	75 days	No significant difference	No significant difference	Accounts payable to related parties (664,112)	(96)	Note
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchase	281,369	86	90 days	No significant difference	No significant difference	Accounts payable to related parties (91,395)	(92)	Note

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

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 5-4

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	A m o u n t	% o f T o t a l	P a y m e n t T e r m s	Unit Price	P a y m e n t T e r m s	Financial Statement Account and Ending Balance	% o f T o t a l	
Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Sub-subsidiary	Sale	(\$ 504,943) (USD 17,000 thousand)	(6.71)	30 days	No significant difference	No significant difference	Accounts receivable from related parties \$ 544 (USD 19 thousand)	0.05	Note

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

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation)

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

TABLE 5-5

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

Buyer / Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	
Asia Polymer Corporation	USI Corporation	Ultimate parent company	SALES	(\$ 431,231)	(10.82)	60 days	No significant difference	No significant difference	Accounts receivable from related parties \$ 89,096	18.90	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Ultimate parent company	SALES	(307)	(0.01)	30 days	No significant difference	No significant difference	Accounts receivable from related parties -	-	
Asia Polymer Corporation	USI Corporation	Ultimate parent company	PURCHASES	66,065	2.86	30 days	No significant difference	No significant difference	Accounts payable to related parties -	-	
USI Trading (Shanghai) Co., Ltd.	USI Corporation	Ultimate parent company	PURCHASES	83,421	3.61	30 days	No significant difference	No significant difference	Accounts payable to related parties(31,879)	11.90	

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

USI CORPORATION AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2020

TABLE 6

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

Company Name	Related Party	Relationship	Ending Balance (Note 3)	Turnover Rate (%)	O v e r d u e		A m o u n t s Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
USI Corporation	Taiwan VCM Corporation	Subsidiary of the Company	Other receivables - related parties \$ 30,882	-	\$ -	-	\$ 30,882	Note 1
	Asia Polymer Corporation	Subsidiary of the Company	Other receivables - related parties 32,820	-	-	-	32,820	Note 1

Note 1: It is assessed that no allowance for impairment loss is needed.

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

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

USI CORPORATION AND SUBSIDIARIES

(Acme Electronics Corporation)

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

SEPTEMBER 30, 2020

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

TABLE 6-1

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate (%)	O v e r d u e		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 \$ 205,262	-	\$ -	-	\$ 61,719	Note 1
Acme Electronics (Guang-Zhou) Co., Ltd.	Acme Electronics Corporation	Subsidiary of GAEL	Receivables - related parties 117,661	3.26	-	-	-	Note 1

Note 1: It is assessed that no allowance for impairment loss is needed.

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

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

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2020

TABLE 6-2

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

Company Name	Related Party	Relationship	Ending Balance (Note 3)	Turnover Rate (%)	O v e r d u e		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
ASK-Swanson (Kunshan) Ltd.	Swanson Plastics (Tianjin) Co., Co., Ltd.	Fellow subsidiary	Other receivables - related parties \$ 189,280 (RMB 44,296 thousand)	-	\$ -	—	\$ -	Note 1

Note 1: It is assessed that no allowance for impairment loss is needed.

Note 2: The subsequent period refers to the period from October 1, 2020 to November 3, 2020.

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

USI CORPORATION AND SUBSIDIARIES
 (China General Plastics Corporation)
 RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 SEPTEMBER 30, 2020

TABLE 6-3

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

Company Name	Related Party	Relationship	Ending Balance (Note 3)	Turnover Rate (%)	O v e r d u e		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Accounts receivable from related parties <u>\$ 695,203</u>	4.75	\$ -	—	\$ 370,162	Note 1
	CGPC Polymer Corporation	Fellow subsidiary	Accounts receivable from related parties <u>\$ 664,112</u>	4.73	-	—	-	Note 1

Note 1: It is assessed that no allowance for impairment loss is needed.

Note 2: The subsequent period refers to the period from October 1, 2020 to October 26, 2020.

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

USI CORPORATION AND SUBSIDIARIES

(Taita Chemical Company, Ltd.)

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

SEPTEMBER 30, 2020

TABLE 6-4

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate (%)	O v e r d u e		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Sub-subsidiary	Other receivables \$ 271,126 (USD 9,317 thousand) (Note 1)	-	\$ 271,126	Continuous collection	\$ -	\$ -

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

Note 2: There was no amount received as of November 3, 2020.

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

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation (APC))

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

SEPTEMBER 30, 2020

TABLE 6-5

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate (%)	O v e r d u e		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 \$ 89,096	4.87	\$ -	—	\$ 40,929	Note 1
	USI Corporation	Ultimate parent company	Other receivables - related parties 33,643		-	—	299	Note 1

Note 1: It is assessed that no allowance for impairment loss is needed.

Note 2: The subsequent period refers to the period from October 1, 2020 to November 3, 2020.

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

USI CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 7

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	N o t e
				September 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
USI Corporation	USIFE Investment Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focused on "production, transportation, storage, building, bank, securities investment and trading industry")	\$ 550,000	\$ 550,000	87,250,800	100.00	\$ 770,989	\$ 53,927	\$ 53,927	Subsidiary
	Swanlake Traders Ltd.	Flemming House, Wickhamo Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Trading and investment	728,439	728,439	30,000,000	100.00	1,313,114	14,336	14,336	Subsidiary
	USI (Hong Kong) Company Limited	6/F., Caltex House, 258 Hennessy Road, Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	121,708	(3,062)	(3,062)	Subsidiary
	Union Polymer Int'l Investment Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Investment (focused on "production and service industry")	3,490,255	3,490,255	616,268,754	100.00	6,848,619	744,794	725,092	Subsidiary
	Taiwan United Venture Capital Corp.	10F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Venture capital (focused on "high technology industry")	471,800	471,800	32,900,000	70.00	179,925	(2,594)	(1,816)	Subsidiary
	Chong Loong Trading Co., Ltd.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Import and export trade	28,323	28,323	4,358,183	99.93	47,656	3,065	3,108	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	1,007,598	180,320	73,170	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	327,740	36,961	9,948	Subsidiary
	INOMA Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Optical products and fireproof materials	250,354	250,354	9,243,369	94.37	20,259	(7,842)	(7,335)	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	(485)	91	91	Subsidiary
	Cypress Epoch Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	150,540	150,540	5,000,000	100.00	125,209	892	892	Subsidiary
	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Reinforced plastic products manufacturing	36,250	36,250	-	-	-	15	4	Subsidiary
	Ever Conquest Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	7,645,980	7,645,980	246,670,000	60.21	7,239,415	(83,826)	(51,672)	Subsidiary
	USI Corporation Optronics	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacturing and marketing of sapphire crystal	330,000	330,000	33,000,000	50.85	80,484	(40,719)	(20,704)	Subsidiary

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	N o t e
				September 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
Ever Conquest Global Limited	Ever Victory Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investment	11,921,164 (USD 409,662 thousand)	11,373,153 (USD 390,830 thousand)	409,662,000	71.04	12,022,999 (USD 413,161 thousand)	(111,481) (USD -3,736 thousand)		Subsidiary
Ever Victory Global Limited	Dynamic Ever Investments Limited	Room 1902, 19/F, Lee Gargen One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Investment	16,765,645 (USD 576,139 thousand)	14,209,123 (USD 488,286 thousand)	576,139,000	85.32	16,893,748 (USD 580,541 thousand)	(126,328) (USD -4,235 thousand)		Sub-subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
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	126,239,833	36.67	\$ 2,186,462	\$ 1,129,008		Sub-subsidiary
	Asia Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of low-density polyethylene, medium-density polyethylene, ethylene vinyl acetate and importing and marketing of linear low-density polyethylene and high-density polyethylene	1,965,437	1,965,437	188,297,389	32.35	3,980,086	559,628		Sub-subsidiary
	China General Plastics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of plastic cloths, plastic skins, plastic tubes, plastic pellets, plastic powder and other related products	1,320,045	1,320,045	133,914,219	24.20	2,224,817	613,469		Sub-subsidiary
USIFE Investment Co., Ltd.	Acme Electronics Corp.	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of manganese-zinc soft ferrite powder	155,632	155,632	16,424,242	8.98	123,883	36,961		Subsidiary
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production, marketing and development of EVA packaging film and other value added plastic products	30,000	30,000	3,000,000	15.00	(15,610)	(10,410)		Sub-subsidiary
	Taiwan United Venture Management Corp.	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Business management consulting	8,000	8,000	800,000	100.00	15,884	975		Sub-subsidiary
Taiwan United Venture Capital Corp.	Thintec Materials Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Reinforced plastic products manufacturing	21,465	21,465	-	-	-	15		Subsidiary
Chong Loong Trading Co., Ltd.	Forum Pacific Trading Ltd.	British Virgin Islands	Import and export trade	6,402 (USD 220 thousand)	6,402 (USD 220 thousand)	220,000	100.00	6,630	(20) (USD -1 thousand)		Sub-subsidiary
Swanlake Traders Ltd.	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Investment	102,956 (USD3,538 thousand)	102,956 (USD 3,538 thousand)	5,609,231	11.23	130,854 (USD4,497 thousand)	(2,871) (USD -94 thousand)		Sub-subsidiary

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

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

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

USI CORPORATION AND SUBSIDIARIES
(Acme Electronics Corporation)
INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 7-1

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount (Note 2)		As of September 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Investment	\$ 605,182 (USD 18,336 thousand)	\$ 605,182 (USD 18,336 thousand)	25,621,692	51.27	\$ 596,564	(\$ 2,871) (USD-93 thousand)	(\$ 2,000) (USD-66 thousand)	Note 1
	Golden Amber Enterprises Limited	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Investment	669,072 (USD 20,800 thousand)	669,072 (USD 20,800 thousand)	20,800,000	100.00	852,060	46,960	46,960	Note 1
	ACME Electronics (BVI) Corp.	CITCO Building, Wickhams Cay P.O. Box 662, Road Town, Tortola, British Virgin Islands	Investment	-	23,923 (USD730 thousand)	-	-	-	(153) (USD -5 thousand)	(153) (USD -5 thousand)	Notes 1 and 3
	USI Optronics Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Production and marketing of sapphire monocrystals	646,200	646,200	22,064,224	34.00	53,812	(40,719)	(13,843)	
ACME Electronics (Cayman) Corp.	ACME Components (Malaysia) Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Investment	USD 11,891 thousand	USD 11,891 thousand	42,600,000	100.00	USD 20,615 thousand	USD366 thousand (MYR 1,595 thousand)	USD366 thousand (MYR 1,595 thousand)	Note 1
ACME Components (Malaysia) Sdn. Bhd.	ACME Ferrite Products Sdn. Bhd.	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Production and marketing of soft ferrite core	MYR 37,964 thousand	MYR 37,964 thousand	9,120,000	100.00	MYR 87,888 thousand	MYR 1,657 thousand	MYR 1,657 thousand	Note 1

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

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

Note 3: ACME Electronics (BVI) Corp. had been liquidated on June 30, 2020.

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

USI CORPORATION AND SUBSIDIARIES
(Swanson Plastics Corporation)
INFORMATION ON INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 7-2

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020		Net Income (Loss) of the Investee	Share of Profits (Loss)	Note	
				September 30, 2020 (Note 2)	December 31, 2019 (Note 2)	Number of Shares	Percentage (%)				Carrying Amount
Swanson Plastics Corporation	Swanson Plastics (Singapore) Private Limited	2 Venture Drive Vision Exchange #12-10 Singapore 608526	Production and marketing of plastic products	\$ 808,506	\$ 808,506	36,863	100	\$ 1,831,272	\$ 96,616	\$ 96,616	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	72,807	5,678	5,678	
	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	1,554,624	104,660	104,660	Note 3
	Curtana Company Ltd.	Flatb 6/F Caltex House 258 Hennessy Road Wanchai, Hong Kong	Investment	4,850	4,850	1,600	100	6,341	-	-	
	Swanson Technologies Corporation	12F., No. 37, Jihu Rd., Neihsu Dist., Taipei City 114, Taiwan	EVA packaging film and production, planting, development and sales of agri-technologies	140,000	140,000	14,000	70	(72,847)	(10,410)	(7,287)	
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	7,979	7,979	261	1	6,962	35,442	354	
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	191,868 (USD6,593 thousand)	191,868 (USD6,593 thousand)	20,000	100	621,872 (USD 21,370 thousand)	83,665 (MYR 12,433 thousand)		
	Swanson Plastics (India) Private Ltd.	PLOT No.2, GDDIDC. Honda, Bhuipal Sattari-403 506, Goa-India	Production and marketing of plastic products	480,466 (USD 16,511 thousand)	480,466 (USD 16,511 thousand)	107,351	100	298,599 (USD 10,261 thousand)	(7,249) (INR -18,240 thousand)		
	PT. Swanson Plastics Indonesia	Ngoro Industrial Park Blok D2-3 Ds. Lolawang Kec. Ngoro Kab. Mojokerto	Production and marketing of plastic products	751,945 (USD 25,840 thousand)	751,945 (USD 25,840 thousand)	25,840	99	689,192 (USD 23,684 thousand)	35,442 (IDR 17,124,453 thousand)		
Swanson International Ltd.	A.S. Holdings (UK) Limited	United Kingdom	Investment	206,438 (USD7,094 thousand)	206,438 (USD7,094 thousand)	3,157	100	535,818 (USD 18,413 thousand)	18,842 (USD 627 thousand)		Notes 1 and 3

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

Note 2: The original investment amount and carrying amount were calculated using the spot exchange rate as of September 30, 2020.

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

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

USI CORPORATION AND SUBSIDIARIES
(China General Plastics Corporation)
INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 7-3

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020		Net Income (Loss) of the Investee	Share of Profits (Loss)	Note	
				September 30, 2020	December 31, 2019	Number of Shares	Percentage (%)				Carrying Amount
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (ROC)	Manufacture and marketing of vinyl chloride monomer	\$ 2,930,995	\$ 2,930,995	240,206,420	87.22	\$ 3,388,919	\$ 460,218	\$ 398,451	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	973,353	79,127	79,127	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	345,520	2,809	2,809	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	19,918,185	33.33	290,058	54,134	18,045	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881	Marketing of PVC second - and third-time processed products	648,931	648,931	100	100	202,272	13,567	13,567	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Manufacture and marketing of manganese-zinc soft ferrite powder	33,995	33,995	3,176,019	1.74	22,124	36,961	642	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	1	Associate accounted for using the equity method (Note 1)

Note 1: On April 12, 2019, the board of director of TMC resolved to dissolve from May 25, 2019. CGPC recovered \$1,274 thousand dollar in share capital in May 2020, and TMC completed the dissolution and liquidation procedures on July 22, 2020.

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

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

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Ltd.)
INFORMATION ON INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 7-4

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 1,796,576 (USD 61,738 thousand)	\$ 1,796,576 (USD 61,738 thousand)	61,738,000	100.00	\$ 1,878,587 (USD 64,556 thousand)	\$ 412,983 (USD 13,943 thousand)	\$ 412,983 (USD 13,943 thousand)	Subsidiary (Notes 1 and 3)
	China General Plastics Corporation	Taipei	Manufacturing and marketing of PVC plastic cloth and three-time processed products	65,365	65,365	10,967,785	1.98	171,595	613,469	12,159	Investments accounted for using the equity method (Note 1)
	China General Terminal & Distribution Corporation	Taipei	Warehousing of petrochemical raw materials	41,082	41,082	19,918,183	33.33	290,058	54,134	18,045	Investments accounted for using the equity method (Note 2)
	Acme Electronics Corporation	Taipei	Manufacturing and marketing of manganese-zinc and ferrite core	44,771	44,771	4,445,019	2.43	30,964	36,961	898	Investments accounted for using the equity method (Note 1)
	Thintec Materials Corporation	Taipei	Manufacturing of reinforced plastic products	-	15,000	-	-	-	15	1	Investments accounted for using the equity method (Note 4)
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	49,471 (USD1,700 thousand)	49,471 (USD1,700 thousand)	2,695,619	5.39	62,885 (USD2,161 thousand)	(2,871) (USD -93 thousand)	- -	Investments accounted for using the equity method (Note 1)

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

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

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

Note 4: Thintec Materials Corporation (TMC) went into dissolution and liquidation from May 25, 2019. The Group obtained \$1,247 thousand of the remaining property distribution from liquidation in May 2020, and recognized a loss on disposal of \$173 thousand while TMC completed the dissolution and liquidation procedures on July 22, 2020.

Note 5: 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, 2020

TABLE 7-5

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 400,847 (USD13,775 thousand)	\$ 400,847 (USD13,775 thousand)	11,342,594	100.00	\$ 496,301	\$ 11,612	\$ 11,612	Subsidiary (Note 1)
	APC Investment Corporation	Taipei	Investment	200,000	200,000	20,000,000	100.00	111,777	13,098	13,098	Subsidiary (Note 1)
	USI International Corp.	British Virgin Islands	Reinvestment	81,480 (USD2,800 thousand)	81,480 (USD2,800 thousand)	2,800,000	70.00	84,866	4,966	3,476	Subsidiary (Note 1)
	China General Plastics Corporation	Taipei	Production and sales of plastic sheets, plastic leather, plastic tubes, plastic granules, plastic powder, profile extrusion materials, chlor-akali products and other related products	247,412	247,412	44,653,510	8.07	698,622	613,469	49,502	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei	Warehousing and transportation of petrochemical raw materials	41,082	41,082	19,918,184	33.33	290,058	54,134	18,045	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei	Manufacture and marketing of stretch film and industrial multi-layer packaging film	75,242	75,242	12,266,779	7.95	198,368	180,320	14,334	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei	Manufacture and marketing of manganese zinc, manganese-zinc ferrite, magnetic powder and ferrite core	61,348	61,348	6,056,623	3.31	42,190	36,961	1,223	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei	Investment in high technology businesses	52,791	52,791	3,913,533	8.33	21,403	(2,594)	(216)	Investments accounted for using the equity method
	Thintec Materials Corporation	Taipei	Manufacture of reinforced plastic products	36,250	36,250	-	-	-	15	4	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20	14,566	(40,719)	(3,747)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	4,743,067 (USD 162,992 thousand)	4,195,056 (USD 144,160 thousand)	162,992,000	39.79	4,783,584	(83,826)	(32,154)	Investments accounted for using the equity method
	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	152,627 (USD5,245 thousand)	152,627 (USD5,245 thousand)	8,316,450	16.64	194,009	(2,871)	-	Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	34,920 (USD1,200 thousand)	34,920 (USD1,200 thousand)	1,200,000	30.00	36,371	4,966	-	Investments accounted for using the equity method (Note 1)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2020	December 31, 2019	Number of Shares	Percentage (%)	Carrying Amount			
APC Investment Corporation	Acme Electronics Corporation	Taipei	Manufacture and marketing of manganese zinc, manganese-zinc ferrite, magnetic powder and ferrite core	14,889	14,889	1,884,548	1.03	13,128	36,961	-	Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei	Manufacture and marketing of EVA film	30,000	30,000	3,000,000	15.00	(15,610)	(10,410)	-	Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment	11,921,164 (USD 409,662 thousand)	11,373,153 (USD 390,830 thousand)	409,662,000	71.04	12,022,999 (USD 413,161 thousand)	(111,481) (USD3,736 thousand)	-	Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment	16,765,645 (USD 576,139 thousand)	14,209,123 (USD 488,286 thousand)	576,139,000	85.32	16,893,748 (USD 580,541 thousand)	(126,328) (USD4,235 thousand)	-	Investments accounted for using the equity method

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

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

USI CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 8

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 8)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 8)	Investment Flows (Note 8)		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2020 (Note 8)	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss)	Carrying Amount as of September 30, 2020	Accumulated Repatriation of Investment Income as of September 30, 2020
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 894,098 (USD30,725 thousand)	Note 1	\$ 81,990 (USD 2,818 thousand)	\$ -	\$ -	\$ 81,990 (USD 2,818 thousand)	\$ 2,051 (USD 69 thousand)	11.23	\$ 230 (USD 8 thousand)	\$ 85,680 (USD 2,830 thousand)	\$ -
Usig (Shanghai) Co., Ltd.	Importing and distributing various chemical raw materials and products	145,500 (USD 5,000 thousand)	Note 2	145,500 (USD 5,000 thousand)	-	-	145,500 (USD 5,000 thousand)	892 (USD 30 thousand)	100.00	892 (USD 30 thousand)	125,210 (USD 4,136 thousand)	-
Fujian Gulei Petrochemical Co., Ltd. ("Gulei")	Crude oil processing and petroleum products manufacturing	37,237,503 (RMB 8,714,400 thousand)	Note 3	6,624,773 (USD 227,655 thousand)	79,091 (USD 2,718 thousand)	-	6,703,864 (USD 230,373 thousand)	(229,183) (USD-7,691 thousand)	18.25	(45,671) (USD-1,531 thousand)	6,757,307 (USD 232,210 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$7,104,717 (USD244,148 thousand)	\$7,955,460 (USD273,384 thousand)	\$ - (Note 2)

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

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

Note 3: The Company reinvested in 50% of the outstanding shares of Gulei via Ever Conquest Global Limited (60.21%), then via Ever Victory Global Limited (71.04%), and finally via Dynamic Ever Investments Limited (85.32%).

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

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

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

Note 7: The amount was calculated using the spot exchange rate as of September 30, 2020.

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

USI CORPORATION AND SUBSIDIARIES
(Acme Electronics Corporation (ACME))
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 8-1

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 5)	I n v e s t m e n t F l o w s		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2020 (N o t e 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, 2020 (Notes 7 and 8)	Accumulated Repatriation of Investment Income as of September 30, 2020
					Outflow	Inflow						
Acme Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	USD 30,725 thousand	II	\$ 374,188 (USD 11,144 thousand)	\$ -	\$ -	\$ 374,188 (USD 11,144 thousand)	\$ 2,051 (RMB523 thousand)	51.27	\$ 1,052 (RMB268 thousand)	\$ 391,364 (RMB 91,588 thousand)	\$ -
Acme Electronics (Guang-Zhou) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	USD 19,200 thousand	II	\$ 619,676 (USD 19,200 thousand)	-	-	\$ 619,676 (USD 19,200 thousand)	\$ 47,590 (RMB 11,233 thousand)	100.00	\$ 47,590 (RMB 11,233 thousand)	\$ 846,211 (RMB 198,032 thousand)	\$ -

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$883,010 (USD 30,344 thousand) (Notes 3 and 7)	\$1,066,020 (USD 36,633 thousand) (Notes 3 and 7)	\$ - (Note 2)

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

Note 2: As the Company has obtained the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 09704604680 on August 29, 2008, the upper limit on investment in mainland China is not applicable.

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

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

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

Note 6: The calculation was based on the average exchange rate from January 1, 2020 to September 30, 2020.

Note 7: The amount was calculated using the spot exchange rate on September 30, 2020.

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

USI CORPORATION AND SUBSIDIARIES
(Swanson Plastics Corporation)
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 8-2

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2020	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 3)	Carrying Amount as of September 30, 2020 (Note 3)	Accumulated Repatriation of Investment Income as of September 30, 2020
					Outflow	Inflow						
Swanson Plastics (Kunshan) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	\$ 386,739 (USD 13,290 thousand)	Indirect investment via Swanson International Ltd. of British Cayman Islands	\$ 223,930	\$ -	\$ -	\$ 223,930	\$ 85,818 (USD 2,879 thousand)	100.00	\$ 85,818 (USD 2,879 thousand)	\$ 1,109,134 (USD 38,115 thousand)	\$ -
ASK-Swanson (Kunshan) Co., Ltd.	Management of PE release film and other release products	264,810 (USD 9,100 thousand)	Indirect investment in A.S. Holdings (UK) Limited via Swanson International Ltd.	193,447	-	-	193,447	18,842 (USD 627 thousand)	100.00	18,842 (USD 627 thousand)	535,818 (USD 18,413 thousand)	-
Swanson Plastics (Tianjin) Co., Ltd.	Production, sales and development of multi-functional film, optical film, etc.	311,370 (USD 10,700 thousand)	Indirect investment via Swanson (Singapore) Private Ltd.	170,754	-	-	170,754	(29,494) (USD -989 thousand)	100.00	(29,494) (USD -989 thousand)	104,004 (USD 3,574 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 588,131	\$ 954,065 (USD 32,786 thousand)	\$ - (Note 2)

Note 1: Paid in capital and upper limit on the investment amount stipulated by Industrial Development Bureau, MOEA were calculated using the spot exchange rate on September 30, 2020.

Note 2: According to the certificate of being qualified for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920418410, the upper limit on investment in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable, and the effective period is from 2020 to 2023.

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

USI CORPORATION AND SUBSIDIARIES
(China General Plastics Corporation (CGPC))
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 8-3

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2020 (Note 1)	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 5)	Carrying Amount as of September 30, 2020 (Notes 1 and 5)	Accumulated Repatriation of Investment Income as of September 30, 2020
					Outflow	Inflow						
Continental General Plastics (ZhongShan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacture and marketing of PVC leather and third-time processed products	\$ 582,000 (USD 20,000 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	\$ 582,000 (USD 20,000 thousand)	\$ -	\$ -	\$ 582,000 (USD 20,000 thousand)	\$ 2,115 (USD71 thousand)	100.00	\$ 2,115 (USD71 thousand)	\$ 258,639 (USD 8,888 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacture and marketing of PVC third-time processed products	43,650 (USD 1,500 thousand)	Indirect investment via CGPC (BVI) Holding Co., Ltd.	43,650 (USD 1,500 thousand)	-	-	43,650 (USD 1,500 thousand)	(8) (USD - thousand)	100.00	(8) (USD - thousand)	13,224 (USD 454 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2020 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
\$ 788,086 (USD 27,082 thousand)	\$913,740 (USD 31,400 thousand)	\$ -

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

Note 2: As the CGPC obtained the certificate of qualification of operating headquarters issued by the Industrial Development Bureau No. 10920426850 on September 8, 2020, 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 \$19,904 thousand (US\$684 thousand), the investment amount of Union (ZS) of \$26,132 thousand (US\$898 thousand) and the investment amount of Continental General Plastics (SanHe) Co., Ltd. of \$116,400 thousand (US\$4,000 thousand).

Note 4: The board of directors of CGPC passed a resolution to dissolve CGPC (ZS) and CGPC (CP) in October 24, 2011. As of September 30, 2020, the dissolution procedures have not yet been completed.

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

USI CORPORATION AND SUBSIDIARIES
(Taita Chemical Company, Ltd. (TTC))
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 8-4

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	I n v e s t m e n t F l o w s		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2020	Net Income (Loss) of the Investee (Note 5)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 5)	Carrying Amount as of September 30, 2020 (Note 5)	Accumulated Repatriation of Investment Income as of September 30, 2020
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and marketing of polystyrene derivatives	\$ 1,345,875 (USD 46,250 thousand) (Note 1)	Investment through a holding company registered in a third region	\$ 1,251,300 (USD43,000 thousand)	\$ -	\$ -	\$ 1,251,300 (USD43,000 thousand)	\$ 458,146 (USD15,446 thousand)	100.00	\$ 458,146 (USD15,446 thousand) (Note 6)	\$ 2,735,628 (USD94,008 thousand) (Note 6)	\$ -
Taita Chemical (Tianjin) Co., Ltd. ("TAITA (TJ)")	Production and marketing of polystyrene derivatives	795,885 (USD27,350 thousand) (Note 2)	Investment through a holding company registered in a third region	756,600 (USD26,000 thousand)	-	-	756,600 (USD26,000 thousand)	(31,456) (USD-1,045 thousand)	100.00	(31,456) (USD-1,045 thousand) (Note 6)	(152,069) (USD5,226 thousand) (Note 6)	-
ACME Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	894,098 (USD30,725 thousand)	Investment through a holding company registered in a third region ACME Electronics (Cayman) Corp	39,402 (USD1,354 thousand)	-	-	39,402 (USD1,354 thousand)	2,051 (USD 69 thousand)	5.39	111 (USD 4 thousand)	41,177 (USD1,415 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 2,047,302 (USD 70,354 thousand)	\$ 2,206,284 (USD 75,817 thousand) (Note 3)	\$ - (Note 4)

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

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

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

Note 4: As the TTC obtained the certificate of qualification of operating headquarters issued by the Industrial Development Bureau No. 10820415160 on June 6, 2019, the upper limit on investment in Mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

Note 5: The recognition of investment income (loss) was based on financial statements audited by CPA of the parent company of TTC in Taiwan.

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

USI CORPORATION AND REINVESTMENT COMPANIES
(Asia Polymer Corporation (APC))
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 8-5

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	I n v e s t m e n t F l o w s		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2020	Net Income (Loss) of the Investee (Note 3)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 3)	Carrying Amount as of September 30, 2020 (Note 4)	Accumulated Repatriation of Investment Income as of September 30, 2020
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 894,098 (USD 30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 121,561 (USD 4,177 thousand)	\$ -	\$ -	\$ 121,561 (USD 4,177 thousand)	B \$ 2,051	16.64	\$ 341	\$ 127,032	\$ -
USI Trading(Shanghai) Co., Ltd.	Sales of chemical engineering products and equipment	72,750 (USD 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	88,336 (USD 3,036 thousand)	-	-	88,336 (USD 3,036 thousand)	C 10,201	100.00	10,201	116,480	-
Fujian Gulei Petrochemical Co., Ltd.	Processing of crude oil and manufacturing of petroleum products	37,237,503 (RMB 8,714,400 thousand)	(2) Dynamic Ever Investment Ltd. (Note 2)	3,872,438 (USD 133,073 thousand)	545,205	-	4,417,643 (USD 151,809 thousand)	C (229,183)	12.06	(28,683)	4,465,573	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$4,767,806 (Note 5) (USD 163,842 thousand)	\$6,112,036 (USD 210,036 thousand)	\$ - (Note 6)

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

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

Note 2: The Company reinvested in 50% of the outstanding shares of Gulei via Ever Conquest Global Limited (37.97%), then via Ever Victory Global Ltd. (71.04%), and finally via Dynamic Ever Investments Ltd. (85.32%).

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

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

Note 4: The amount was calculated using the exchange rate as at September 30, 2020.

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

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

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

USI CORPORATION AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 9

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	T r a n s a c t i o n D e t a i l s			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
0	USI Corporation	Swanson Plastics Corporation	a	Sales revenue	\$ 41,982	No significant difference	0.12
0	USI Corporation	Forever Young Company Limited	a	Sales revenue	64,653	No significant difference	0.19
0	USI Corporation	USI Trading (Shanghai) Co., Ltd.	a	Sales revenue	82,902	No significant difference	0.24
0	USI Corporation	USI (Hong Kong) Company Limited	a	Sales revenue	74,838	No significant difference	0.22
0	USI Corporation	Asia Polymer Corporation	a	Sales revenue	25,559	No significant difference	0.07
0	USI Corporation	Asia Polymer Corporation	a	Purchase	431,231	No significant difference	1.25
0	USI Corporation	Swanson Plastics Corporation	a	Purchase	40,410	No significant difference	0.12
0	USI Corporation	Asia Polymer Corporation	a	Raw materials sales revenue	40,505	No significant difference	0.12
0	USI Corporation	USI (Hong Kong) Company Limited	a	Accounts receivable	14,797	No significant difference	0.02
0	USI Corporation	USI Trading (Shanghai) Co., Ltd.	a	Accounts receivable	31,879	No significant difference	0.04
0	USI Corporation	Asia Polymer Corporation	a	Other receivables	32,720	No significant difference	0.04
0	USI Corporation	Taiwan VCM Corporation	a	Other receivables	30,024	No significant difference	0.04
0	USI Corporation	Asia Polymer Corporation	a	Company related payables	86,802	No significant difference	0.12
0	USI Corporation	Dynamic Ever Investments Limited	a	Management services revenue	14,837	No significant difference	0.02
0	USI Corporation	USI Management Consulting Corporation	a	Management services expense	89,341	No significant difference	0.12
0	USI Corporation	China General Terminal & Distribution Corporation	a	Direct material costs variance	34,968	No significant difference	0.05
0	USI Corporation	Taiwan VCM Corporation	a	Other payable	33,334	No significant difference	0.05
1	Asia Polymer Corporation	China General Terminal & Distribution	c	Storage tank operating	27,828	No significant	0.08

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	T r a n s a c t i o n D e t a i l s			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
1	Asia Polymer Corporation	Corporation Swanson Plastics Corporation	c	expense Purchase	21,338	difference No significant difference	0.06
1	Asia Polymer Corporation	Swanson Plastics Corporation	c	Sales revenue	25,354	No significant difference	0.07
1	Asia Polymer Corporation	Taita Chemical Co., Ltd.	c	Purchase	10,970	No significant difference	0.03
1	Asia Polymer Corporation	USIG(Shanghai)Co.,Ltd	c	Sales	47,243	No significant difference	0.14
2	China General Plastics Corporation	China General Terminal & Distribution Corporation	c	Cost of good purchased	53,592	No significant difference	0.07
2	China General Plastics Corporation	Swanson Plastics Corporation	c	Cost of good purchased	20,456	No significant difference	0.03
2	China General Plastics Corporation	USI Management Consulting Corporation	c	Management services expense	55,297	No significant difference	0.16
2	China General Plastics Corporation	Taiwan VCM Corporation	c	Purchase	2,779,416	No significant difference	8.03
2	China General Plastics Corporation	Taiwan VCM Corporation	c	Accounts payable	695,203	No significant difference	2.01
2	China General Plastics Corporation	CGPC America Corporation	c	Accounts receivable	91,395	No significant difference	0.26
2	China General Plastics Corporation	CGPC America Corporation	c	Sales revenue	281,369	No significant difference	0.81

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	T r a n s a c t i o n s D e t a i l s			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
2	China General Plastics Corporation	CGPC Polymer Corporation	c	Purchase	\$ 33,392	No significant difference	0.10
3	Taita Chemical Company, Ltd.	USI Management Consulting Corporation	c	Management services expense	37,445	No significant difference	0.05
3	Taita Chemical Company, Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	c	Sales revenue	504,943	No significant difference	0.69
3	Taita Chemical Company, Ltd.	Taita Chemical (Tianjin) Co., Ltd.	c	Other receivables	271,126	No significant difference	0.78
3	Taita Chemical Company, Ltd.	China General Terminal & Distribution Corporation		Storage tank operating fee	11,023	No significant difference	0.03
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Sales revenue	94,534	No significant difference	0.27
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	c	Sales revenue	62,829	No significant difference	0.18
4	Acme Electronics Corporation	ACME Ferrite Product Sdn. Bhd.	c	Sales revenue	12,808	No significant difference	0.04
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Cost of goods sold	48,716	No significant difference	0.14
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	c	Processing fee (entered as cost of goods sold)	282,118	No significant difference	0.39
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Accounts receivable—related parties	18,089	No significant difference	0.02
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	c	Accounts receivable—related parties	14,816	No significant difference	0.02
4	Acme Electronics Corporation	ACME Electronics (Cayman) Corp.	c	Other receivables—related parties	205,262	No significant difference	0.28
4	Acme Electronics Corporation	Acme Electronics (Guangzhou) Co., Ltd.	c	Note payables and accounts payable—related parties	117,661	No significant difference	0.16
4	Acme Electronics Corporation	Acme Electronics (Kunshan) Co., Ltd.	c	Note payables and accounts payable—related parties	14,842	No significant difference	0.02
5	USI Management Consulting Corporation	Asia Polymer Corporation	c	Management services revenue	29,679	No significant difference	0.04
5	USI Management Consulting Corporation	Swanson Plastics Corporation	c	Management services revenue	22,557	No significant difference	0.03
5	USI Management Consulting Corporation	China General Terminal & Distribution Corporation	c	Management services revenue	14,230	No significant difference	0.04
6	Taita Chemical (Zhongshan) Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	c	Other receivables	66,522	No significant difference	0.19
7	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guangzhou) Co., Ltd.	c	Sales revenue	27,904	No significant difference	0.04

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	T r a n s a c t i o n s D e t a i l s			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
7	Acme Electronics (Kunshan) Co., Ltd.	Acme Electronics (Guangzhou) Co., Ltd.	c	Cost of goods sold	16,475	No significant difference	0.02
7	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	c	Accounts receivable— related parties	44,709	No significant difference	0.06
7	Acme Electronics (Kunshan) Co., Ltd.	ACME Ferrite Product Sdn. Bhd.	c	Sales revenue	12,218	No significant difference	0.04
8	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Accounts payable	664,112	No significant difference	1.92
8	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Other payables	16,510	No significant difference	0.02
8	CGPC Polymer Corporation	Taiwan VCM Corporation	c	Purchase	2,500,204	No significant difference	3.43
9	Swanson Plastics Corporation	USI Corporation	b	Sales revenue	43,397	No significant difference	0.13
9	Swanson Plastics Corporation	USI Corporation	b	Cost of goods sold	42,168	No significant difference	0.12
9	Swanson Plastics Corporation	Asia Polymer Corporation	c	Cost of goods sold	25,352	No significant difference	0.07
9	Swanson Plastics Corporation	Asia Polymer Corporation	c	Sales revenue	22,826	No significant difference	0.07
9	Swanson Plastics Corporation	USI Management Consulting Corporation	c	Management services expense	22,557	No significant difference	0.03
9	Swanson Plastics Corporation	China General Plastics Corporation	c	Sales revenue	18,214	No significant difference	0.03
9	Swanson Plastics Corporation	Forever Young Company Limited	c	Accounts receivable	15,374	No significant difference	0.04
9	Swanson Plastics Corporation	Forever Young Company Limited	c	Sales revenue	43,477	No significant difference	0.06
9	Swanson Plastics Corporation	Forever Young Company Limited	c	Other income	16,086	No significant difference	0.02
9	Swanson Plastics Corporation	Swanson Plastics (Kunshan) Corp.	c	Accounts receivable	16,898	No significant difference	0.02

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	T r a n s a c t i o n s D e t a i l s			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	Ratio to Total Sales or Assets (%)(Note 4)
10	Forever Young Company Limited	Swanson Plastics (India) Private Ltd.	c	Sales revenue	\$ 36,150	No significant difference	0.10
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Corp.	c	Accounts receivable	54,935	No significant difference	0.16
10	Forever Young Company Limited	Swanson Plastics (Kunshan) Corp.	c	Sales revenue	224,809	No significant difference	0.65
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts receivable	23,604	No significant difference	0.07
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts payable	12,099	No significant difference	0.03
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	105,118	No significant difference	0.30
10	Forever Young Company Limited	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Sales revenue	264,542	No significant difference	0.36
10	Forever Young Company Limited	PT Swanson Plastics Indonesia	c	Sales revenue	83,163	No significant difference	0.24
10	Forever Young Company Limited	Swanson International Ltd.	c	Other receivables	90,356	No significant difference	0.26
10	Forever Young Company Limited	USI Corporation	b	Cost of goods sold	66,165	No significant difference	0.19
11	Swanson Plastics (Kunshan) Corp.	API-Swanson (Kunshan) Co., Ltd.	c	Accounts receivable	34,610	No significant difference	0.05
11	Swanson Plastics (Kunshan) Corp.	API-Swanson (Kunshan) Co., Ltd.	c	Sales revenue	117,651	No significant difference	0.34
12	SWANSON PLASTICS (SINGAPORE) PTE LTD.	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Cost of goods sold	160,586	No significant difference	0.46
12	SWANSON PLASTICS (SINGAPORE) PTE LTD.	Swanson Plastics (Malaysia) Sdn. Bhd.	c	Accounts payable	26,436	No significant difference	0.08
12	SWANSON PLASTICS (SINGAPORE) PTE LTD.	PT Swanson Plastics Indonesia	c	Other receivables	29,100	No significant difference	0.04
12	SWANSON PLASTICS (SINGAPORE) PTE LTD.	PT Swanson Plastics Indonesia	c	Cost of goods sold	36,920	No significant difference	0.05
13	ASK-Swanson (Kunshan) Co., Ltd.	Swanson Plastics (Tainjin) Co., Ltd.	c	Other receivables	189,280	No significant difference	0.26

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

a. The Company: 0.

b. The subsidiaries were marked from 1 in order of numeric characters by the companies.

Note 2: Investment types are as follows:

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

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

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

USI CORPORATION AND SUBSIDIARIES

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 10

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

Investee Company	Financial Statement Account	Amount	Percentage (%)	Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gains or Losses	Note
					Payment Terms	Compared to General Transactions	Amount	Percentage (%)		
USI (Hong Kong) Company Limited	Sales revenue	\$ 74,838	1.07	No significant difference	Within 60 days after selling on credit	No significant difference	\$ 17,769	2.97	\$ -	—
USI Trading (Shanghai) Co., Ltd.	Sales revenue	82,902	1.19	—	Within 60 days after selling on credit	No significant difference	31,879	5.32	-	—
	Commission expense	328	-	—	—	—	-	-	-	—
Dynamic Ever Investments Limited	Management service revenue	14,837	-	—	—	—	-	-	-	—
	Other income	192	-	—	—	—	-	-	-	—
	Other receivables from related parties	4,923	-	—	—	—	-	-	-	—

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

USI CORPORATION AND SUBSIDIARIES

(Asia Polymer Corporation (APC))

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

TABLE 10-1

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

Investee Company	Financial Statement Account	Amount	Percentage (%)	Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gains or Losses	Note
					Payment Terms	Compared to General Transactions	Amount	Percentage (%)		
USI Trading (Shanghai) Co., Ltd.	Sales revenue	\$ 47,243	1.19	No significant difference	Within 90 days after selling on credit	No significant difference	\$ 5,486	1.16	\$ -	—
	Commission expenses	479	-	—	—	—	-	-	-	—
	Non-operating income and expense - rental income	1,128	-	—	—	—	-	-	-	—
	Management services expense	92	-	—	—	—	-	-	-	—
	Other payables	1,708	-	—	—	—	-	-	-	—
	Other receivables	8,575	-	—	—	—	-	-	-	—

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

USI CORPORATION
INFORMATION ON MAJOR SHAREHOLDERS
SEPTEMBER 30, 2020

TABLE 11

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

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

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